

BQD  青島銀行

(A joint stock company incorporated in
the People's Republic of China with limited liability)

(H Shares Stock Code: 3866)

(A Shares Stock Code: 002948)



可持續發展報告
Sustainability Report

2025

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About this report



Reporting period

The reporting period is from 1 January 2025 to 31 December 2025, with the exception of some matters that extend beyond this period.



Reporting cycle

This report is prepared annually.



Reporting scope

This report focuses on Bank of Qingdao Co., Ltd. (the "Bank") as its main reporting entity and covers its head office, branches, sub-branches and affiliates, unless otherwise specified.



Basis of preparation

This report is prepared in accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Reports (2026 Revision)*, and Appendix C2 *Environmental, Social and Governance Reporting Code to the Main Board Listing Rules of The Stock Exchange of Hong Kong (the "SEHK")*, with reference to the *Sustainability Reporting Standards* of the Global Reporting Initiative ("GRI Standards") and the *Guidelines of the China Banking Association on the Corporate Social Responsibility of Banking Institutions of China*.



Reporting principles

This report has been prepared in accordance with the reporting principles of "materiality", "quantification", "balance", and "consistency" as described below:

Materiality: The Bank has identified key sustainability issues through stakeholder engagement and materiality assessments. The process and results of communication with stakeholders and the materiality assessment are set out in the chapter "Sustainable development strategy and management".

Quantitative: The criteria and methodology used to quantify key performance indicators (KPIs) and the sources of the emission factors used are disclosed in detail in this report.

Balance: This report presents the Bank's performance in the reporting period in an unbiased manner, avoiding selections, omissions, or presentation formats that might unduly influence the decisions or judgements of readers of the report.

Consistency: Unless otherwise specified, the statistical methods and foundations used in this report are consistent with those used in previous years.



Explanation of information

The financial information in this report is based on 2025 financial statements independently audited by Ernst & Young Hua Ming LLP. Should there be any conflict between the financial data herein and the Bank's 2025 annual report, the 2025 annual report shall prevail. Other information is sourced from statistical data generated by the Bank's internal systems, subsidiaries, branches, and sub-branches. All cases cited are real cases in the Bank's operations. Unless otherwise stated, the renminbi is the functional currency throughout the report.



Assurance approach of the report

The Board of Directors (the "Board") of the Bank and all Directors undertake that the information in this report contains no false records, misleading statements, or material omissions, and they assume individual and joint liability for the authenticity, accuracy, and completeness of the information in this report.

Ernst & Young Hua Ming LLP was appointed to perform an independent limited assurance on the report in accordance with the *International Standards on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and Ernst & Young Hua Ming LLP issued an assurance report in this regard.



Issuance form

This report has been issued in print and published on the website of the Bank at <http://www.qdccb.com>.

This report is written in Simplified Chinese. The Traditional Chinese and English versions are translated from the Simplified Chinese version. In case of any discrepancies among different language versions, the Simplified Chinese version shall prevail.



Preparer of the report

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Statement of the Board of Directors



The Bank and the Board of Directors comply with the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission (CSRC) and the *Corporate Governance Code* and the *Environmental, Social and Governance Reporting Code* issued by the SEHK. They continue to strengthen Board oversight of environmental, social, and governance (ESG) matters and proactively integrates ESG considerations into the Bank’s development strategy, major decisions, and business operations. By regularly deliberating on, reviewing, and listening to relevant agendas and discussing ESG-related matters, the Board provides guidance and oversight to management in implementing ESG initiatives, and promotes the integration of ESG principles and key issues into the Bank’s overall development strategy, decision-making, management, and operations.



Role of the Board of Directors

The Bank has established a robust ESG governance structure. The Board of Directors exercises strategic leadership by overseeing and guiding the Bank’s practices in key areas, including service to the “five major areas”, protection of consumers’ rights and interests, privacy and information security, and support for rural revitalisation. These topics have been incorporated into the Bank’s overall strategic planning, with implementation regularly evaluated. In 2025, to further strengthen Board engagement and oversight of sustainability and ESG matters, the Bank renamed the Board’s Strategy Committee as the Strategy and Sustainability Committee and expanded its mandate to include sustainable development and ESG responsibilities. These include: regularly deliberating on sustainability and ESG development strategies and fundamental management policies, deliberating on ESG-related work reports, assessing the implementation of ESG strategies, overseeing climate-related risks and opportunities, and promoting the implementation of other ESG-related initiatives required by regulators.

related reports and proposals, including the *2024 Report of Bank of Qingdao Co., Ltd. on Green Credit Development*; *2024 Report of Bank of Qingdao Co., Ltd. on Data Governance*; *2024 Corporate Social Responsibility Report of Bank of Qingdao Co., Ltd.*; *2024 Report of Bank of Qingdao Co., Ltd. on Comprehensive Risk Management*; *2024 Report of Bank of Qingdao Co., Ltd. on the Protection of Financial Consumers’ Rights and Interests*; *Proposal on the Revision of the Management Measures of Bank of Qingdao Co., Ltd. for the Protection of Consumers’ Rights and Interests*; *2025 Semi-annual Report of Bank of Qingdao Co., Ltd. on Information Technology*; *2025 Semi-annual Report of Bank of Qingdao Co., Ltd. on Data Governance*; *2025 Semi-annual Report of Bank of Qingdao Co., Ltd. on the Protection of Consumers’ Rights and Interests*; *2025 Semi-annual Report of Bank of Qingdao Co., Ltd. on Comprehensive Risk Management*; and *Report on the Special Audit of Bank of Qingdao Co., Ltd. on Data Quality Management and the Rectification Report*.

Guiding policies and strategies for management

In 2025, the Board of Directors actively fulfilled its strategic decision-making and supervisory responsibilities and oversaw the implementation of ESG-related initiatives. During the reporting period, the Board deliberated on, reviewed, and listened to a number of ESG-

ESG targets and progress

The Bank focuses on key areas of sustainable development and has formulated dedicated development plans and key targets. The Board of Directors and senior management regularly review progress towards these targets and update them periodically in response to the Bank’s development and changes in internal and external environments. For details on the Bank’s sustainable development targets and progress in 2025, please refer to the “Key targets and progress” section under “Sustainable development strategy and management” in this report.

Chairman's statement



Chairman of the Board of Bank
of Qingdao Co., Ltd.

Jing Zailun

“

The year 2025 marks the successful conclusion of both the 14th Five-Year Plan and the Bank's three-year strategic plan. Amid a complex and rapidly evolving economic and financial environment, Bank of Qingdao remained committed to its original aspiration and mission of serving the real economy and embedded a "people-centred approach to finance" throughout its operations and management. Guided by its vision of building "a value-leading bank with quality and efficiency as the priority, distinct characteristics, and flexible mechanisms", and supported by its sustainable development strategy, the Bank balanced improvements in operational quality and efficiency with the fulfilment of its social responsibilities. During the year, it made solid progress in serving the real economy, advancing green and low-carbon development, promoting inclusive finance, and strengthening corporate governance, delivering meaningful and distinctive results for the year.

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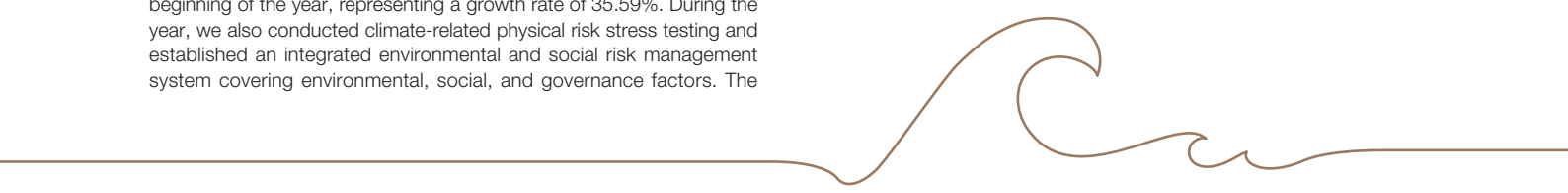
We actively supported the real economy and contributed to high-quality regional development. Guided by the principle that serving the real economy is fundamental to our mission, we provided specialised and differentiated financial services to support regional growth. Our capabilities in providing technology finance services have been further enhanced, delivering targeted support to specialised and sophisticated enterprises as well as technology and innovation-driven businesses. These efforts contributed to the development of new quality productive forces. In inclusive finance, we expanded our online and diversified product offerings, improved our specialisation mechanism, and fully implemented fee reduction and benefit policies for micro and small enterprises, continuously enhancing the accessibility and coverage of financial services. We have also increased support for foreign trade enterprises. As a Direct Participant in the Cross-border Interbank Payment System (CIPS), we improved the efficiency and convenience of cross-border settlement services and established efficient capital channels for export-oriented enterprises expanding overseas. As of the end of 2025, the balance of technology loans reached RMB31.458 billion, representing an increase of RMB5.62 billion from the beginning of the year. The balance of inclusive loans reached RMB53.220 billion, an increase of RMB8.131 billion. The volume of international settlements exceeded USD 22 billion, representing a year-on-year increase of 26.03%, and we served more than 5,000 foreign trade enterprises.

We coexisted harmoniously with the ecological environment and charted a golden future through green development. In 2025, we continued to strengthen our “BQD Green Finance” and “Qing Chu Yu Lan” (青出於藍) brands, further optimising our credit strategies and allocation to support key sectors including new infrastructure, technological innovation, advanced manufacturing, the blue (marine) economy, rural revitalisation, green finance, and public utilities. As a member of the United Nations Sustainable Blue Economy Finance Initiative, we introduced a range of innovative blue finance products, including the “Fishing Vessel Loan” and the “Seaweed Loan”. In collaboration with Shanghai Clearing House, we also launched the first bond index for the marine economy in the Chinese mainland, promoting the expansion of blue finance into broader and more diversified areas. By the end of 2025, our green loan balance reached RMB58.813 billion, representing a growth rate of 57.47%, ranking first among urban commercial banks on the “Golden Benchmark: List of Green Banks” published by *Southern Weekly*. The balance of blue finance loans reached RMB22.754 billion, an increase of RMB5.972 billion from the beginning of the year, representing a growth rate of 35.59%. During the year, we also conducted climate-related physical risk stress testing and established an integrated environmental and social risk management system covering environmental, social, and governance factors. The

system was first applied to project loans that meet the criteria for blue finance, further strengthening the Bank’s ability to manage climate-related risks.

We remained committed to our original aspiration, the people-centric approach to finance, delivering the warmth of BQD through high-quality services. We upheld its commitment to the people-centric approach to finance and concentrated on the deep integration of county-level branch network expansion with the development of digital channels, thereby shifting the focus of financial services and resources to the primary level and delivering more convenient and professional financial services to local communities. In 2025, with the official opening of the Liaocheng Branch, we achieved full coverage across all 16 prefecture-level cities in Shandong Province. We also strengthened lifecycle management of our products and services, enhanced product risk reviews, and established a comprehensive security framework covering the entire service process and value chain to protect the rights and interests of financial consumers. At the same time, we continued to promote the “Happy Neighbourhood” Party-building and community service brand, combining volunteer programmes with its broader social responsibility efforts. During the year, we carried out a range of initiatives including anti-fraud awareness campaigns, support for vulnerable groups, and joint community activities, while also contributing to charitable programmes in education, culture, medical assistance, and community development. Through these initiatives, we strengthened community engagement and demonstrated our commitment to responsible corporate citizenship. In 2025, we organised approximately 3,100 financial education activities, contributing to the improvement of public financial literacy and risk awareness.

What’s past is prologue. In 2026, Bank of Qingdao will continue to advance its sustainable development strategy while pursuing its development vision of “Innovative Finance, Brilliant Banking”. The Bank will further strengthen its distinctive financial services, enhance technology-driven capabilities, and reinforce its commitment to responsible development. The Bank will continue to support the real economy through higher-quality financial services, promote the green transition through concrete actions, and fulfil its social responsibilities through practical initiatives. Through these efforts, the Bank aims to advance high-quality and sustainable development and contribute to regional economic and social development.



About Bank of Qingdao

Company profile

The Bank was founded in November 1996. Our shares were listed on the SEHK on 3 December 2015 and on the Shenzhen Stock Exchange (“SZSE”) on 16 January 2019, making us Shandong’s first listed bank and China’s second “A+H-share” listed urban commercial bank.

We have adopted a diversified shareholding structure, with the top three shareholders being Qingdao Conson Development (Group) Co., Ltd., Haier Group Co., Ltd., and Intesa Sanpaolo S.p.A. We set up BQD Financial Leasing Company Limited (“BQD Financial Leasing”) in February 2017 to pursue diversified group development. In May 2024, the Bank’s shareholding ratio reached 60% after the completion of the capital increase of BQD Financial Leasing. In September 2020, we established BQD Wealth Management Company Limited (“BQD Wealth Management”), which is a wholly owned subsidiary of the Bank. We are the only legal entity in Shandong Province that has been qualified as non-financial corporate debt financing instruments lead underwriter and securities investment fund custodian, capable of conducting a variety of businesses. We have 17 branches and 200 business outlets across Shandong Province, including several special sub-branches such as the province’s first sci-tech sub-branch and cultural innovation sub-branch.

In 2025, we were included in the *Fortune* China 500 ranking for the first time, placing 495th and becoming the only bank from Shandong Province to be listed. We were also included in the “China’s 500 Most Valuable Brands” and the “Top 500 Asian Brands”, marking the ninth consecutive year of inclusion in both rankings. From 2016 to 2025, we received the service industry’s highest honour—the “Five-Star Diamond Award”—for ten consecutive years.

Included in the *Fortune* China 500 ranking

Placing 495th

Becoming the only bank from Shandong Province to be listed

Marking the 9th consecutive year




Included in the “China’s 500 Most Valuable Brands” and the “Top 500 Asian Brands”

Marking the 10th consecutive year

Received the service industry’s highest honor the “Five-Star Diamond Award”



An Overview of Performance Highlights in 2025

Indicator Type	Indicator Name	Unit	2025	2024
 Economic	Operating income ¹	RMB100 million	145.73	134.98
	Net profit	RMB100 million	53.57	44.05
	Total assets	RMB100 million	8,149.60	6,899.63
	Total loans ²	RMB100 million	3,970.08	3,406.90
	Total deposits ²	RMB100 million	5,028.99	4,320.24
	Basic earnings per share after adjustment ³	RMB	0.85	0.69
	Return on average total assets ³	%	0.71	0.68
	Return on weighted average net assets ³	%	12.68	11.51
	Non-performing loan ratio	%	0.97	1.14
	Provision coverage ratio	%	292.30	241.32
 Social	Capital adequacy ratio	%	13.37	13.80
	Total taxes paid	RMB100 million	22.63	24.41
	Charitable donations ⁴	RMB10,000	695.97	573.71
	Social contribution value per share ⁵	RMB	3.77	3.70
	Total number of employees ⁶	Persons	5,301	5,109
 Environmental ⁷	Proportion of female employees ⁶	%	55.50	55.12
	Green credit balance	RMB100 million	588.13	373.49
	Office power consumption	10,000 kWh	2,754.27	–
	Office water consumption	Tonnes	176,033.31	–
	Direct greenhouse gas (GHG) emissions (Scope 1) ⁸	tCO ₂ e	1,371.30	–
Indirect greenhouse gas (GHG) emissions (Scope 2) ⁹	tCO ₂ e	20,128.27	–	

- This indicator is calculated based on the requirements of the Accounting Standards for Business Enterprises.
- Accrued interest is excluded from total loans and total deposits.
- Basic earnings per share and return on weighted average net assets are calculated based on the *Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share* (2010 Revision). The basic earnings per share and return on weighted average net assets for the current period increased as compared with the previous year, mainly due to the increase in net profit attributable to ordinary shareholders of the parent company. In calculating earnings per share and return on weighted average net assets, preference share dividends and perpetual bond interests were deducted from the net profit attributable to ordinary shareholders of the parent company, and impacts of preferred shares and perpetual bonds on the weighted average net assets were eliminated.
- The data represent the donation amounts of the Bank and the Bank of Qingdao Charitable Foundation.
- Social contribution value per share refers to the incremental value created per share for society by the head office, sub-branches and subsidiaries of Bank of Qingdao during the reporting period, it is calculated by taking the basic earnings per share generated for shareholders, and adding the value created for other stakeholders, such as taxes paid to the government, wages paid to employees, interest payments to creditors, and charitable donations made by the company, and deducting other social costs incurred by the company, such as those resulting from environmental pollution.
- These indicators include the data of the Bank but exclude the data of its subsidiaries.
- In 2025, the Bank, for the first time, included branches and sub-branches at all levels and subsidiaries in the statistics for environmental performance indicators such as energy consumption and greenhouse gas emissions (data for previous years covered only the Bank's head office).
- The Bank's direct greenhouse gas (GHG) emissions (Scope 1) include emissions generated from the consumption of natural gas, petrol, and diesel.
- The Bank's indirect greenhouse gas (GHG) emissions (Scope 2) include emissions generated from the consumption of electricity and municipal heating.

Honours and recognition



The Banker

270th in the "Top 1,000 World Banks 2025" ranking



Fortune

495th in the Fortune China 500 ranking



China Enterprise Confederation and
China Enterprise Directors Association

Ranked **260th** among the top 500 service enterprises in China in 2025



Industry and Information Technology Department of
Shandong Province, Shandong Enterprise Confederation

Ranked **96th** among the top 100 enterprises in Shandong Province in 2025



Shenzhen Stock Exchange

Rated "**A**" (the highest rating) in terms of information disclosure among
companies listed on the SZSE in the 2024-2025 FY



China Association for Public Companies

2025 Best Practices of Board of Directors of Listed Companies

2025 Best Practices of Internal Control of Listed Companies

2025 Best Practices of Sustainable Development of Listed Companies



China Securities Journal

Golden Bull Award for Corporate Governance of Hong Kong-
Listed Companies, Golden Information Disclosure Award in
Golden Bull Awards for Listed Companies



League of American Communications Professionals (LACP)

The 2024 Corporate Social Responsibility Report of Bank of Qingdao
won the Golden Award in LACP's ESG Report Competition



Research Association of Ideological and
Political Work of China Financial Institutions

The Sky Rainbow Youth Commando of the Bank's customer service centre was
recognised as a Demonstration Site for Learning from Lei Feng in the Financial Sector



Shandong Enterprise Confederation

First prize in the fifth Corporate Culture Achievements in Shandong Province



Dazhong News Group

Chairman Jing Zailun was recognised as the Social Responsibility
Entrepreneur in Shandong of 2025



People's Bank of China ("PBOC") Qingdao Branch, Qingdao
Local Financial Supervision Bureau, Qingdao Jinjialing Financial
Cluster Management Committee

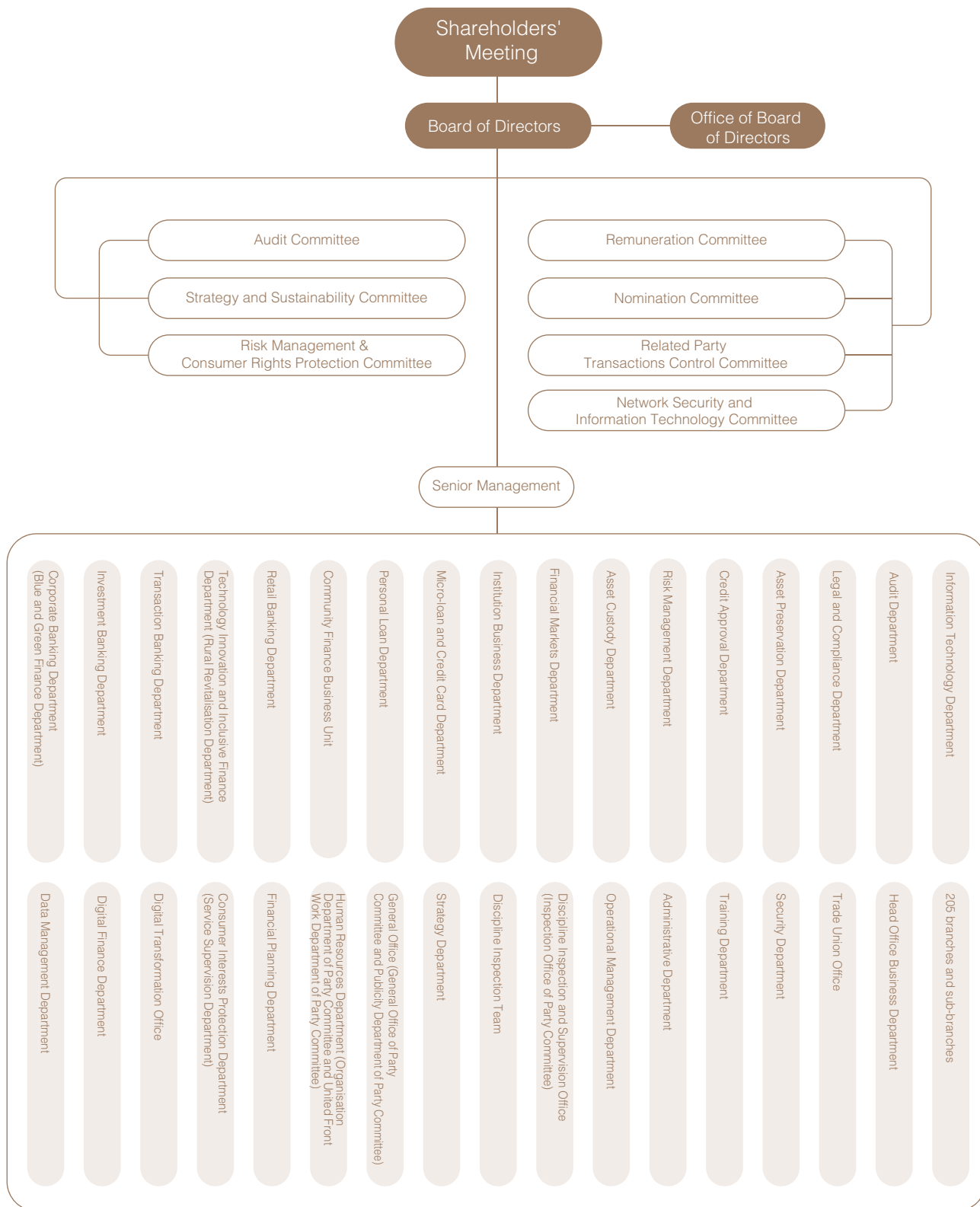
First prize in the fourth Qingdao Digital Finance Innovation Competition



The PBOC

2024 FinTech Development Award, **Second Prize**

Organisational chart of the Bank

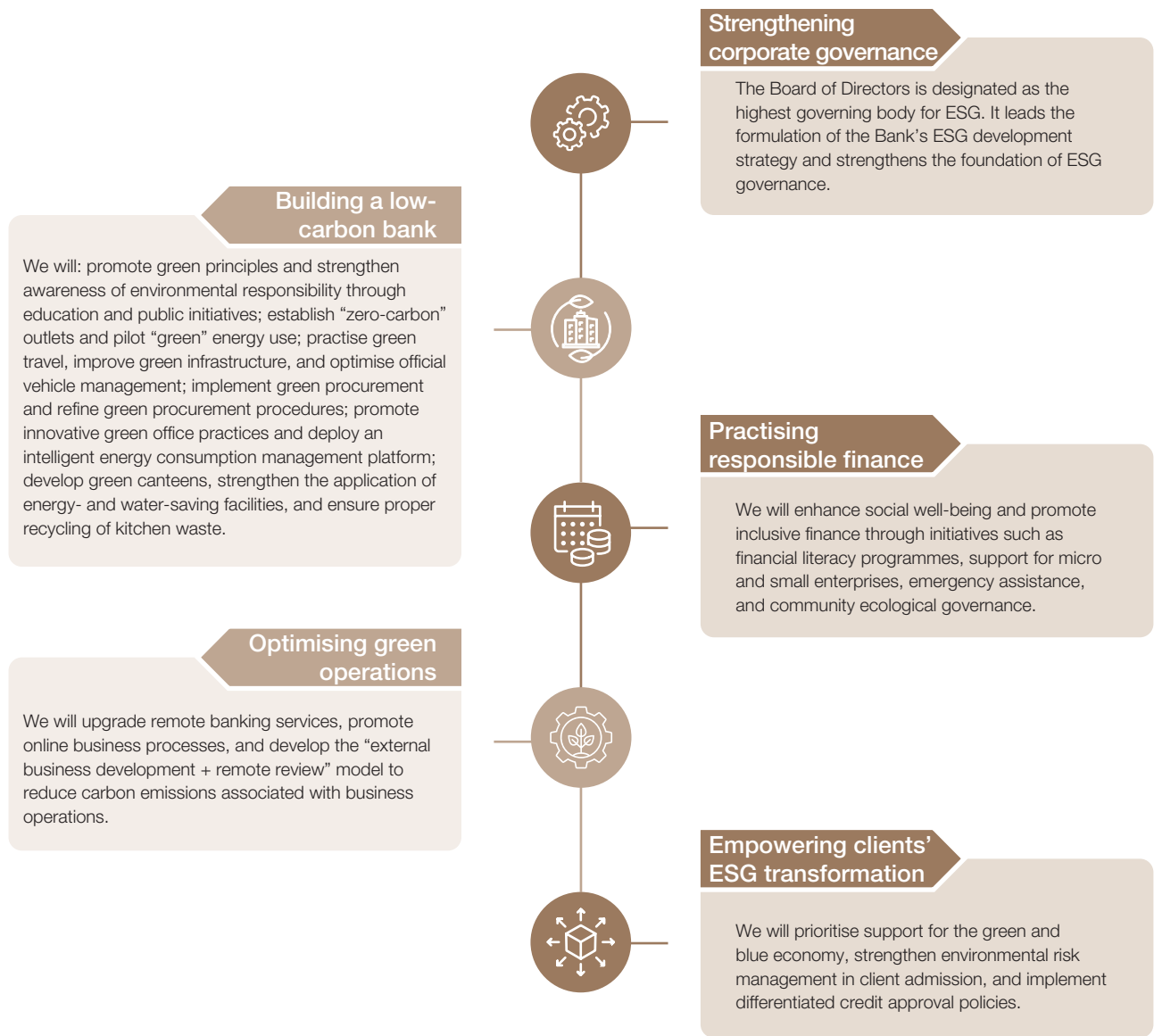


Sustainable development strategy and management

Sustainable development management system

The Bank adheres to a development philosophy that places equal emphasis on social and economic responsibilities. In formulating credit policies, selecting client groups, and designing financial products, the Bank incorporates the concepts and principles of sustainable development management at an early stage. In 2025, to further strengthen ESG governance, the Board's Strategy Committee was renamed the Strategy and Sustainability Committee, with additional responsibilities assigned for sustainable development and ESG oversight. Building on this framework, the Bank will continue to enhance its ESG governance practices.

To thoroughly implement the national strategy for carbon peaking and carbon neutrality ("dual carbon") and the philosophy of green development, and to comprehensively advance the ESG system, the Bank has formulated the *Work Plan for ESG Development of Bank of Qingdao*, systematically advancing its ESG endeavour by implementing five key initiatives.



Double materiality analysis

In 2025, the Bank systematically carried out ESG issue identification and double materiality assessment. A total of 21 issues relevant to the Bank's operations and development were identified and are disclosed in this report. Among them, five issues — serving the real economy, pursuing compliance operations, guarding against financial risks, data security and privacy, and improving customer services — were assessed as material from both an impact and a financial perspective. The Bank's materiality assessment process and the resulting materiality matrix are presented below.

Step 1: Identification

Identify a total of 21 material issues based on the 21 issues set out in the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, considering national macroeconomic policies and regulatory requirements, the characteristics of the banking industry, peer ESG practices, and the Bank's business features and ESG strategy.

Step 2: Evaluation

Distribute questionnaires to stakeholders, including shareholders, customers, and employees, to assess the impact materiality of the identified issues. Establish an internal assessment group comprising management representatives, relevant business departments, and internal financial experts to evaluate the issues from a financial materiality perspective. The results are reviewed and validated by internal experts.

Step 3: Prioritisation

Consolidate the results of the impact and financial materiality assessments. After review and confirmation by management, determine the Bank's double materiality scores for the ESG issues.

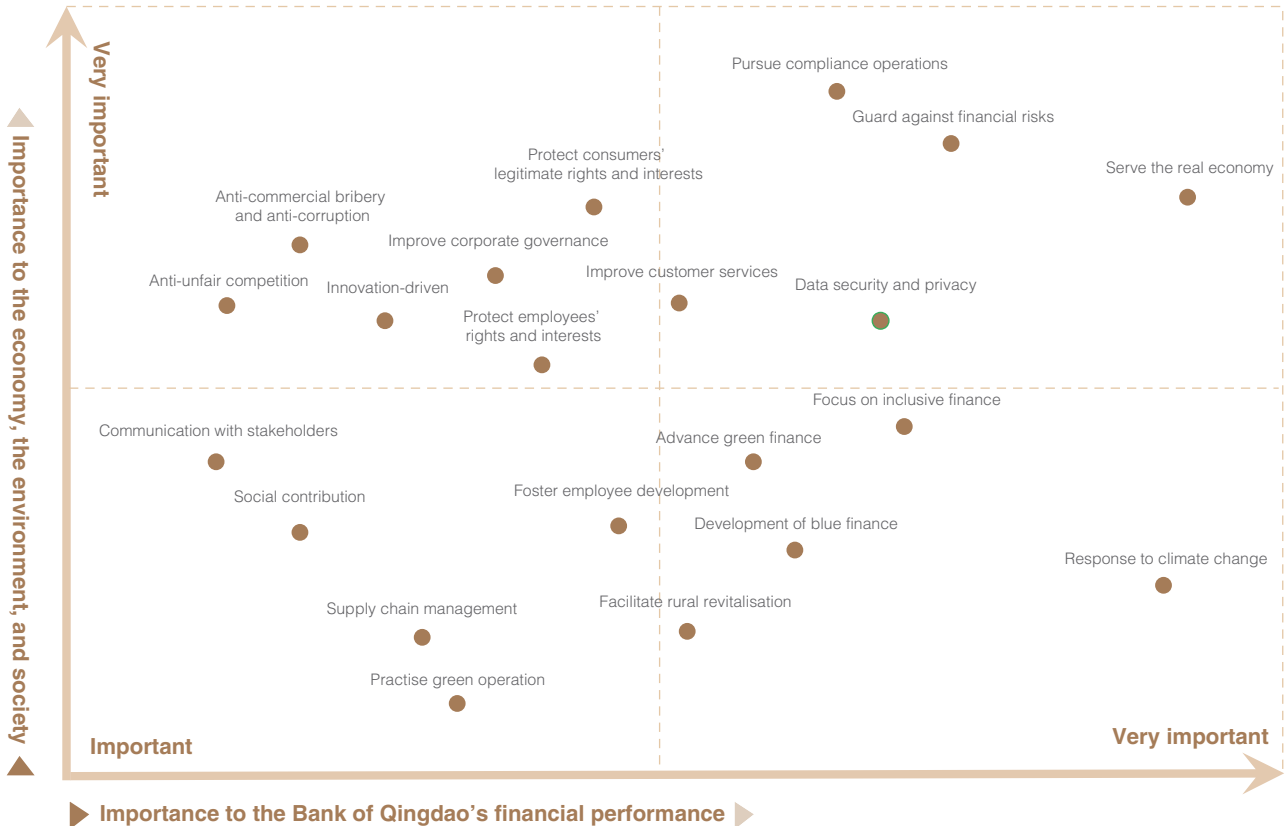


Illustration on Issues of Financial Materiality

In accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the Bank conducted a double materiality assessment of the ESG issues relevant to its operations, evaluating both impact materiality and financial materiality. Among the 21 ESG issues identified by the Bank, 10 were assessed as having financial materiality to the Bank.

Issues of Financial Materiality	Governance	Strategies	Impact, Risk, and Opportunity Management	Metrics and Targets
Serve the real economy	The Bank has established a Strategy and Sustainability Committee under the Board of Directors, implemented a “Head Office—Branches/Sub-branches” two-tier service structure, and incorporated service to the real economy into its strategic planning and evaluation. It coordinates credit allocation to sectors such as manufacturing and technological innovation.	Opportunities: Regional industrial upgrading, technological innovation, and green development are generating sustained demand for credit, enabling the Bank to benefit from regulatory incentives and enhance its brand competitiveness. Risks: Traditional manufacturing and foreign trade enterprises may be affected by economic cycles and trade frictions, which could trigger credit risks. In addition, the asset-light nature of technological innovation enterprises makes credit assessment more challenging.	For details, see the “Development: Focusing on regions and serving the real economy” chapter in this report.	
Response to climate change	The Strategy and Sustainability Committee under the Board of Directors is responsible for regularly assessing the implementation of the Bank’s ESG development strategy and overseeing climate-related risks and opportunities. The Bank has designated a lead department for climate risk management to coordinate the identification, assessment, and management of ESG and climate-related risks and opportunities across the Bank, and to promote the implementation of climate risk management practices.	Opportunities: The “dual carbon” goals are driving the development of green credit, carbon finance, and related businesses. These developments align with ESG investment preferences and help reduce financing costs. Risks: Carbon-intensive industries face transition pressures, creating potential impairment risk for existing credit. Physical risks such as extreme weather events may also affect loan recovery and operational security.	For details, see the “Active response to climate change” section in this report.	
Guard against financial risks	The Bank has established a comprehensive risk management organisational structure, forming a multi-level, interconnected, and effectively balanced operating mechanism for comprehensive risk management. Under this framework, the Board of Directors bears ultimate responsibility, and senior management provides direct leadership. Relying on the head office’s Comprehensive Risk Management Committee, the Risk Management Department leads the comprehensive risk management work, while specialised risk management departments are responsible for the control of specific categories of risks.	Opportunities: Improving the risk management framework can help stabilise asset quality, strengthen market confidence, and enable the Bank to attract high-quality clients during periods of industry differentiation. Risks: Macroeconomic downturns and interest rate liberalisation may compress interest margins, potentially leading to simultaneous credit, market, and liquidity risks. In addition, financial innovation may give rise to operational risks if risk control mechanisms lag behind business development.	For details, see the “Comprehensive risk management” section in this report.	
Pursue compliance operations	The Audit Committee of the Board of Directors is responsible for supervising and evaluating the Bank’s internal control system, proposing recommendations for its improvement, and strengthening internal control management. The Board’s Risk Management & Consumer Rights Protection Committee is responsible for assessing the effectiveness of the Bank’s compliance management and its compliance culture and urging the resolution of major issues in compliance management and compliance culture development to ensure operations in accordance with laws and regulations.	Opportunities: Compliant operations help avoid regulatory penalties and reputational losses, safeguard operating qualifications, and support the acquisition of pilot qualifications for innovative business. Risks: Under increasingly stringent regulation, compliance loopholes may lead to administrative penalties and public opinion crises, erode brand value, and potentially result in the loss of customers and capital.	For details, see the “Business integrity and compliance” section in this report.	






Issues of Financial Materiality	Governance	Strategies	Impact, Risk, and Opportunity Management	Metrics and Targets
Data security and privacy	The Network Security and Information Technology Committee under the Board of Directors guides the Bank in strengthening a systematic data security protection framework. The Bank has also formulated the 2025 Work Plan of Bank of Qingdao for Customer Personal Information Protection to comprehensively advance compliance work.	Opportunities: Robust data governance can enhance customer trust and provide compliance support for fintech innovation. Risks: Cyberattacks or operational errors may lead to information leakage, resulting in legal disputes and reputational crises that could disrupt normal business operations.	For details, see the “Enhancing personal information protection” section in this report.	
Improve customer services	The Risk Management & Consumer Rights Protection Committee under the Board of Directors is responsible for formulating the Bank’s strategy, policies, and objectives for the protection of consumers’ rights and interests. It studies major issues and key policies related to consumer rights protection, convenes regular meetings, and periodically listens to special reports from senior management on the progress of consumer rights protection. It also promotes the integration of consumer rights protection into the Bank’s operational development strategy and corporate culture.	Opportunities: High-quality services can increase customer loyalty and individual customer value, while elderly-friendly services and digital upgrades can strengthen the Bank’s inclusive image. Risks: Delays in service may trigger complaints and negative public opinion; digital system failures or the digital divide may also lead to the loss of customer segments.	For details, see the “Services: “Qingxin” Services, Delivering Warmth” chapter in this report.	
Focus on inclusive finance	The Bank has established a specialised inclusive finance mechanism and set up specialised inclusive finance departments within all primary-level institutions across the Bank. It has steadily advanced the development of inclusive finance teams and incorporated inclusive finance indicators into the operational targets of branches to ensure preferential allocation of resources.	Opportunities: Demand from micro and small enterprises can expand the Bank’s customer base, and supportive policies may help reduce business costs and reinforce the Bank’s commitment to social responsibility. Risks: Micro and small enterprises have weaker risk resilience and higher non-performing loan ratios. In addition, inclusive finance typically involves small loan amounts per transaction but relatively high operating costs, which may result in insufficient return coverage.	For details, see the “Delivering the warmth of inclusive finance” section in this report.	
Advance green finance	The Bank has established a Green Finance Leadership Group and a Green Finance Implementation and Management Group, with the President serving as the group leader, forming a cross-departmental leadership and coordination mechanism for green finance initiatives. Green credit has been incorporated into performance evaluation, and standards for green project admission and environmental benefit assessment have been established to improve the innovation mechanism for green financial products.	Opportunities: Policy incentives for green industries can optimise the Bank’s credit structure and enhance long-term risk resilience, which is aligned with ESG investment trends. Risks: Immature business models in green projects may lead to cash flow disruptions; inconsistent evaluation standards could give rise to compliance and reputational risks related to “greenwashing”.	For details, see the “Deepening and strengthening green finance” section in this report.	
Development of blue finance	With approval from the United Nations Environment Programme (UNEP), the Bank has become a member of the Sustainable Blue Economy Finance Initiative. It has established a Blue Finance Task Group, formulated guidelines for blue finance business, incorporated marine economy-related business into differentiated performance assessment, and promoted innovation in blue financial products.	Opportunities: Shandong has a well-developed marine economy, and the development of blue finance can help the Bank build differentiated advantages. Participation in international initiatives can also enhance the Bank’s influence. Risks: Marine industries are highly affected by nature and policies, making risk pricing more challenging. As the business is still in its early stages, it also faces constraints in terms of products, talent, and technology.	For details, see the “Leading blue finance development” section in this report.	
Facilitate rural revitalisation	The head office has established a Rural Revitalisation Department, a Rural Revitalisation Leadership Group, and an Agricultural Finance Task Group to continuously expand financial support for agriculture and rural areas. It has also introduced a “One County One Priority Product” service mechanism, incorporated agriculture-related lending into performance assessments, improved the rural financial service network, and aligned its efforts with policy resources supporting rural revitalisation.	Opportunities: Demand for rural industries and infrastructure can expand the county-level market, and participation in national strategies can bring policy support and positive social recognition. Risks: Agriculture-related loans are susceptible to natural factors and price fluctuations, often resulting in higher non-performing loan ratios. In addition, weak rural financial infrastructure increases customer acquisition and risk management costs.	For details, see the “Supporting rural industry revitalisation” section in this report.	

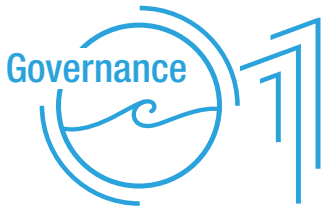
Communication with stakeholders

The Bank has incorporated communication with stakeholders into its sustainable development governance framework and established a regular two-way communication mechanism. To better understand stakeholder expectations and needs, the Bank maintains a range of communication channels in its daily operations, including meetings, reports, and seminars. Through these channels, the Bank systematically gathers and analyses stakeholder feedback, identifies their key concerns and expectations, and responds accordingly. This approach supports the continuous improvement of the Bank's social responsibility governance.

Stakeholder	Expectations and requirements	Means of communication	Responses and measures
 Government and Regulators	<ul style="list-style-type: none"> • Support the real economy • Pursue compliance operation • Implement macro-economic policies • Promote regional economic development • Energy and resource management • Technology finance • Inclusive finance • Pension finance 	<ul style="list-style-type: none"> • Policy documents and guidelines • Work meetings • Information distribution • Special reports • Daily communication 	<ul style="list-style-type: none"> • Uphold the leadership role of Party building • Pursue compliance operation • Implement the "five major areas" • Implement national strategies and decisions
 Shareholders and Investors	<ul style="list-style-type: none"> • Ensure sustainable business operations • Improve profitability • Improve returns on equity • Increase corporate value • Financial risk management • Optimise corporate governance 	<ul style="list-style-type: none"> • Meetings of shareholders • Information disclosure • Performance roadshows • Investor surveys and communications • Regular communication 	<ul style="list-style-type: none"> • Improve corporate governance • Develop corporate development plans • Improve information disclosure • Enhance management of investor relations • Carry comprehensive risk management
 Customers	<ul style="list-style-type: none"> • Protect consumers' legitimate rights and interests • Enhance customer experience • Product and service innovation • Network and information security and privacy protection • Expand service channels 	<ul style="list-style-type: none"> • Marketing activities • Customer hotline • Customer satisfaction surveys • Handling of customer complaints • WeChat, online banking and other digital platforms 	<ul style="list-style-type: none"> • Reinforce the protection of consumers' rights and interests • Enhance customer service • Strengthen information security and privacy protection • Spread financial knowledge
 Employees	<ul style="list-style-type: none"> • Protect employees' legitimate rights and interests • Develop human capital • Improve employee salaries and benefits • Enhance employee care 	<ul style="list-style-type: none"> • General meetings of employee representatives • Regular employee training • The trade union • Seminars • Feedback • Discussions and visits 	<ul style="list-style-type: none"> • Protect employees' legitimate rights and interests • Improve the compensation and welfare system • Provide employee training and development opportunities • Collect employees' suggestions • Set up "Staff Houses" • Help employees with difficulties • Enrich leisure activities
 Suppliers and Partners	<ul style="list-style-type: none"> • Supply chain management • Business ethics • Mutually beneficial cooperation • Win-win cooperation 	<ul style="list-style-type: none"> • Business communication • Industry research • Cooperation projects • Conclusion of contracts and agreements 	<ul style="list-style-type: none"> • Practise responsible procurement • Strengthen external communication • Enhance interbank cooperation • Enhance business cooperation
 Communities	<ul style="list-style-type: none"> • Support a better livelihood • Facilitate rural revitalisation • Care for disadvantaged groups • Organise public service activities 	<ul style="list-style-type: none"> • Charitable public service activities • Field research and visits • Community communication activities • Media communication 	<ul style="list-style-type: none"> • Develop community finance • Support rural revitalisation • Engage in public service activities • Carry out employee volunteer activities
 Environment	<ul style="list-style-type: none"> • Respond to climate change • Develop green finance • Practise green operations 	<ul style="list-style-type: none"> • Energy conservation and emission reduction policies • Environmental performance collection and disclosure • Green public service activities 	<ul style="list-style-type: none"> • Manage climate risks • Develop green finance • Develop blue finance • Promote green operations

Key targets and progress

Focal Area	Action Targets	Progress in Practice
 <p>Strengthening corporate governance</p>	<ul style="list-style-type: none"> Optimise the corporate governance structure and enhance governance effectiveness. Improve the ESG governance structure and integrate ESG principles into decision-making to enhance governance transparency and compliance. Strengthen compliance risk management to support stable and sustainable operations. 	<ul style="list-style-type: none"> In 2025, the Board of Directors held 17 meetings, and the specialised committees under the Board held a total of 55 meetings. The attendance rate of directors and committee members was 100%. In 2025, the Board's Strategy Committee was renamed the Strategy and Sustainability Committee, with expanded ESG and sustainability responsibilities, forming a stronger foundation for future ESG governance. The Board deliberated on, listened to, and reviewed a number of proposals and reports, including the 2024 Corporate Social Responsibility Report and matters related to green finance, protection consumers' rights and interests, data governance, internal control and compliance, anti-money laundering, and related-party transactions. In 2025, we conducted 593 compliance management training sessions, with a total of 96,378 employee participants. Training covered 100% of employees.
 <p>Building a low-carbon bank</p>	<ul style="list-style-type: none"> Promote green outlet transformation, reduce office energy use and carbon emissions, and advance low-carbon operations. 	<ul style="list-style-type: none"> We expanded carbon emissions accounting scope to include branches and sub-branches for the first time.
 <p>Practising responsible finance</p>	<ul style="list-style-type: none"> Focus on inclusive finance and increase support for micro and small enterprises, agriculture-related sectors, and technological innovation, thereby improving financial accessibility. Fulfil social responsibilities by supporting rural revitalisation, carrying out charitable public service activities, and giving back to society. Improve mechanisms for the protection of consumer rights and interests, strengthen financial education initiatives, and safeguard customers' legitimate rights and interests. 	<ul style="list-style-type: none"> As of the end of 2025, the Bank's balance of inclusive loans reached RMB53.220 billion, an increase of RMB8.131 billion from the beginning of the year. As of the end of 2025, the Bank's agriculture-related loan balance reached RMB48.184 billion, an increase of RMB11.611 billion from the beginning of the year. Complaints received through all channels decreased by 5.43% year on year; all customer complaints received during the year were handled efficiently in accordance with procedures, achieving a 100% resolution rate.
 <p>Optimising green operations</p>	<ul style="list-style-type: none"> Promote digital services to reduce paper use and improve operational efficiency and environmental performance. 	<ul style="list-style-type: none"> In 2025, the Bank's self-service devices recorded 5.9501 million transactions, totalling RMB20.695 billion. The number of monthly active users of the personal mobile banking app reached 1.4668 million, representing a year-on-year increase of 2.52%.
 <p>Empowering clients' ESG transformation</p>	<ul style="list-style-type: none"> Innovate green financial products and build a green service system covering multiple scenarios to support the "dual carbon" goals. Improve environmental risk assessment, restrict financing for carbon-intensive projects, and guide capital towards green sectors. 	<ul style="list-style-type: none"> In 2025, the Bank's green loan balance reached RMB58.813 billion, representing a growth rate of 57.47%. A total of 23 carbon emission reduction facilities were implemented, with a total amount of RMB83 million, contributing to an annual carbon emission reduction of 21,654 tonnes of carbon dioxide. As of the end of 2025, the Bank's blue finance loan balance reached RMB22.754 billion, an increase of RMB5.972 billion from the beginning of the year, representing a growth rate of 35.59%.



Upholding Fundamental Principles and Breaking New Ground for Steady Progress

Bank of Qingdao has always regarded the enhancement of corporate governance as the foundation of its establishment and the source of its development. The Bank strictly follows regulatory guidance and legal requirements and puts continued efforts into building a sound corporate governance mechanism to effectively improve the quality and efficiency of governance operations. It upholds and strengthens overall Party leadership and promotes the close integration of Party building with business operations. The Bank also continues to refine and develop a comprehensive risk management system aligned with its development strategy and establish a multi-level, well-coordinated, and effectively balanced operational mechanism for comprehensive risk management. By adhering to the principle of lawful and compliant operations, the Bank provides a solid governance foundation for high-quality and sustainable development.





Response to the United Nations Sustainable Development Goals (SDGs)



Adhering to Party building as a driving force

Bank of Qingdao consistently adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and thoroughly implements the guiding principles from the 20th National Congress of the Communist Party of China (CPC) and the successive plenary sessions of the 20th CPC Central Committee. By deepening the organic integration of Party leadership with corporate governance and coordinating the advancement of Party building and business management, the Bank remains firmly committed to pursuing a financial development path with Chinese characteristics.



Strengthening political guidance



In 2025, the Bank revised various corporate governance policies, including the *Articles of Association*, further improving provisions related to “Party leadership” and “Party building” within the *Articles of Association* to optimise the corporate governance structure. The Board of Supervisors was abolished in accordance with laws and regulations, with its functions properly reassigned. The Bank improved the decision-making system for “Three Majors and One Large” (major decision-making, major personnel appointments and dismissals, major project arrangements, and use of large sums of money) and formulated the *Implementation Measures of Bank of Qingdao for the Decision-Making System on “Three Majors and One Large” Matters*. In addition, it revised the *Rules of Procedure of the CPC Bank of Qingdao Committee*, the *List of Matters for Deliberation and Decision by the Communist Party of China Bank of Qingdao Committee*, the *List of Matters for Prior Deliberation and Discussion*, and the *Negative List of Matters for Prior Deliberation and Discussion*. These moves have further clarified the decision-making authorities of the CPC Committee, the Board of Directors, and the management, ensuring that major decisions align with the policies and guidelines of the Party and the state, the Bank’s development strategy, and the interests of its employees.

Deepening the guidance of the Party’s innovative theories



Always guided by the Party’s innovative theories, the Bank guides Party members and cadres across the organisation to transform Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era into a powerful force for strengthening ideals and convictions, enhancing Party spirit, guiding practice, and advancing work. In 2025, the CPC BQD Committee conducted 36 “First Agenda” study sessions and held 14 sessions of the Theoretical Study Centre Group. Throughout the year, seven training programmes were organised, including rotation training courses for primary-level Party branch secretaries, advanced seminars for middle and senior management, and training programmes for manager-level personnel, with more than 400 Party members and cadres participating.

Continuously advancing full and rigorous Party self-governance



In 2025, the Bank consistently advanced full and rigorous Party self-governance. It convened the 2025 Work Conference on Full and Rigorous Party Self-Governance, Clean Party Conduct and Governance, and Anti-Corruption, and formulated 36 key annual tasks along with three responsibility lists. The Bank also actively promoted and thoroughly implemented the study and education on the guiding principles of the CPC Central Committee’s eight-point decision on improving Party and government conduct (“eight-point decision”). It organised the “Clean Grassroots” outreach, publicity, and supervision campaign, which covered 36 directly affiliated operating institutions and reached 4,800 participants. In addition, the Bank carried out “Cleanness for Greater Efficiency”, a special rectification campaign on conduct improvement, formulating targeted measures to strengthen conduct. These activities have consolidated the achievements of conduct improvement and further fostered a clean and upright environment that encourages dedication and entrepreneurship.

Strengthening primary-level Party organisations

In 2025, the Bank organised and carried out a “Foundation Strengthening and Empowerment” initiative and issued the *Implementation Opinions on Carrying Out the Foundation Strengthening and Empowerment Initiative to Promote Comprehensive Improvement in the Quality and Efficiency of Primary-Level Organisations*. The initiative strengthened primary-level organisations from multiple dimensions, including grassroots Party building, organisational structure, staffing arrangements, performance evaluation, team development, and training systems, aiming to promote comprehensive progress and stronger capacity at the grassroots level. The Bank also revised and improved the *Assessment Measures of Bank of Qingdao on Basic-level Party Building*, strengthening assessment-based guidance to continuously enhance the cohesion and efficiency of primary-level Party organisations.

Case Bank of Qingdao thoroughly implements the study and education on the guiding principles of the CPC Central Committee’s eight-point decision

In 2025, the Bank thoroughly implemented the study and education on the guiding principles of the CPC Central Committee’s eight-point decision. Taking this learning initiative as an opportunity, the Bank consistently strengthened the Party’s conduct, fostering unity, dedication, and entrepreneurship through sound conduct.



A special study programme was organised on thoroughly implementing the guiding principles of the CPC Central Committee’s eight-point decision, focusing on in-depth study of General Secretary Xi Jinping’s important discussions on strengthening Party conduct, as well as the Central Committee’s eight-point decision and its detailed implementation regulations.



The Bank convened a warning education meeting on the implementation of the guiding principles of the CPC Central Committee’s eight-point decision, reviewing and reflecting on typical cases, using them to promote learning and rectification, and further advancing the in-depth and effective implementation of the eight-point decision.



The CPC BQD Committee and the Bank’s management visited the Qingdao Warning Education Base, reinforcing awareness through regular reminders to remain vigilant in thought, strict in discipline, and mindful of accountability.

Improving corporate governance

Bank of Qingdao continuously improves its corporate governance structure, refines the matrix of corporate governance policies, strengthens mechanisms for information disclosure and the protection of investors' rights and interests, and enhances its standardised operations. The Bank actively promotes the transformation of governance effectiveness into advantages for high-quality development, using high-quality corporate governance to drive high-quality and sustainable development.

Enhancing governance mechanisms

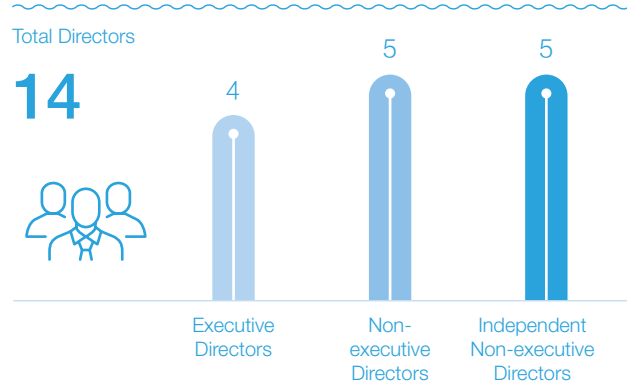
Bank of Qingdao continuously optimises its corporate governance structure. In order to comprehensively enhance the effectiveness of corporate governance operations, the Bank, in strict accordance with regulatory guidance and legal requirements, scientifically adjusted its governance framework and smoothly completed the transfer of the functions of the former Board of Supervisors to the Audit Committee of the Board of Directors. At the same time, the Bank updated and improved more than ten core corporate governance policies, including the *Articles of Association*, the *Rules of Procedure for Meetings of Shareholders*, and the *Rules of Procedure for the Board of Directors*, thereby establishing a comprehensive and well-structured matrix of corporate governance policies. This ensures that the governing bodies and management each perform their respective duties and responsibilities, operate in a coordinated manner, and effectively enhance the standardisation, effectiveness, and soundness of corporate governance.

As of the end of 2025, the Bank's Board of Directors comprised 14 members, including four executive Directors, five non-executive Directors, and five independent non-executive Directors.

Performance of the Board of Directors

In 2025, the Bank convened 17 meetings of the Board of Directors, at which 133 proposals were reviewed and approved, including the *2024 Corporate Social Responsibility Report*. The Board reviewed or listened to 47 reports, including the *2024 Report on Green Credit Development*, the *2024 Report on Data Governance*, and the *2024 Report on the Protection of Financial Consumers' Rights and Interests*. The Board also examined a range of key ESG issues and effectively fulfilled its ESG-related responsibilities in areas such as green finance, protection of consumers' rights and interests, data governance, internal control and compliance, anti-money laundering, and related-party transactions. In 2025, the Bank was awarded, for the third consecutive year, the "Best Practice Case of Board of Directors of Public Companies 2025" by the China Association for Public Companies.

The Board of Directors has seven specialised committees: the Strategy and Sustainability Committee, the Remuneration Committee, the Nomination Committee, the Related Party Transactions Control Committee, the Audit Committee, the Risk Management & Consumer Rights Protection Committee, and the Network Security and Information Technology Committee. During the reporting period, these specialised committees independently exercised their duties in compliance with laws and regulations. Throughout the year, they held a total of 55 meetings, deliberated on 150 proposals, and reviewed or listened to 48 reports of various types. By performing their specialised deliberation functions, they provided strong professional support for the Board's scientific decision-making and enhanced the efficiency and quality of the Board's decisions. The committees also put forward important opinions and recommendations on matters within their scope of authority.



Further details on the responsibilities, membership, attendance rates, and activities of each specialised committee during the year can be found in the 2025 Annual Report of Bank of Qingdao Co., Ltd.

Diversity of the Board of Directors

The Bank continues to enhance the diversity of its Board of Directors. The *Articles of Association* clearly state that "measures shall be taken, where practicable, to promote diversity among members of the Board of Directors." Taking into account the needs of the Bank's governance and decision-making, diversity among Board members is promoted from multiple perspectives, including gender, age, cultural background, region, and professional experience.

The Nomination Committee of the Board is responsible for reviewing the nomination criteria for Directors (including, but not limited to, the qualifications, experience, expertise, and knowledge of candidates). It delves into diversity factors and the requirements for board composition under relevant laws and regulations, as well as the regulatory rules of the jurisdictions where the Bank is listed. In addition, the committee regularly reviews the structure, size, and composition of the Board in light of the Bank's strategic planning, operational development, and shareholding structure.

The Bank has established measurable targets for achieving Board diversity and continuously monitors progress against these targets. They include appointing at least one female Director and at least three independent non-executive Directors (including at least one independent non-executive Director with appropriate accounting or related financial management expertise). As of the end of 2025, the Bank's Board included two female Directors, representing 14.3% of the Board.

Capacity building for the Board of Directors

In line with its business development needs and the professional functions of its Directors, the Bank focuses on key areas and carefully selects training topics to provide professional training for Directors and senior management in the performance of their duties. These programmes help Directors deepen their understanding of the Bank’s culture, operations, and management practices, enrich their professional knowledge and skills, and further enhance the quality and effectiveness of decision-making. In 2025, the Bank organised four internal and external training sessions for directors. Topics included “Capabilities building for independent Directors (Phase 4)” and relevant ESG regulations in and outside the Chinese mainland, as well as the roles that Directors should play in relation to these requirements.

Protecting investors’ rights and interests

The Bank adheres to an investor-oriented approach and consistently values and effectively safeguards shareholders’ rights, including the rights to decision-making, participation, information, and returns. While striving to promote stable and sustainable operations, the Bank continuously improves its mechanisms for investor protection and education, enhances the quality of information disclosure and investors’ reading experience, and endeavours to create reasonable investment returns for shareholders, enabling them to share in the Bank’s development achievements.

Information disclosure

The Bank fulfils its information disclosure obligations in strict accordance with the laws and regulations of the Chinese mainland and Hong Kong. Adhering to the principle of “truthful, accurate, complete, timely, and fair” disclosure, the Bank continuously improves its information disclosure mechanism and fully safeguards investors’ rights to information and other legitimate rights and interests, particularly those of minority investors. Focusing on key concerns of the capital market, the Bank continuously enhances the transparency and relevance of its disclosures and discloses major operational developments and key decision-making matters in a timely, objective, and comprehensive manner. This provides clear and reliable information for investors’ value judgment and investment decisions. At the same time, the Bank strictly regulates the management of inside information and the registration of insiders, effectively preventing information leakage and insider trading and safeguarding a fair capital market. In 2025, the Bank released a total of 215 announcements on the SZSE and the SEHK, including 133 on the former and 82 on the latter. The Bank has received “A” (the highest rating) in the information disclosure assessment conducted by the SZSE for five consecutive years.

Total Announcements on SZSE and SEHK

215

Total Announcements on SZSE

133

Total Announcements on SEHK

82



Investor communication and engagement

The Bank actively implements regulatory requirements for investor relations (IR) management and engages proactively with the capital market through multiple channels, platforms, and formats. With its official website, new media platforms, investor hotlines, investor briefings, investor open days, analyst meetings, and thematic research visits, the Bank continuously enhances the overall experience of communication with investors.

In 2025, the Bank organised more than 90 investor engagement events, reaching nearly 500 analysts and institutional investors. During the year, the Bank received honours including “Best Practice in Investor Relations Management” and “Best Practice in Performance Briefings” from the China Association for Public Companies.

“Going Out”	The Bank conducted reverse roadshows in Hong Kong, Beijing, and Shanghai, engaging directly with and visiting well-known institutional investors to strengthen value consensus.
“Ushering In”	The Bank proactively invited industry-leading analysts to visit the Bank for immersive on-site surveys, leveraging external professional insights to better understand the Bank’s development fundamentals.

Comprehensive risk management

The Bank continues to strengthen comprehensive risk coordination and management and to improve a comprehensive risk management system aligned with its development strategy. It has enhanced institutional processes, improved governance structures, fostered a strong risk culture, innovated risk control methods, and extended the reach of risk management. Through these efforts, the Bank strives to build a comprehensive risk management framework that is “comprehensive, coordinated, efficient, and intelligent”, enabling professional and effective risk management to support value creation and empower business development.

Risk management structure

The Bank continues to improve its risk management organisational structure. It has established a comprehensive risk management framework under which the Board of Directors bears ultimate responsibility, the Audit Committee exercises effective oversight, and senior management provides direct leadership. Relying on the head office’s Comprehensive Risk Management Committee, the Risk Management Department leads the comprehensive risk management work, while specialised risk management departments are responsible for the control of specific categories of risks. Business line management departments, branches, and affiliates work in close coordination with a clear division of responsibilities, and the internal audit department conducts independent audits. This framework covers all risks, institutions, clients, businesses, and processes, forming a multi-level, interconnected, and effectively balanced operating mechanism for comprehensive risk management.



Board of Directors

The Bank’s Board of Directors bears ultimate responsibility for risk management and oversees the Bank’s risk management functions through bodies such as the Risk Management & Consumer Rights Protection Committee, the Audit Committee, and the Related Party Transactions Control Committee.

In accordance with the risk management strategy determined by the Board of Directors, senior management keeps abreast of the Bank’s risk profile and risk management status. It ensures that the Bank has sufficient resources to formulate and implement risk management policies and systems, and monitors, identifies, and controls the risks undertaken in various business activities.



Senior Management



Head Office and Business Lines

Under the senior management of the head office, a Comprehensive Risk Management Committee has been established to perform risk management and internal control functions within its scope of responsibilities. The Risk Management Department at the head office leads the comprehensive risk management work, while specialised risk management departments are responsible for the control of specific categories of risks. Business line management departments, branches, and affiliates work in close coordination with a clear division of responsibilities, and the internal audit department conducts independent audits. This framework covers all risks, institutions, clients, businesses, and processes, forming a multi-level, interconnected, and effectively balanced operating mechanism for comprehensive risk management.

Each branch has established a Branch Risk Management Committee responsible for regularly assessing the branch’s risk profile and determining measures and approaches to improve risk management and internal control, with guidance provided by the relevant risk management departments at the head office. Branches report major risk incidents to the relevant risk management departments at the head office and handle such risks in accordance with the plans or improvement recommendations proposed by those departments.



Branches

Risk management system

In alignment with the *Guidelines on Comprehensive Risk Management for Banking Financial Institutions* and special requirements on risk management, the Bank has formulated the *Comprehensive Risk Management Measures of Bank of Qingdao*. These measures specify that, in pursuit of the Bank's strategic development objectives and under a sound corporate governance structure, the Board of Directors, senior management, and all employees are engaged and perform their respective risk management responsibilities. A combination of qualitative and quantitative approaches is used to identify, measure, assess, monitor, report, control, or mitigate the various risks the Bank undertakes.

The Bank formulates an annual risk appetite statement each year to define its risk strategy and risk appetite. The statement provides guidance for risk management while ensuring alignment with market developments and regulatory requirements. In 2025, the Bank maintained an overall prudent risk appetite and established capital-related, profitability-related, and risk-related indicators to monitor the implementation of its overall risk appetite. At the same time, the Bank sufficiently coordinated comprehensive risk monitoring, enhanced forward-looking early warning capabilities in risk management, and established an on-going monthly monitoring mechanism for Key Risk Indicators (KRIs), thereby effectively strengthening the centralised monitoring and cross-warning of various risks.

<div style="border: 1px solid #00a0e3; border-radius: 15px; padding: 10px; text-align: center;"> <p style="margin: 0;">KRI Monitoring ➔</p> </div>	<p>Based on the annual risk appetite, the Bank has optimised its KRI monitoring system by increasing the number of indicators and raising the proportion of quantitative indicators. Each month, the Bank analyses the causes of indicator fluctuations and issues timely warnings and corrective actions. It assesses the current level of risk, determines future risk trends, and formulates targeted risk control measures, thereby strengthening its forward-looking risk early-warning capabilities.</p>
<div style="border: 1px solid #00a0e3; border-radius: 15px; padding: 10px; text-align: center;"> <p style="margin: 0;">Unified Comprehensive Risk Reporting ➔</p> </div>	<p>The Bank implements a unified comprehensive risk reporting mechanism to enhance the sharing of risk information and strengthen risk assessment. By sharing risk early-warning information, the Bank promptly summarises risk management experience and identifies priorities for the next phase of management and control. On the basis of assessing individual categories of risk, the Bank further enhances its overall capability for integrated risk assessment.</p>
<div style="border: 1px solid #00a0e3; border-radius: 15px; padding: 10px; text-align: center;"> <p style="margin: 0;">Group-Level Risk Early Warning ➔</p> </div>	<p>The Bank has innovated its credit operation and management model by integrating risk control with process scenarios. In 2025, it successfully upgraded a group-level, full-process, intelligent risk early-warning platform. By monitoring and analysing customer credit risk, financial risk, and performance risk, the platform enables more comprehensive data, more intelligent control, and more centralised approaches for risk management.</p>
<div style="border: 1px solid #00a0e3; border-radius: 15px; padding: 10px; text-align: center;"> <p style="margin: 0;">Digital and Intelligent Risk Control System ➔</p> </div>	<p>The Bank is committed to building a digital and intelligent risk control system. It has planned, developed, and upgraded a cluster of systems centred on the smart credit system, thereby establishing a digital and intelligent risk control framework with BQD characteristics. In 2025, by introducing big data, automated processing, and artificial intelligence ("AI") large-model technologies, the Bank applied multiple technological achievements in areas such as the risk management cockpit, smart post-lending management, and internal ratings. These innovations have created an intelligent post-credit risk alert mechanism that provides strong technical support and decision-making references for risk assessment, enabling the early identification and proactive management of material risks.</p>

Strengthening the compliance culture

The Bank thoroughly implements the guiding principles of General Secretary Xi Jinping's important remarks on actively cultivating and promoting a financial culture with Chinese characteristics. Guided by its development strategy, the Bank is committed to fostering a compliance culture characterised by "compliance as the foundation, prudent proactivity, comprehensive collaboration, and joint value creation". It has established mechanisms for training, communication and supervision, and integrated the compliance culture across all institutions, positions, business lines and throughout the entire process through initiatives such as awareness and training programmes, case-based warnings, and essay contributions. In doing so, compliance culture is internalised as employees' habitual way of thinking and behavioural standard, enabling risk management to empower business development and support value creation. In 2025, the Bank conducted a total of 593 compliance management training sessions, with 96,378 cumulative employee participations.

Business integrity and compliance

Bank of Qingdao strictly implements all regulatory policies and requirements, adheres to the principle of operating lawfully and in compliance, and continuously strengthens compliance risk management and control. The Bank has improved the institutional framework for business ethics and implemented and refined various management measures. Furthermore, it continually enhances awareness of internal control, compliance, and case-by-case prevention, and fosters a healthy and positive corporate culture to ensure the Bank's integrity-based, compliant, secure, and stable development.

Compliance management

The Bank is committed to improving a compliance management system commensurate with the scale of its financial business and personnel. It advances efforts across multiple areas, including organisational structure, personnel management, training and education, and supervision and inspection, with a focus on strengthening the management of key areas, key personnel, and critical business operations. By making full use of digital and intelligent technologies, the Bank is building a scientific and effective internal control system.



Strengthening the management of non-local branches

The Bank has formulated the *Measures of Bank of Qingdao for Internal Control and Compliance Management of Non-local Branches*, which clearly defines the responsibilities and work requirements of personnel in internal control and compliance positions in areas such as internal control and compliance, operational risk management, case-by-case prevention, legal affairs, and authorisation management. It aims to ensure that internal control management covers all areas and all levels.

The Bank organised key management personnel to participate in compliance training programmes for senior executives of financial institutions. The programmes provided systematic training covering the interpretation of General Secretary Xi Jinping's important remarks on financial work, lessons drawn from major corruption cases in the financial system, the *Measures for the Compliance Management of Financial Institutions*, as well as administrative penalty systems and typical cases. They have strengthened compliance awareness and sense of responsibility, and promoted a dynamic balance between institutional development and compliant operations. The Bank also continues to develop an online platform for promoting compliance culture and regularly publishes compliance guidelines, risk alerts, and training and education guidance to enhance proactive compliance awareness across the organisation.



Fostering an internal control and compliance culture

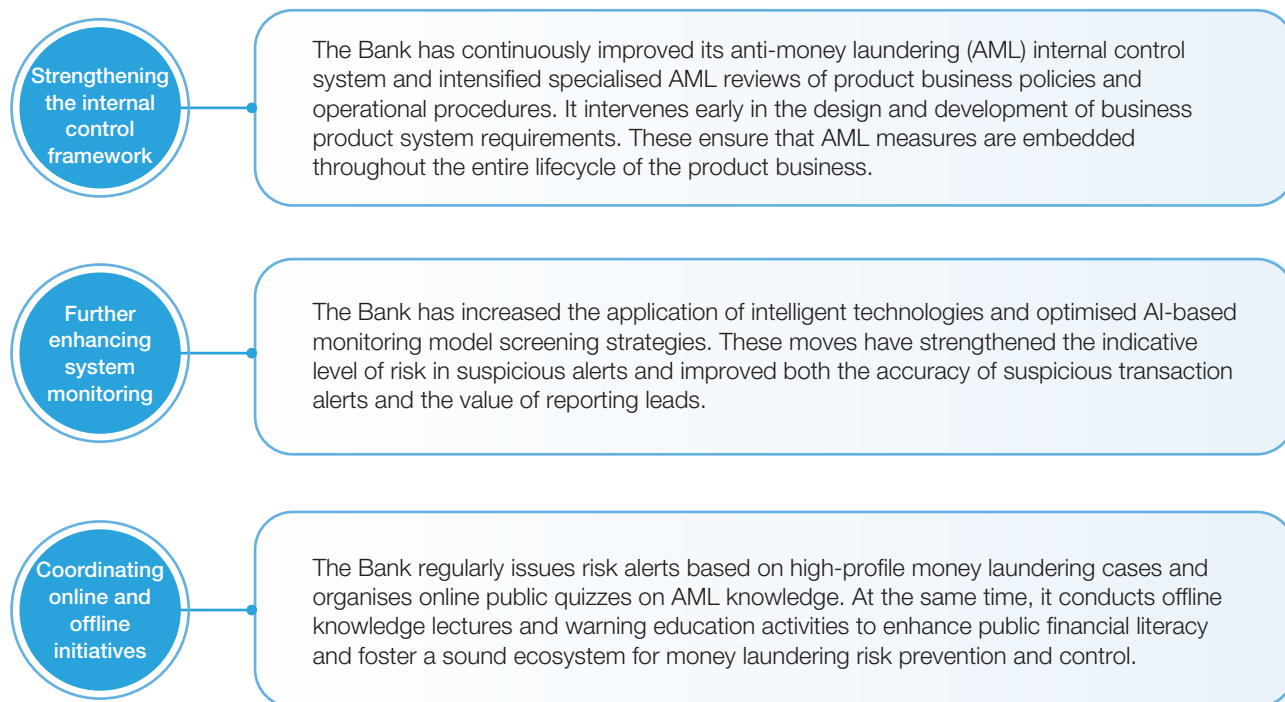


Conducting internal control and compliance inspections

The Bank has set out management requirements across multiple stages, including pre-inspection planning and preparation, inspection implementation, and post-inspection management. These approaches promote a shift across the Bank from the "passive implementation" of compliance requirements to the "proactive pursuit" of compliance value.

Anti-money laundering management

In 2025, the Bank adhered to a risk-based approach and steadily advanced the management of money laundering and terrorist financing risks, ensuring that risk prevention and control were orderly and effective.



Anti-commercial bribery and anti-corruption

The Bank has established a robust and comprehensive policy framework for preventing commercial bribery and corruption, covering employee conduct management, case-by-case prevention, supervision and inspection, and the handling of violations. During the reporting period, the Bank issued the *Measures of Bank of Qingdao for Handling Employee Misconduct (2025 Edition)*, further improving policies and standards and strengthening the management of employees' professional ethics and integrity at work. The Bank also expanded the application of the "Clean BQD Code" online supervision and reporting platform, embedding it in key business scenarios such as bidding and tendering, credit granting, and information technology outsourcing in phases. This move has broadened supervision channels and enabled the Bank to proactively accept oversight from customers and business partners. In addition, the Bank compiled and published the *Corruption Risk Prevention and Control Workbook (2025 Edition)*, effectively integrating the corruption risk prevention and control framework into the entire business management process. The Bank has also steadily advanced integrity initiatives and innovatively implemented the distinctive "Five Integrity Initiatives". It has continuously strengthened the "Clean Bank of Qingdao" integrity culture brand, which was awarded the first prize in the fifth Corporate Culture Achievements in Shandong Province. During the reporting period, the Bank has not been involved in any litigation or major administrative penalties resulting from commercial bribery or corruption.

Intellectual property management

The Bank has always attached great importance to the protection of intellectual property rights. It fully implements the relevant laws and regulations including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, raises the awareness of intellectual property rights protection, stays committed to creating a unique brand image, and elevates the protection for intellectual property rights covering its brand and proprietary products and services to provide robust supports to its financial innovation and business growth.

As of the end of 2025, the Bank has the exclusive rights to 229 registered trademarks in China, covering financial services and other fields. It continued to improve its existing trademark system by registering new trademarks such as “Jinlao” to strengthen its soft power in business operations. In 2025, the Bank revised the *Measures of Bank of Qingdao for Intellectual Property Management*, clarifying the responsibilities of relevant departments, optimising intellectual property application procedures, and strengthening the protection of the Bank's independently developed intellectual property. This move effectively prevented infringement disputes and enhanced the overall standard of intellectual property management. While actively expanding the coverage for the Bank's intellectual property rights protection, it fully respected the legitimate rights of third parties and incorporated the intellectual property rights protection mindset into all aspects of its business management.

Anti-unfair competition

In 2025, the Bank implemented multiple measures to advance the prevention of unfair competition. It conducted bank-wide self-inspections on business compliance and standardisation and comprehensively reviewed the implementation of relevant requirements concerning marketing and promotional activities, product design, and management systems. Through online and offline training programmes, the Bank communicated requirements for preventing unfair competition and for pricing management. These programmes enhanced compliance awareness among all employees and deepened front-line business personnel's understanding and recognition of self-disciplined, compliant operations and fair competition. The Bank also clarified performance assessment guidance and strictly implemented the hierarchical authorisation management system for deposits and loans. These approaches further strengthened awareness of compliant operations and fair competition across the Bank, reasonably safeguarded a sound market order, and promoted high-quality sustainable development.

Equal treatment of SMEs

The Bank discloses to the public information on any overdue payments owed to small and medium-sized enterprises (SMEs) through the National Enterprise Credit Information Publicity System in accordance with relevant regulations. During the reporting period, the Bank had no overdue payments outstanding to SMEs.

Supply chain management

The Bank continuously strengthens procurement management and improves its supplier management system. It has established a procurement management framework supported by documents including the *Measures of the Bank of Qingdao on Centralised Procurement Management*, the *Operating Procedures of the Bank of Qingdao on Centralised Procurement*, the *Measures of the Bank of Qingdao for the Assessment and Management of Tendering Agencies for Centralised Procurement Projects*, and the *Guiding Opinions on Procurement Management for Projects Below the Centralised Procurement Threshold*. These policies ensure that procurement activities are conducted in accordance with established rules and are managed in a standardised manner.

Supplier selection and tendering procedures

The Bank adheres to an open, fair and transparent procurement management mechanism and follows the procurement principles of legality, compliance, competition, and merit-based selection. It exercises prudence in the use of single-source procurement and prioritises open tendering for procurement. For projects above the prescribed threshold, the Bank publicly solicits suppliers and appropriately reduces reliance on the concept of a supplier pool. While effectively controlling supplier risks, it actively introduces market competition mechanisms to promote fair, orderly, and standardised participation by suppliers in procurement activities.

In the procurement process, the Bank clearly specifies supplier qualification requirements in tender documents and evaluates suppliers across multiple dimensions, including professional qualifications, credit status, records of major legal violations, records of bribery-related offences, business reputation and financial accounting systems, payment of taxes and social security contributions, and any affiliated relationships among suppliers. These measures help proactively prevent procurement risks related to suppliers. Suppliers that fail to meet the Bank's procurement requirements will have their cooperation terminated in a timely manner upon approval by the Procurement Committee.

Procurement risk management and control

The Bank has established a dual supervision system engaging internal and external parties. It strengthens procurement risk management through measures such as publicly soliciting suppliers and engaging external professional evaluators, thereby effectively promoting open, fair, and impartial procurement. As of the end of 2025, the Bank had conducted 203 publicly tendered procurement projects, achieving a 100% rate of open tendering.



Public Tendering Projects of the Bank **203**

Degree of Publicity Reached **100%**

Internal supervision



The process of random selection by agency evaluators is supervised by the Bank's internal auditors. The entire process of bid opening and evaluation is monitored by internal audit personnel. Procurement staff verify and supervise procurement documentation and archives. Personnel from the discipline inspection department attend meetings of the Procurement Committee.

The Bank fully implements requirements for the disclosure of procurement project information and transaction transparency and strictly enforces the public announcement system. Procurement announcements, information change notices, results announcements and other required disclosures are published in accordance with regulations. The project disclosure information includes the contact number of the Bank's discipline inspection department, and the "Clean BQD Code" is embedded in the tender documents to facilitate reporting and supervision by suppliers.

The Bank continues to expand channels for procurement disclosures. Procurement results are simultaneously published on the China Public Service Platform for Tendering and Bidding, the Bank's official website, and the Qingdao Sunshine Procurement Platform, further enhancing the transparency of information disclosure.



External supervision

Supplier Information in 2025

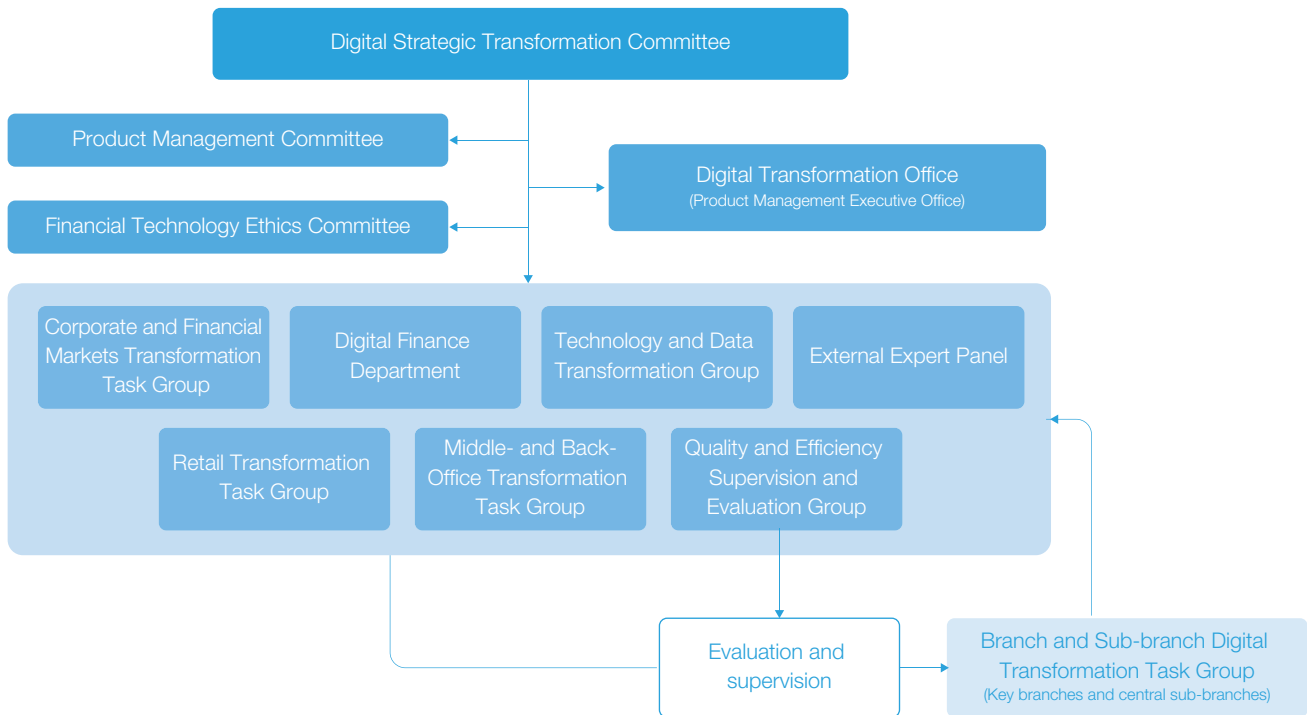
Metric	Unit	2025
Total number of suppliers for centralised procurement	Organisations	948
– Number of suppliers from the Yangtze River Delta region	Organisations	113
– Number of suppliers from the Pearl River Delta region	Organisations	50
– Number of suppliers from the Bohai Rim region	Organisations	756
– Number of suppliers from Central China	Organisations	8
– Number of suppliers from Northeast China	Organisations	2
– Number of suppliers from West China	Organisations	15
– Number of suppliers from other regions	Organisations	4

Digital and intelligent transformation and innovation

Bank of Qingdao closely follows the wave of digital transformation. Based on the characteristics of the regional market and its own resource endowments, the Bank firmly implements its strategic vision of technology-driven development and actively advances its digital transformation. In 2025, with the "Four Core Digital and Intelligent Capabilities" as the central focus, the Bank continued to pursue the objective of a "professional, digital and intelligent, systematic, differentiated, and specialised" institution. It further improved the governance framework for digital transformation and vigorously promoted the implementation of key digital transformation projects, marching steadily towards more intelligent and inclusive modern financial services.

The governance framework for digital transformation

In 2023, the Bank issued the *Measures of the Bank of Qingdao for the Administration of the Digital Strategic Transformation Committee* and established the Digital Strategic Transformation Committee, with the Chairman serving as director and the President serving as deputy director. Since the issuance of the *Measures*, the Bank has continuously upgraded and refined its governance mechanisms. Subsequently, it established two specialised committees under the framework – the Product Management Committee and the Financial Technology Ethics Committee – and updated seven thematic working groups, ultimately forming a top-down governance structure characterised by a high level of cross-departmental coordination.

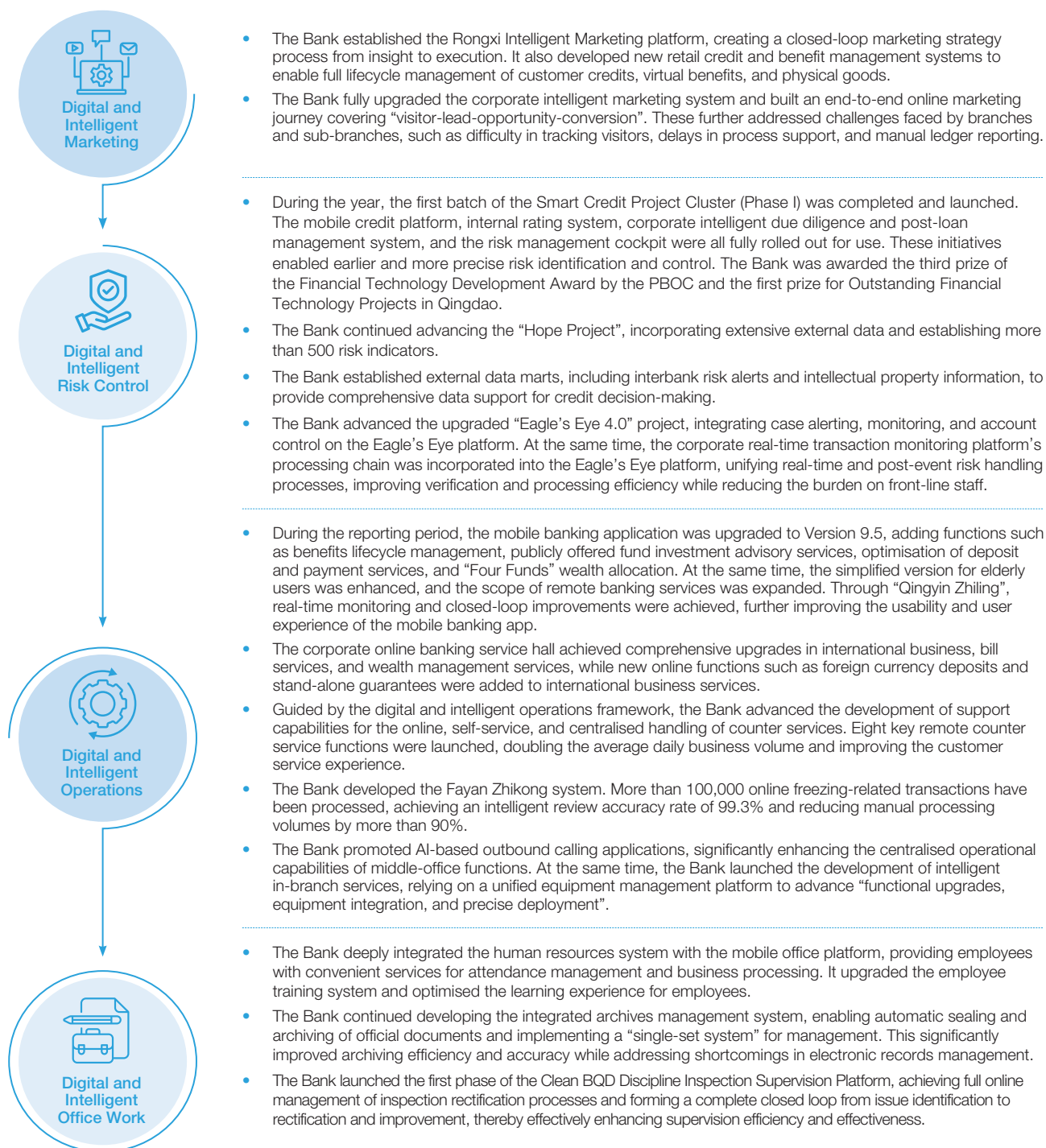


The Bank continues to deepen the development of its digital transformation governance framework. During the reporting period, it issued the *Management Measures of Bank of Qingdao for Digital Transformation Project Clusters and Agile Organisations* and the *Management Measures of Bank of Qingdao for the Performance Assessment and of Agile Organisations for Digital Transformation (For Trial Implementation)*. These policies systematically establish an agile organisational management framework for digital transformation by defining organisational structure, operating mechanisms, and assessment and incentive systems. Through the efficient collaboration of agile organisations and well-developed assessment and incentive mechanisms, the Bank promotes rapid responsiveness throughout the process from strategic planning to business implementation, thereby effectively advancing key digital transformation projects.

The Bank has established a three-tier coordinated management mechanism. At the strategic decision-making level, the Digital Strategic Transformation Committee regularly deliberates on the progress of key transformation initiatives and makes decisions on major matters. At the coordination and advancement level, the Digital Transformation Office organises progress reporting for project clusters. At the agile implementation level, agile organisations are responsible for overall project planning and design, development and operations, and regular reviews. They report regularly to the Committee on development progress and operational outcomes and implement the Committee's directives and decisions.

Advancing comprehensive digital operations

In 2025, the Bank put two major projects into operation: the next-generation distributed core business system and the Smart Credit System. It also completed and launched key projects such as digital and intelligent marketing and the acquiring system, while comprehensively advancing AI innovation research and practical applications. These achievements empowered high-quality business development across multiple dimensions, including marketing, risk control, operations, and office work.



Deepening technological innovation and application

Closely aligned with the strategic objective of a “professional, digital and intelligent, systematic, differentiated, and specialised” institution, the Bank has vigorously advanced the implementation of key digital transformation projects. Efforts have focused on three main dimensions: upgrading core systems and digital and intelligent technology infrastructure; enhancing self-reliance, controllability, and R&D efficiency; and strengthening operations and maintenance support capabilities. These initiatives have comprehensively reinforced the Bank’s technological strength and injected new digital and intelligent momentum into high-quality business development.

Upgrading Core Systems

- The Bank put into operation the first phase of the next-generation distributed core business system project, achieving comprehensive migration of multiple business functions and upgrades to the underlying architecture. Phase II construction was initiated concurrently, with key tasks such as requirements analysis and architecture design completed.
- The Bank independently developed a full-stack AI platform and established a bank-wide unified large-model technology platform, forming capabilities covering the whole chain of “computing power-models-platform-scenarios”. It also launched 32 key application scenarios and 24 AI applications, including the Xingchen Assistant, Credit Report Assistant, Legal Document Comparison Assistant, and Code Assistant. These applications cover multiple areas such as office work, marketing, operations, risk control, and technology, effectively enhancing operational efficiency and empowering business development.
- The Bank developed technology capability infrastructure, implemented an intelligent optical character recognition (OCR) platform, completed the development of four robotic applications, and deployed 32 small-model engines, comprehensively supporting multi-modal recognition scenarios.

Ensuring Self-Reliance and Controllability

- Focusing on key areas, the Bank launched 15 key projects and started initiatives such as streamlining mobile applications. It accelerated the application of innovation outcomes and enhanced self-reliance and controllability.
- The Bank strengthened its tool platforms by independently building technical platforms for log management and other purposes; formulated and implemented multiple technical standards; packaged unified components; independently developed tools to measure unit test coverage; and conducted user behaviour funnel-loss analysis based on embedded data.
- The Bank promoted standardised integration across multiple platforms, such as those for supply chain bills and smart treasury services. By upgrading integration guidelines, innovating connection models, and optimising parameter configurations, the Bank significantly shortened integration and development cycles and completed integrations with multiple enterprises and banks.

Strengthening Security Assurance

- The Bank deepened proactive operations and maintenance and completed more than 700 proactive maintenance tasks during the year. It conducted regular specialised risk inspections and promptly addressed key risk points, achieving closed-loop management of risk issues.
- The Bank strengthened system availability management and conducted 81 specialised drills for the next-generation distributed core system as well as various emergency response exercises. It achieved a 100% coverage of contingency plans for critical systems, same-city disaster recovery, and off-site disaster recovery. It improved monitoring and early warning mechanisms by adding multiple monitoring functions covering key system processes.
- The Bank reinforced cybersecurity protection. Throughout the year, it completed multiple information security assurance tasks during important periods, with no major information technology risk incidents occurring.
- The Bank enhanced the defence-in-depth security framework, conducted practical cyber-attack and defence drills, and implemented specialised monitoring for phishing emails and facial recognition. It also established a large-model security evaluation system and data security protection mechanisms.

Strengthening the sci-tech team

The Bank continues to strengthen the cultivation of sci-tech talent and effectively enhance professionalism in information technology. It has established specialised teams such as the Xingchen Group and the Mingde Code Workshop Working Group. Through AI innovation applications and “code assistant” task-oriented projects, the Bank adopts a practice-based training approach, cultivating professional sci-tech talent through hands-on experience and achieving mutual empowerment between technological exploration and talent nurturing. At the same time, the Bank has partnered with technology enterprises to establish joint laboratories, innovatively creating an industry-university-research collaboration mechanism featuring “joint scenario development, shared risk, and shared outcomes”. Through these collaborations, the Bank explores innovative AI applications and cultivates professionals in various fields.

The Bank regularly publishes the *Weekly/Monthly Updates on Digital Transformation*, which serves as an important platform for promoting the Bank’s digital transformation culture. Through case sharing, progress updates, experience exchange, and the promotion of best practices, the publication continuously communicates digital transformation concepts, showcases transformation achievements, and fosters a strong culture in which employees across the Bank follow, participate in, and drive transformation efforts. This helps embed digital thinking into daily work and make it widely understood. As of the end of 2025, a total of 109 issues had been published.

In the field of cybersecurity, the Bank has established a recognition and award scheme covering multiple areas, including project management, AI innovation, operational risk prevention, change quality, code assistants, and management improvement. Through organised evaluations and incentives, the Bank announces award results and provides recognition and incentives accordingly. In 2025, the Bank won both the Individual first prize and the team first prize in the “Taishan Cup” Cybersecurity Competition of Shandong Province.



Digital Transformation Trends, as of the end of 2025, has published

109 issues

In 2025, at the “Taishan Cup” Shandong Cybersecurity Competition

won 1st place in both Individual and Team



On 24 March 2025, Bank of Qingdao launched its first Top Digital Talent Training Camp. A total of 50 participants from 22 entities, including head office departments, branches, sub-branches, and subsidiaries, took part in the programme. With the theme “Winning Together with BQD, Creating a Digital Future”, the training focused on core modules such as data analysis and scenario-based applications. Through a practice approach that integrates learning with application, the programme aims to cultivate digital professionals who integrate business, technology, and data expertise for the Bank.

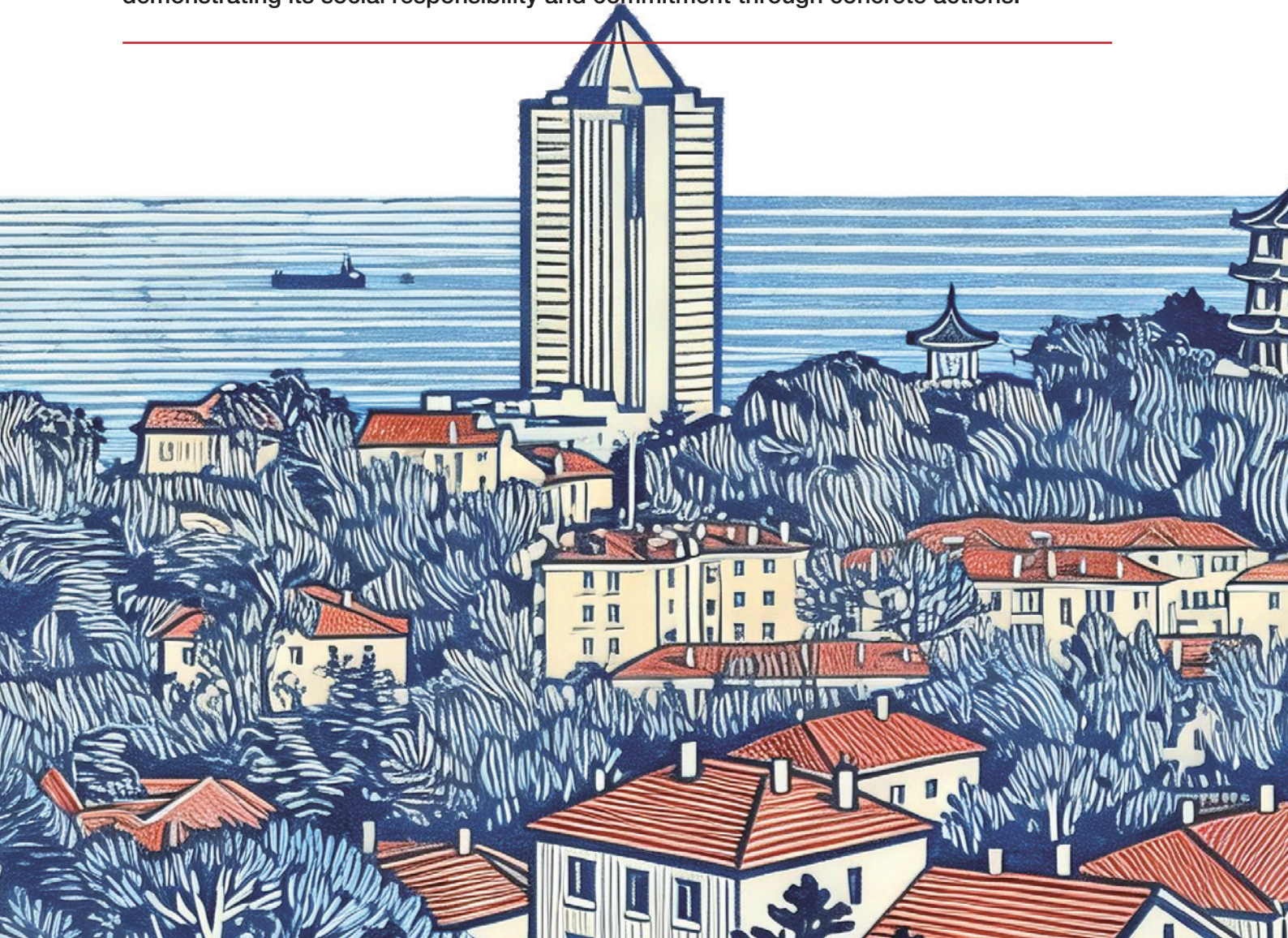
Emphasising financial technology ethics

The Bank attaches great importance to and strengthens governance in financial technology ethics. Under the Digital Strategic Transformation Committee, a Financial Technology Ethics Committee has been established, chaired by the Chief Information Officer. The Financial Technology Ethics Committee is responsible for supervision and evaluation, ethics consultation, risk assessments, investigations into complaints and reports, and training. It is dedicated to ensuring that the Bank’s application of technologies such as big data and AI complies with ethical standards, effectively mitigating potential risks including data security issues, privacy breaches, and algorithmic bias, and safeguarding a dynamic balance between financial technology innovation and financial security.



Focusing on Regions and Serving The Real Economy

Bank of Qingdao consistently upholds political guidance and people's livelihood in financial work, anchors its mission in serving the real economy, and proactively aligns with national strategies. Through a specialised system for technology finance, it empowers innovation-driven development; through inclusive finance, it provides targeted support for the private sector; through distinctive cross-border financial services, it facilitates opening up; through a dual-pillar model of pension finance, it safeguards people's wellbeing; and through dedicated rural revitalisation solutions, it promotes urban-rural integration. By comprehensively enhancing the quality and efficiency of financial supply, the Bank contributes financial strength to high-quality development and common prosperity, demonstrating its social responsibility and commitment through concrete actions.



Response to the United Nations Sustainable Development Goals (SDGs)



Providing stronger support to technology finance

Technology finance is a core engine for the high-quality development of the real economy. Bank of Qingdao actively pursues the deep integration of finance and technology. Guided by the principles of investing early, investing in small enterprises, investing for the long term, and investing in hard technology, it provides full lifecycle and whole-chain financial services for technological innovation. The Bank strives to build a new ecosystem for technology finance and effectively advance technology finance, thereby supporting the growth and expansion of technology enterprises within its jurisdiction.



Optimising technology finance service platforms

The Bank has issued dedicated policies, including the *Implementation Opinions of Bank of Qingdao on Technology Finance and the Technology Finance Development Plan of Bank of Qingdao*. Through top-level design, coordinated planning, and integrated implementation, the Bank continues to develop distinctive service platforms and specialised systems for technology finance, while increasing credit support for technology enterprises. As of the end of 2025, the Bank's balance of technology loans reached RMB31.458 billion, representing an increase of RMB5.62 billion¹ from the beginning of the year and a growth rate of 21.75%.

The Bank's balance of technology loans reached

RMB31.458 billion

Increase from the beginning of the year

RMB5.62 billion

Growth Rate

21.75%



“Distinctive Platforms”

The Bank builds a technology finance service model featuring “full lifecycle, comprehensive product offerings”, and creates an integrated service platform paradigm for SMEs that combines “financial + non-financial” services.



“Specialised Systems”

The Bank establishes a “specialisation” framework for technology finance, which comprises specialised institutions, exclusive products, targeted policies, professional approval, and dedicated channels, and develops the “Qingyin Technology Innovation: Growth Companion” technology finance service brand.

¹ The statistical methodology for technology loans changed in 2025 as per the regulations of the National Financial Regulatory Administration, and the statistics disclosed here are compiled based on the revised methodology.

Improving technology finance service mechanisms

The Bank continues to explore and experiment with new business models, improve technology finance service mechanisms, and enhance the quality and efficiency of financial services. In this way, it firmly supports the innovation, growth, and expansion of technology micro and small enterprises (MSEs).

Establishing Specialised Institutions	In 2014, the Bank established the first technology finance specialised branch in Shandong Province, the “Technology Sub-branch”, in Qingdao High-tech Zone. It has since set up technology finance specialised branches in Qingdao, Yantai, Jining and Dezhou. In 2024, the Bank’s Qingdao Technology Sub-branch and Qingdao Shinan No. 3 Sub-branch were recognised as “Qingdao Technology Finance Specialised Branches”, reflecting the continuous enhancement of service capabilities and management standards of these specialised technology finance institutions.
Formulating Targeted Policies	The Bank has incorporated “technology finance” assessment indicators into its annual branch and sub-branch evaluation measures, with a focus on the progress of technology finance loans and related business. Differentiated assessment and incentive mechanisms are applied to technology finance specialised institutions. In addition, the Bank has issued policies such as the <i>EVA Subsidy Policy for Technology Loans</i> and the <i>Due Diligence Exemption Measures for Technology Finance Credit Business</i> , strengthening policy support for technology finance.
Implementing Professional Approval	Dedicated technology finance approval positions have been established to implement differentiated management for the technology innovation credit business. Through professional training and industry research, the Bank enhances the forward-looking judgment and professional expertise of dedicated review and approval personnel in key technology finance sectors. Meanwhile, the Bank has issued documents such as the <i>Notice on Issuing Key Points for Differentiated Review and Approval of Technology Enterprises</i> , clarifying professional requirements for technology enterprise credit business in terms of due diligence philosophy, methods, and key focus areas.
Building Dedicated Channels	The Bank has worked with multiple partner institutions to build a sound technology finance ecosystem. It actively coordinates with government departments responsible for science and technology, industry and information technology, private sector development, and development and reform, establishing a regular coordination mechanism for technology finance. At the same time, the Bank has formed strategic partnerships with venture capital and guarantee institutions. They organised numerous technology finance-themed events, broadening dedicated service channels for technology finance. In September 2025, the Bank successfully issued its first batch of technology innovation financial bonds totalling RMB1 billion, with the proceeds earmarked to support the innovative development of technology enterprises.
Launching Exclusive Products	<p>For technology enterprises at different stages (start-up, growing, and maturity), the Bank has launched differentiated exclusive products such as Start Easy Loan, Technological Innovation Easy Loan, and Pilot Easy Loan. These products form a product system for technology enterprises that features “full lifecycle, comprehensive product offerings, and integrated financial services”. As of the end of 2025, the outstanding balance of the Bank’s specialised technology finance loan products exceeded RMB4 billion, effectively alleviating the financing needs of technological innovation enterprises.</p> <p>The Bank has also introduced a range of products, including the Talent Loan, the Science and Finance Credit, the Technological Innovation Fast Loan, and the Sci-Tech Achievement Commercialisation Loan. These products expand the coverage of technology finance support policies across the entire Shandong Province and effectively address the financing challenges faced by technology enterprises.</p> <p>The Bank actively applies external data and big data technologies to develop comprehensive profiles of technology enterprises. Through business cooperation with relevant external institutions, it continuously introduces and enriches external core factor data, appropriately increases the weighting of indicators such as technological attributes and R&D capability, and optimises the technology finance scorecard model. In this way, it establishes an evaluation system for enterprises’ technological innovation capabilities.</p>

Case 

Supporting the growth of multiple technology innovation companies and becoming a “partner bank” on their growth journey

The Qingdao-based medical cell biotechnology company X is a high-tech enterprise engaged in cellular biopharmaceuticals, dedicated to developing globally innovative and leading cellular drugs. The company is a specialised and sophisticated SME and serves as a key laboratory for anti-tumour immune cell drug R&D in Qingdao. Owing to the high entry barriers, substantial investment requirements, and significant risks associated with innovation in the biopharmaceutical sector, the company is currently in the R&D stage and has not yet achieved mass sales or profitability. After learning of the company’s financing challenges, the Bank conducted sufficient assessments of the industry background, product advantages and prospects, as well as the company’s talent structure. It subsequently approved a credit line of RMB5 million, marking the company’s first loan support and providing critical backing for the smooth advancement of subsequent clinical trials. As of the end of 2025, the Bank has increased the credit line provided to the company to RMB10 million. The company has genuinely experienced the quality and effectiveness of the Bank’s technology finance services, which have helped it complete a key Phase II clinical trial and are expected to support the submission of its drug marketing application in 2027.

Delivering the warmth of inclusive finance

Private enterprises and MSEs, as important economic entities, play a vital role in boosting the economy, increasing employment, promoting entrepreneurship and innovation, and facilitating people's daily lives. Bank of Qingdao remains committed to channelling financial resources precisely to support real-economy enterprises, making every effort to provide comprehensive financial services for MSEs, and working hand in hand with them to achieve win-win outcomes.

Improving the inclusive finance business system

Focusing on the core areas of inclusive finance, Bank of Qingdao has scientifically planned the development pathway for its inclusive finance business and established a specialisation mechanism for inclusive finance. The Bank continuously strengthens the organic integration between inclusive finance and internal talent cultivation to enhance its overall capacity to provide comprehensive inclusive financial services.

Establishing Specialised Inclusive Finance Departments	Specialised inclusive finance departments have been set up within the Bank's primary-level institutions to ensure more standardised and professional inclusive finance operations.
Building the Inclusive Finance Team	Based on the differentiated financial needs of inclusive finance service clients, positions and responsibilities have been further refined, and the team structure has been continuously optimised to achieve more precise alignment between service capabilities and client needs. Staffing has also been continuously expanded through regular recruitment, internal transfers, and talent pooling. In 2025, the number of staff in the inclusive finance team increased by 23% year on year.
Enhancing Professional Capabilities	A tiered and targeted training approach has been adopted, tailored to different groups, demand-oriented, and combining training with practice. Training content covers essential knowledge and skills, product knowledge, communication and negotiation, investigation techniques, risk control capabilities, and industry insights. The training aims to strengthen core professional competencies in a sustained and results-oriented manner. In 2025, the Bank organised four specialised intensive training sessions for the inclusive finance team and more than 50 online training sessions, covering all staff.

Optimising the inclusive finance business strategy

In 2025, the Bank prepared and released the *White Paper of Bank of Qingdao on the High-Quality Development of Inclusive Finance Business*. Guided by the philosophy of "genuinely delivering inclusive finance and delivering true inclusive finance", the Bank is committed to building a distinctive inclusive finance brand. As of the end of 2025, the Bank's balance of inclusive loans reached RMB53.220 billion, an increase of RMB8.131 billion from the beginning of the year, accounting for 14.38% of total loans and representing an increase of 0.31 percentage points compared with the beginning of the year.

Deepening Cluster Business	The Bank has optimised the work mechanism for industrial cluster business. In collaboration with the Shandong Provincial Department of Industry and Information Technology and municipal industry and information technology bureaus, it has further expanded services for key industrial clusters, clarified relevant work mechanisms, and set standards and service procedures for industrial cluster development. Focusing on Shandong Province's "6997" modern industrial system (6 traditional industries, 9 advantageous industries, 9 emerging industries, and 7 future industries), the Bank has cultivated provincial-level specialised industrial clusters, expanding, deepening, and enhancing inclusive finance services.
Improving Business Approval Efficiency	Adhering to the principles of "rapid response, smooth communication, efficient processes, and robust control", the Bank has optimised approval procedures to ensure efficient business operations. The Bank has actively explored digital empowerment and upgraded and optimised the "Qingyin Inclusive e-Financing" digital platform. By optimising processes and adding online loan renewal functions, the Bank has strengthened service connectivity, further enhanced customer experience, and reduced financing costs for MSEs.
Improving the Integrated Operating Model	The Bank has developed a "finance + non-finance" integrated service model to help customers progress into higher-value segments and to build a stable, diversified, and mutually beneficial ecosystem for inclusive finance clients.



Enriching inclusive finance products

Guided by the specialised inclusive finance operating philosophy of “full lifecycle, comprehensive product offerings, and integrated financial services”, the Bank focuses on the financing characteristics of MSEs, which are short-term, small-amount, frequent, and urgent needs. It continues to refine and optimise its inclusive finance product system and has launched the dedicated “Sword Casting Action” to concentrate on developing flagship inclusive finance products. In 2025, the Bank initiated “Sword Casting Action 3.0”, optimising and innovating more than ten inclusive finance products. These include the Property Mortgage Fast Loan, featuring longer terms, higher credit lines, and faster approval; the Preferential Fast Loan, a credit loan product designed for existing high-quality settlement clients; and the Invoice Fast Loan, a credit loan product tailored for MSEs within the supply chains of core enterprises.

To serve distinctive groups such as individual businesses, owners of MSEs, customers in rural industrial chains, and entrepreneurial groups, the Bank has adopted multiple measures and continuously enriched and improved its service models and financing products.

- The Bank has established partnerships with Shandong Financing Guarantee Group and Qingdao Financing Guarantee Group to carry out National Guarantee Fund loans for MSEs, steadily expanding the scale of such business.



- In cooperation with the Office of the Financial Commission of the CPC Shandong Provincial Committee and the Office of the Financial Commission of the CPC Qingdao Municipal Committee, the Bank has leveraged the government’s risk compensation policy for talent loans to provide talent loan services, supporting innovation and entrepreneurship among high-calibre professionals.



- In collaboration with the Qingdao Municipal Human Resources and Social Security Bureau, the Bank has utilised the government’s risk-sharing policy for entrepreneurship-guaranteed loans to provide entrepreneurship-guaranteed loans for MSEs.

Reducing inclusive loan interest rates

The Bank strictly implements preferential credit policies for inclusive finance and policies aimed at reducing fees and transferring benefits to MSEs. It has established an “Optimised Tiered Authorisation and Approval Mechanism for RMB Loan Interest Rates”, continuously lowering loan interest rates and overall financing costs for MSEs. As of the end of 2025, the weighted average interest rate of inclusive finance loans was 3.47%, representing a decrease of 26 basis points (bps) from the beginning of the year, further enhancing the effectiveness of inclusive finance in serving the real economy. At the same time, the Bank has implemented the “Inclusive Micro and Small Enterprise EVA Subsidy” policy, providing a subsidy of 25 bps for each qualifying inclusive MSE loan. This initiative continuously optimises resource allocation and strengthens policy support.

Supporting foreign trade enterprises in going global

The Bank adheres to the development direction of “steadfastly serving the overall opening-up initiative, supporting the regional economy, and serving real-economy enterprises”. It closely monitors the development trends of foreign trade enterprises and actively increases support for the foreign trade sector. By enhancing financial service capabilities and innovating financial products, the Bank helps foreign trade enterprises “go global” and expand overseas.



Photographed by Wang, Junzhao from BQD Wealth Management

Serving foreign trade enterprises wholeheartedly

In recent years, foreign trade enterprises have faced challenges such as the impact of country-specific policies and increasing operational risks. The Bank has actively responded to policies supporting foreign trade enterprises and conducted in-depth engagement with such businesses. Based on the varying degrees of impact experienced by different clients, the Bank has formulated suitable credit products and, building on existing credit offerings, established fast-track approval channels for clients. It has also expanded the range of foreign exchange derivative settlement products and proactively reduced loan interest rates to meet enterprises’ day-to-day operational needs. Taking into account the actual payment collection cycles of enterprises, the Bank has appropriately extended financing terms to ensure sufficient liquidity for foreign trade enterprises, thereby supporting them in “going global” and expanding overseas.



Bank of Qingdao's integrated services empower the growth of a chilli product export enterprise

A Qingdao-based company primarily engages in the production and export of chilli products and fresh vegetables, with its products sold to Spain, Turkey, Argentina, and other countries and regions. As its export business grows, the company has faced liquidity pressure during peak procurement seasons, while also requiring improved efficiency in cross-border settlement and enhanced management of exchange rate risks. Taking into account the company's actual operating characteristics, the Bank provided rapid approval through its standardised “Export Fast Loan” product. With this product, the company obtained its first working capital loan of RMB6 million, effectively supporting the procurement of raw materials. In line with the company's foreign currency receipt structure and settlement cycle, the Bank also provided supporting derivative services such as forward foreign exchange settlement and swaps, and allowed credit exposure to replace cash margin requirements. These practices further reduce the company's capital occupation and operational costs while helping it effectively manage exchange rate risks. Through the Bank's “Qingyin Huitong” online cross-border settlement service, the company is able to process the entire cross-border foreign exchange receipt and payment process online. In addition, the 24/7 automatic fund crediting function significantly improves the company's capital turnover and operational efficiency.



Expanding cross-border financial services

Aiming at high-quality development in its international business, the Bank has established the “Qingyin” cross-border financial product matrix. Through sub-brands such as Qingyin Huitong, Qingyin Maodai, Qingyin Huiying, and Qingyin Chuhai Tong, it has built an integrated service system covering cross-border settlement, financing, and offshore finance, providing strong support for foreign trade enterprises “going global” and expanding overseas. At the same time, the Bank is actively advancing direct participation in the Cross-border Interbank Payment System (CIPS), further enhancing its international renminbi service capacity.

In 2025, the Bank’s international business volume exceeded USD22 billion, representing a year-on-year increase of 26.03%, and it served more than 5,000 enterprises. Cross-border renminbi settlement volume surpassed RMB66 billion, up 60.46% year on year. Through professional and prudent financial services, the Bank provides strong support for foreign trade enterprises in expanding into international markets.

In 2025, the Bank’s international business volume exceeded



USD22 billion

Case

Bank of Qingdao holds CIPS direct participation launch event and releases foreign trade finance white paper

In November 2025, the Bank hosted the event “Connecting Globally and Building Momentum for Shared Success: Empowering Foreign Trade Development and Launching Direct Participation in CIPS”. As the first corporate bank in Shandong Province to obtain approval, the Bank was authorised for direct participation in the Cross-border Interbank Payment System (CIPS) and successfully launched the system. This development transformed the previous cross-border renminbi clearing model for urban commercial banks and enabled “point-to-point” cross-border renminbi clearing within seconds. Alongside the launch of direct participation in CIPS, the Bank simultaneously released the *White Paper of Bank of Qingdao on Foreign Trade Finance*, which outlines 17 key initiatives to support high-level opening-up, covering areas such as mechanism development, regional market expansion, financing support, facilitation services and the cultivation of new business formats. During the event, the Bank highlighted a series of financial products designed to support the stable growth of foreign trade and signed a joint action declaration to promote the high-quality development of foreign trade enterprises with China Export & Credit Insurance Corporation Shandong Branch and Qingdao Financing Guarantee Group Co., Ltd. In addition, the Bank signed cross-border renminbi business cooperation agreements with several strategic client representatives, opening a new chapter of resource sharing, complementary advantages, and mutually beneficial cooperation.



Optimising pension finance services

As one of the “five major areas” of finance, pension finance plays an important “hub” role in addressing population ageing across the funding, service, and industry sides. Bank of Qingdao closely aligns with the national strategic direction for responding to demographic ageing and gathers efforts into the “five major areas”. The Bank has undertaken comprehensive planning for pension finance and actively pursued business innovation, striving to translate pension finance into concrete and effective actions through integrated service solutions. By doing so, it supports the transformation and upgrading of the elderly care industry and contributes financially to ensuring that older people are properly provided for.

Extending the reach of elderly care services

The Bank continues to enrich its pension finance product and service matrix, actively guiding financial resources to precisely support the elderly care industry and contributing financial strength to the development of a multi-tiered and diversified elderly care service system.

The Bank has created the “Happy Senior Years” elderly care service section, designed with elderly-friendly features and a clear, simplified large-font interface to enhance the user experience for elderly customers. The section incorporates two pension-related product modules, “Commercial Pension” and “Yixiang Wealth”, as well as an elderly care service wealth planning module based on the concept of the “Four Funds”.

Online Elderly Care Services

Offline Elderly Care Services

The Bank has launched the “Happiness in Old Age Elderly Care Mini-Classroom”, delivering quarterly sessions across the Bank on topics such as major asset allocation strategies and analyses of key insurance products. It has also introduced communication guides for elderly care service settings to continuously enhance frontline staff’s ability to serve elderly customers. At the same time, the Bank has strengthened special risk reminders for elderly clients and reinforced secondary confirmation procedures to enhance the protection of elderly customers’ rights and interests.

Enriching pension finance products

The Bank continuously tracks and analyses changes in the pension finance market and proactively identifies development opportunities. Focusing on financial services for elderly care, with an emphasis on developing pension-related service scenarios for retail customers, the Bank continues to enrich its pension finance product system.

Deposit Products

The Bank launched the themed fixed-term deposit product “Happy Company”, offering one-year, three-year, and five-year maturities. A total of 21 tranches have been issued, with total sales exceeding RMB1.69 billion, providing elderly customers with flexible and diverse options.

Wealth Management Products

The Bank has actively engaged with several wealth management subsidiaries qualified to issue pension wealth management products. It conducted due diligence to introduce products capable of serving the needs of elderly customers, such as wealth management products employing deposit-enhancement strategies, in response to elderly clients’ demand for wealth preservation and appreciation.

Insurance Products

The Bank launched its first principal-protected (with floating returns) commercial pension insurance product, classified as medium-to-low risk (R2), which operated steadily throughout the year.

Fund Products

In July 2025, the Bank developed and launched an investment advisory portfolio strategy of pension-themed publicly offered funds, further enhancing its capacity to respond to the overall product needs of retail customers in pension-related scenarios.



Deepening community engagement, the “Fulfilled Senior Years” initiative supports pension finance

In recent years, Bank of Qingdao has been building the “Fulfilled Senior Years” Party-building service brand. Guided by the core concept of “Enjoy Senior Years, with Care Always by Your Side”, the Bank has established a pension finance service system that combines both warmth and precision.

At Bank of Qingdao’s Shibe No. 2 Sub-branch, insights into elderly customers’ needs, such as relatively large savings balances, lower risk tolerance, a preference for low-risk products and face-to-face communication, have led to the creation of a “Six Elements” service model. This model provides elderly customers with more attentive and considerate services with a dedicated experience area, a dedicated product portfolio, a dedicated service counter, dedicated tea service, a dedicated information bulletin, and a dedicated seating area. In addition, the sub-branch designates the 9th day of each month as a special experience day for elderly customers, offering health-related services such as blood pressure checks and traditional Chinese medicine consultations. It has also established priority service counters and seating areas for senior customers, and provides items such as reading glasses, chrysanthemum tea, and dark tea to offer thoughtful care and support. Furthermore, through a “finance + public welfare” model, the sub-branch has created diversified community engagement scenarios. It regularly organises activities including financial product briefings, anti-fraud awareness sessions, and explanations of financial policies, as well as recreational activities such as square dancing and Tai Chi, enabling financial services to be integrated more closely into everyday life.

Supporting the development of the elderly care industry

Focusing on the financial needs of the elderly care industry, the Bank has established the “Qingyin Healthcare and Elderly Care” integrated financial service brand. This brand provides a range of products, including the “easy loan for pension enterprises”, “Zhen Yi Rong”, and “Yuan Yi Rong”. These offerings deliver customised and diversified financial support throughout the entire lifecycle of development for various entities within the elderly care industry chain, covering needs such as new construction and expansion, facility procurement and daily operations. They help address market gaps in fixed asset investment and long-term working capital support for the elderly care sector.

Innovating the “Easy Loan for Pension Enterprises”



The Bank has launched a dedicated corporate credit product, the “easy loan for pension enterprises”, which precisely supports the three mainstream elderly care models: home-based care, community-based care, and institutional care. The product provides financial support to various elderly care service providers, meeting both working capital needs for day-to-day operations and financing requirements for fixed assets such as the construction, upgrading, and renovation of elderly care facilities and the purchase of equipment. In 2025, this product received the “High-Quality Financial Product” recognition awarded by organisations including the Office of the Financial Commission of the CPC Shandong Provincial Committee.

Focusing on “Healthcare + Elderly Care” Services



Leveraging its experience in serving the healthcare sector, the Bank has extended its services to the elderly care industry, systematically identifying client needs while strengthening brand development and promoting product innovation.

Case Providing strong support for the development of a healthcare and elderly care rehabilitation enterprise

A Qingdao-based healthcare and elderly care rehabilitation group is one of the first large-scale medical and elderly care institutions in China to provide comprehensive services integrating “medical care, elderly care, rehabilitation, and nursing” for elderly people with disabilities and cognitive impairments. In recent years, during its rapid expansion, the group faced working capital shortages resulting from equipment upgrades in its medical segment and the expansion of its elderly care operations. After gaining a thorough understanding of the company’s needs, the Bank leveraged the stable medical insurance income of the group’s medical institutions and arranged financing through the “Zhen Yi Rong” product, providing a credit line of more than RMB20 million. This effectively supported the stable operation of its medical business segment. Subsequently, after launching the “easy loan for pension enterprises” product, the Bank promptly engaged with the company and, based on the operational characteristics and funding needs of its elderly care service subsidiary, tailored an exclusive credit solution that provided an additional credit line exceeding RMB20 million. Through the combined application of “Zhen Yi Rong” and “easy loan for pension enterprises”, the Bank supported the enterprise from both the “medical” and “elderly care” dimensions, helping it further expand the deeply integrated model that combines medical services, nursing, and elderly care.



Case Successful underwriting of one of China’s first pension industry bonds

In October 2025, the 2025 Second Tranche Medium-Term Notes (Supportive) issued by Shandong Yiyang Health Group Medical Care (Group) Co., Ltd. were successfully launched in the interbank market, with Bank of Qingdao acting as the lead underwriter. The issuance amounted to RMB200 million with a three-year maturity and an issue interest rate of 1.96%. This bond represents the first publicly issued pension industry bond by a provincial state-owned enterprise in China, as well as the first pension industry bond issued in Shandong Province. It provides an innovative model and demonstrative example for supporting financing in the elderly care sector in the interbank market.

The issuer, Shandong Yiyang Health Group Medical Care (Group) Co., Ltd., is a leading enterprise in Shandong Province’s health and elderly care industry. Of the funds raised through the bond issuance, 50% was specifically allocated to repay interest-bearing debt related to the elderly care sector. The proceeds were used in particular to support the construction of elderly care projects undertaken by its subsidiary Shandong Yiyang Health Group (Weifang) Health and Elderly Care Development Co., Ltd. and to supplement the group’s working capital for its elderly care operations. The issuance carries significant demonstration value for promoting the development of the regional “silver economy”.

Supporting rural industry revitalisation

Bank of Qingdao actively responds to national strategies and upholds its original aspiration of a people-centric approach to finance. It places rural revitalisation as a key focus within its overall strategic planning and precisely targets the service needs of rural revitalisation to continuously innovate financial products and service models. Through concrete actions, it demonstrates the principle that “financial services lead the way in rural revitalisation”, supporting the coordinated development of the rural county-level economy and society. As of the end of 2025, the Bank’s balance of agriculture-related loans reached RMB48.184 billion, representing an increase of RMB11.611 billion from the beginning of the year.

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Photographed by Niu, Beibei from BQD Licang Sub-branch

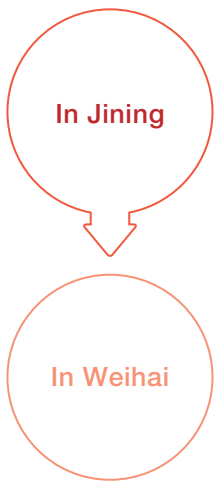
Optimising the rural revitalisation work system

The Bank has thoroughly implemented the strategic decision of the CPC Central Committee for advancing comprehensive rural revitalisation. It has established a Rural Revitalisation Department at the head office and formed a dedicated Rural Revitalisation Leadership Task Group responsible for coordinating and promoting the Bank’s financial services in support of rural revitalisation. In 2025, the Bank further established a specialised Agricultural Finance Task Group. Based on extensive market research and the financing needs of different agriculture-related business entities, the Bank has worked to optimise and develop an agriculture-related product system to meet the diverse needs of clients in agriculture and rural areas and among farmers.

The Bank has actively responded to policy requirements for financial support for rural revitalisation. It has continuously increased credit supply to agriculture-related sectors, formulated dedicated credit plans for agriculture-related loans and inclusive agriculture-related loans, and established an assessment and incentive mechanism for rural revitalisation initiatives. At the same time, the Bank has further optimised its comprehensive evaluation framework for rural revitalisation, leveraging the guiding role of performance assessments to encourage branches and sub-branches to actively advance financial services supporting rural revitalisation.

Developing the “One County One Priority Product” model

The Bank actively studies the leading industries and financial needs of local counties. Based on the economic development characteristics and industrial advantages of different regions, it focuses on local resource strengths and economic features to formulate differentiated financial service solutions. Across county-level sub-branches throughout Shandong Province, the Bank has cultivated specialised “One County One Priority Product” teams familiar with local industries, striving to build the “One County One Priority Product” model. This approach supports the development of county-level brand products with local characteristics and promotes the high-quality development of distinctive rural industries. As of the end of 2025, the Bank’s “One County One Priority Product” initiatives had reached more than 30 counties (cities and districts) across Shandong Province. Focusing on agriculture-related business entities in sectors such as agriculture, food processing, and fishing vessels, the Bank has developed 45 scenario-based “One County One Priority Product” solutions for MSEs. It has provided credit support to more than 200 clients in industries including edible fungi in Zoucheng, Jining, and aquaculture in Rongcheng, Weihai.



With a focus on the development of county-level finance, the edible fungi industrial cluster in Zoucheng has been recognised as a specialised “One County One Priority Product” industry. Given the industry’s high level of peer recognition and strong market competition, the Bank used leading local enterprises as entry points to design tailored credit solutions. As a result, it successfully extended RMB50 million in financing and added more than 70 new agriculture-related clients, including cooperatives and family farms.

Rongcheng is one of China’s major marine aquaculture bases, featuring the cultivation of multiple species, including fish, shrimp, shellfish, seaweed and sea cucumber, and a diversified aquaculture structure that utilises sea surfaces, seabed, tidal flats, and factory-based systems. In response to the wide variety of aquaculture species in Rongcheng and the diverse scale and nature of operating entities, the Bank conducted extensive local market research, classified target aquaculture clients by category and tier, and defined clear entry criteria. It provided nearly RMB200 million in credit loans to eligible customers.

Building a financial ecosystem for agriculture-related industries

While strengthening its own agriculture-related financial services, the Bank has actively expanded its network of partners and established an operational mechanism characterised by “government guidance, market-based operation, and multi-party collaboration”. The Bank works closely with Shandong Agricultural Development Credit Guarantee Co., Ltd. (SDAG) and Qingdao Agricultural Financing Guarantee Co., Ltd. (QDAG) to carry out bank-guarantee cooperation programmes across Shandong Province. These include products such as the “Planting Loan”, the “Breeding Loan”, and the “Fast Loan for Farmers”. Through these initiatives, the Bank fully leverages the guarantee institution’s role in credit enhancement, risk sharing, and capacity building, continuously channelling financial resources into MSEs, agriculture, rural areas, and farmers. In 2025, the total cooperation quota between the Bank and SDAG and QDAG exceeded RMB700 million.

Expanding service channels in county-level rural areas

The Bank focuses on the county-level rural economy. It has continued to optimise the functional positioning of service outlets in key counties and central townships and strengthen its capacity to extend services to grassroots communities. In 2025, the Bank actively supported financial service initiatives in rural revitalisation demonstration zones, with dedicated service staff delivering convenient and efficient financial services directly to local residents.

At the same time, the Bank has actively implemented the decisions of the Ministry of Agriculture and Rural Affairs and launched the agricultural “Credit Express” service programme. In 2025, several sub-branches were selected as specialised “Credit Express” sub-branches. Farmers, agricultural enterprises, and other clients can submit their financing needs by scanning the “Credit Express” QR code, after which dedicated service staff immediately initiate business communication and provide fast and efficient support. This approach enables rural financial resources to reach clients directly through “point-to-point” delivery and “face-to-face” engagement.



BQD Green Finance, Contribute to a More Sustainable Future

Bank of Qingdao has long upheld the philosophy of sustainable development, actively pursued a green development path, and integrated ecological conservation throughout the whole process of its operation and management. The Bank actively supports initiatives to protect lucid waters and lush mountains and facilitates the green and low-carbon transition of the economy and society. Focusing on environmental friendliness and efficient resource utilisation, the Bank has been stepping up support for green finance and environmental protection. Leveraging its financial strengths, the Bank continues to help protect clear waters and blue skies, contribute to a more sustainable future, and promote coordinated economic, social and ecological benefits.



Response to the United Nations Sustainable Development Goals (SDGs)



Active response to climate change

Bank of Qingdao actively responds to the national goals of carbon peaking and carbon neutrality. The Bank attaches great importance to the risks, challenges and development opportunities arising from climate change. We have proactively incorporated climate-related risk into its comprehensive risk management system and continued to improve the related governance structure and management processes. At the same time, the Bank has further advanced energy conservation and emission reduction in its daily operations, strengthened its own capacity to respond to climate change, and contributed to the green development of the economy and society.

Climate-related governance structure

The Bank has incorporated climate risk management into its corporate governance and comprehensive risk management framework. The Strategy and Sustainability Committee under the Board of Directors is responsible for regularly reviewing the implementation of the ESG development strategy and supervising climate-related risks and opportunities. At the same time, the Bank has designated lead departments for ESG and climate-related risk management to coordinate the identification, assessment and management of such risks and opportunities across the Bank, and to promote the implementation of relevant climate risk policies.

In 2025, the Bank carried out climate-related risk (physical risk) stress testing. We established appropriate stress scenarios and stress-bearing indicators, built a stress transmission model, and used the test results to fully assess the potential adverse impact of climate-related risks on the Bank's prudent operations. Based on this work, the Bank made forward-looking assessments of its capacity to withstand climate-related risks and formulated appropriate response measures. The testing fully covered Bank of Qingdao Co., Ltd. and its branches and sub-branches. We focused on identifying and assessing the major climate-related risks faced by each entity, and on analysing and summarising the results. Based on the relevant analysis and assessment, the Bank prepared the *Climate-related Risk Assessment and Stress Testing Report*. We also incorporated key climate-related risk matters into the *2025 Interim Comprehensive Risk Management Report of Bank of Qingdao Co., Ltd.* In August 2025, the report was submitted to the Board of Directors for review, further promoting the Board's participation in the Bank's climate governance.

Climate-related risks and opportunities

With reference to domestic and international practices, the Bank classifies climate-related risks into two categories: physical risks and transition risks. We have further identified the specific risk factors under each category and assessed the impact of climate-related risks on its business model and value chain.

For physical risks, the Bank conducted stress testing during the year on the risk of collateral impairment in coastal areas arising from climate factors. The testing quantitatively assessed the impact of declines in the value of real estate collateral in coastal areas under extreme climate disaster scenarios on the Bank's profitability and capital adequacy. For transition risks, the Bank conducted stress testing on large credit exposures in high-carbon industries. We calculated the probability of default and expected losses of borrowers in high-carbon industries under different carbon price scenarios, and comprehensively quantified the impact of transition risks on the Bank's capital adequacy and operational resilience.

While conducting climate-related stress testing and strengthening risk prevention and control, the Bank has also identified development opportunities. Through the systematic implementation of environmental and climate-related stress testing, the Bank has continued to strengthen its capabilities in risk identification, measurement, assessment and response. This has enhanced the professionalism of its climate-related risk management and the overall resilience of its business. These efforts help the Bank reinforce the risk defence line for its operations and development, safeguard business continuity, and reduce the likelihood of material fluctuations in operating performance caused by climate-related risks. They also help the Bank better understand the development trends of green finance, optimise its credit structure and business layout, and turn climate-related risk management capabilities into a core strength for sustainable development. This, in turn, lays a solid foundation for the Bank to seize opportunities and achieve high-quality development in the context of the green and low-carbon transition.



Risk type	Industries selected for risk assessment	Risk assessment method	Financial impact on the Bank
Physical risks (heatwave, cold surge, typhoon)	The Bank focused on climate-sensitive industries with relatively large loan balances or high concentration ratio (CRn), such as agriculture and fishery. We also conducted dedicated stress testing on “real estate mortgage-backed credit business in coastal areas,” covering mortgaged assets in districts and counties of cities such as Qingdao, Weihai, Yantai, Rizhao, Dongying, Binzhou and Weifang, to comprehensively quantify the impact of physical risks on capital adequacy and business resilience.	The Bank used NUIST-CFSv1.0 as the core tool to generate rolling monthly forecasts of extreme weather events over the next 24 months, including heatwaves, cold surges, precipitation and extreme wind speeds. Combined with the geographic location of assets, the Bank assessed the level of physical risk exposure of climate-sensitive assets and linked the results with dedicated stress-testing models to quantify the impact.	Impact on the Bank’s capital adequacy ratio and profitability from collateral impairment
Transition risks (policy and regulatory changes, technological substitution, shifts in market preference, reputational risk transmission)	Based on the materiality of climate-related risk exposures and management priorities, the Bank selected the civil aviation, steel, paper, petrochemical, chemical, building materials and power as key industries for climate-related risk assessment, given their relatively large loan balances or high CRn. These industries are typical high-carbon sectors whose production activities involve substantial fossil fuel consumption and greenhouse gas emissions, therefore facing significant policy constraints and technology upgrade pressures in the global low-carbon transition.	The Bank adopted a bottom-up “enterprise-industry-bank” climate stress testing approach. Starting from specific assets and business units, it assessed the direct impact of climate-related risks on individual assets or business units, then aggregated risk exposures and linked them to financial indicators, ultimately forming a systematic quantitative assessment framework at the Bank level.	Impact on the Bank’s profit before tax from carbon price shocks, fluctuations in expected loan value, and other factors

Results show that, for mild, moderate and severe physical risk stresses, the Bank’s Common Equity Tier 1 (CET1) capital adequacy ratio, Tier 1 capital adequacy ratio and capital adequacy ratio all remained above the warning levels and thresholds for capital-related indicators in the risk appetite of the Bank this year. In addition, the Bank’s capital adequacy ratios continued to meet regulatory requirements, indicating a relatively strong capacity to withstand climate-related risks. For transition risks, the Bank, based on carbon price projections under the “orderly transition” scenario, focused on simulating potential changes in the future financial indicators of sample corporate customers under carbon price shocks. By quantifying borrowers’ probabilities of default, expected losses on industry loans and expected loss ratio on bank loans, it then assessed the sustainability of the Bank’s prudent operations under the relevant scenario. The overall assessment shows that the impact of transition risks of the sample corporates on the Bank was limited.

Climate-related risk management process

Based on the results of stress testing, the Bank has adopted response measures such as improving emergency response plans and strengthening the use of risk transfer instruments. These efforts are intended to prevent and control climate-related risks in a forward-looking manner and to support the high-quality and sustainable development of the Bank’s business. Drawing on relevant analysis, the Bank has embedded climate factors into the risk management processes of all business sectors, including due diligence, credit approval and post-credit management. This has effectively enhanced the Bank’s climate-related risk management capabilities and enabled it to respond more actively to climate-related risks and opportunities.

The Bank has established a comprehensive Environmental and Social Management System (ESMS) covering environmental, social and governance issues, and has taken the lead in applying it to project loans that meet the criteria for blue finance. For such project loans, the Bank uses the *Preliminary Climate-Related Risk Screening Checklist* during due diligence to investigate and assess the climate-related risks of the underlying projects. It also conducts a detailed analysis of each project’s climate-related risk management capacity. The results are used as a reference for preliminary customer classification, subsequent credit review and loan disbursement review.

Environmental performance

To respond actively to climate-related risks, the Bank has continued to advance greenhouse gas (GHG) emissions management and gradually improved the accounting boundaries for GHG emissions and the data collection mechanism. During the reporting period, with reference to mainstream GHG accounting methodologies and relevant standards, the Bank carried out GHG emissions accounting. For the first time, the scope of environmental performance indicators was expanded to include branches at all levels and subsidiaries. Meanwhile, the Bank was committed to promoting energy conservation and consumption reduction management, improving energy utilization efficiency, and lowering operational energy consumption. It strengthened refined management of water resources, advanced the implementation of water-saving measures, and enhanced water resource utilization efficiency.

Energy consumption and emissions

Type	Unit	2025*****
Office power consumption	10,000 kWh	2,754.27
Office water consumption*	Tonnes	176,033.31
Water consumption intensity	tonnes/per employee	31.60
Paper consumption	Million sheets	17.73
Oil consumption	Litres	286,078.61
Natural gas consumption	Cubic metres	316,707.23
Greenhouse gas emissions **	Tonnes of carbon dioxide equivalent	22,749.89
– Direct greenhouse gas emissions (Scope 1) ***	Tonnes of carbon dioxide equivalent	1,371.30
– Indirect greenhouse gas emissions (Scope 2) ****	Tonnes of carbon dioxide equivalent	20,128.27
– Other indirect greenhouse gas emissions (Scope 3) *****	Tonnes of carbon dioxide equivalent	1,250.32
Greenhouse gas emissions intensity	Tonnes of carbon dioxide equivalent/ per employee	3.86
Air emissions		
– Nitrogen oxides (NO _x) emissions	Tonnes	0.1025
– Sulfur dioxide (SO ₂) emissions	Tonnes	0.0042
– Particulate matter emissions	Tonnes	0.0257

* The Bank's water consumption is mainly composed of domestic water supplied by the municipal water supply, so the water source is secured.

** The GHG inventory includes carbon dioxide, methane and nitrous oxide. Direct GHG emissions (Scope 1) are calculated with reference to the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, the *Guidelines for Greenhouse Gas Emission Accounting and Reporting for Public Building Operation Enterprises (Trial)* issued by the National Development and Reform Commission, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)* and the *Sixth Assessment Report (AR6)* issued by the Intergovernmental Panel on Climate Change (IPCC). Indirect GHG emissions (Scope 2) are calculated with reference to the *Announcement on the Release of 2023 CO₂ Emission Factors for Electricity (Announcement No. 47 of 2025)* jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics, *Guidelines for Greenhouse Gas Emission Accounting and Reporting for Public Building Operation Enterprises (Trial)* issued by the National Development and Reform Commission, and the heating prices for non-residents issued by the China Urban Heating Association and local governments.

*** The Bank's direct GHG emissions (Scope 1) include those generated from the consumption of natural gas, gasoline and diesel.

**** The Bank's indirect GHG emissions (Scope 2) include those generated from the consumption of electricity and municipal heating.

***** For Scope 3 GHG emissions, the Bank calculates Category 6 (business travel). The emission factors are sourced from the China Products Carbon Footprint Factors Database (CPCD).

***** In addition to the head office and all branches, the 2025 data scope also includes the consolidated subsidiaries BQD Wealth Management and BQD Financial Leasing.

Waste disposal

Type	Item	Data (2025)
Electronic equipment retired by Bank of Qingdao in 2025**	Computer for business purpose	170
	Printer	55
	ATM/CRS	17
	Self-service terminal	13
	Discarded toner cartridge and ink cartridge*	464

* Discarded toner cartridges are reported on a Head Office basis, while the other indicators are reported on a whole-Bank basis.

** The Bank attaches great importance to the environmental impact of electronic equipment. In equipment selection and supplier sourcing, priority is given to assessing green and environmental protection indicators. For the disposal of waste electronic equipment, the Bank extends the service life of such equipment through the reuse of components and the reassembly of damaged devices. Low-specification equipment that no longer meets business requirements is disposed of through donation. For daily waste electronic equipment with no recycling value, the Bank entrusts qualified professional partners to carry out recycling and harmless treatment, ensuring proper disposal and preventing adverse environmental impacts.

Deepening and strengthening green finance

Bank of Qingdao actively responds to the *Implementation Plan for High-Quality Development of Green Finance in the Banking and Insurance Sectors*. The Bank takes green as a defining feature of its development and is committed to building a green finance system with sound institutions, effective supervision and management, leading standards, robust organisation, diversified products and stringent risk control. We have continued to strengthen its distinctive brand, "BQD Green Finance", enhance its service capabilities in green finance, and promote the improvement of the green finance ecosystem.

Optimising green finance governance

By reviewing or hearing plans and reports on green finance, ESG and climate-related risk management, the Board of Directors and its relevant specialised committees keep abreast of latest developments and assess risks and opportunities in green finance. The Bank has established a Green Finance Special Leadership Group and a Green Finance Special Implementation and Management Group, both led by the President. This has formed a cross-departmental leadership and coordination mechanism for green finance to comprehensively advance the development of green finance business.

To improve the execution efficiency and traceability of green finance initiatives, the Bank has incorporated green finance into the comprehensive evaluation measures for branches, to guide and encourage branches to give priority to green finance business. At the same time, the Bank has continued to refine its green finance pricing subsidy mechanism and increased the quota for dedicated green finance subsidies. In 2025, the Bank's green loan balance reached RMB58.813 billion, representing a growth rate of 57.47%, ranking among the highest among city commercial banks in China.

The Bank launched its distinctive green finance brand, "BQD Green Finance", in 2023 to guide the Bank in standardising and regulating its green finance services and to strengthen the brand's market influence. In 2025, the Bank further upgraded the "BQD Green Finance" platform and successfully launched the first tailored green finance management system among city commercial banks in Shandong Province, enabling systematic operation and professional management across the full range of business.



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ranking among the highest among domestic city
commercial banks



Improving green credit policies

The Bank has continued to strengthen policy guidance for credit business. We formulated and issued the *2025 Credit Policy of Bank of Qingdao*, identifying new infrastructure investment, technological innovation, advanced manufacturing, the blue economy, agriculture and rural revitalisation, green finance and public utilities as the main directions for credit business development. Through overall credit strategies, guidance on credit direction and optimisation of credit processes, the Bank has given full play to the role of credit resource allocation and continuously increased credit support for green and low-carbon sectors.

Priority support	The Bank has identified new infrastructure investment, technological innovation, advanced manufacturing, the blue economy, agriculture and rural revitalisation, green finance and public utilities as the main directions for credit business development. We have also listed agriculture, public utilities, healthcare, pharmaceutical manufacturing, high-end equipment, auto parts, elderly care and food processing as priority-supported industries.
Prudent consideration	The Bank firmly reduces and exits exposure to corporates with poor environmental performance or significant social risks. It does not support corporates rated red in environmental credit or those with non-compliant environmental and social performance, and engages prudently with corporates rated yellow in environmental credit. It does not support restricted or eliminated projects listed in the <i>Guiding Catalogue for Industrial Restructuring</i> , or projects and corporates included in the national scope for eliminating outdated production capacity. It does not support corporates that have experienced extraordinarily serious work safety accidents or sudden environmental incidents and are unable to rectify them, or have not yet completed rectification. It also does not support corporates that seriously damage biodiversity or natural ecosystems.

In 2025, the Bank also updated and revised its credit policies for certain industries. It focused on improving credit strategies for green-related sectors such as photovoltaic power generation, clean heating, wastewater treatment and new energy power batteries, and provided more detailed guidance on customer and project access criteria as well as the identification and prevention of ESG risks.

The Bank has allocated dedicated credit approval resources for eligible green financing. We have established a flexible green (blue) finance approval team composed of designated green (blue) finance reviewers from each approval office, giving green (blue) finance business priority in acceptance and approval. At present, the Bank's green finance specialist team consists of 34 members, who are directly responsible for the identification and approval of green credit business for the Bank's 34 branches.

Strengthening ESG risk management

The Bank has formally incorporated ESG risks into its comprehensive risk management system and continued to strengthen full-process ESG risk management and control. ESG risk control has been embedded into the entire credit business process. The Bank strictly adheres to environmental compliance requirements and treats ESG risk assessment of customers and projects as a mandatory component of pre-credit investigation, credit approval and post-credit management.

Pre-credit investigation	The Bank strictly implements its relevant credit policies. In customer access, it applies a one-vote veto on environmental protection. It also strengthens cross-verification through on-site investigation and document review to comprehensively assess customers' ESG risks. Relying on the green finance business management system, the Bank is able to identify green finance business, measure environmental benefits and conduct carbon accounting. We also carry out differentiated environmental and social risk due diligence to improve the sensitivity and accuracy of ESG risk identification.
Credit approval	The Bank strictly reviews the completeness, compliance and validity of materials relating to customers' environmental and social risks, and fully assesses their potential ESG risks. We have established a differentiated credit approval mechanism and allocated dedicated approval resources for eligible green financing. We have also established a flexible green (blue) finance approval team composed of designated green (blue) finance reviewers from each approval office, giving green (blue) finance business priority in acceptance and approval.
Post-credit management	The Bank implements an ESG risk monitoring mechanism that combines regular monitoring with dynamic monitoring in post-credit management. On the one hand, during regular post-credit inspections, it checks the latest environmental credit ratings of corporates through the Shandong Corporate Environmental Credit Evaluation Platform. For corporates rated red, the Bank suspends loan disbursement, freezes exposure and formulates loan recovery plans. On the other hand, the Bank has launched a group-level risk early warning platform, which dynamically obtains information on corporates' environmental penalties, administrative penalties and other events, generates early warning signals and pushes them to the business system, urging customer managers to conduct timely reviews and prevent ESG risks in a forward-looking manner.

In 2025, the Bank revised the *Statement of Risk Appetite of Bank of Qingdao Co., Ltd.* and added two quantitative indicators: the difference between the growth rate of green financing and the average loan growth rate and the newly approved credit amount for high environmental and social risk corporates. These additions further refined ESG risk control from both positive and negative dimensions. The Bank also incorporated ESG risk appetite indicators into its monthly comprehensive KRI monitoring report to make ESG risk monitoring more forward-looking and sensitive.

Innovating green finance products

The Bank actively studies the credit demands of green industries such as ecological protection, clean energy, energy conservation and emission reduction projects, the energy conservation and environmental protection industrial chain, and comprehensive resource utilisation, to develop a broader and more diversified range of green finance products and financing instruments.

Expanding into the energy conservation and environmental protection sector	<ul style="list-style-type: none"> The Bank explores guarantee businesses backed by income rights and environmental rights such as concession rights for energy conservation and environmental protection projects, forest rights, energy-use rights, pollutant discharge rights and carbon emission rights. We also explore businesses such as buyer's credit for green equipment and green financing leasing. We have now achieved full coverage of four key innovative products, namely loans secured by environmental rights, loans secured by carbon assets, loans secured by energy income and sustainability-linked loans. The Bank actively promotes the implementation of innovative loan models such as carbon emission disclosure support loans, "eco-rights mortgage + project loans", and mortgage or pledge loans backed by energy conservation and green electricity certificates. We continue to drive the development of green finance business around four major application scenarios: light, electricity, heat and energy.
Exploring carbon finance business	<ul style="list-style-type: none"> The Bank explores business cooperation with dual-carbon management service platforms. Leveraging the platforms' intelligent and digital carbon data management scenarios, we develop financial products and services related to carbon emissions trading and supports the exploration of financial business derived from cash flows generated by carbon emissions trading. The Bank makes full use of the policy on carbon emission reduction support instruments and channels all policy incentives into revenue subsidies for branches. The subsidy standard is based on the difference between the funding cost of the PBOC carbon emission reduction support instruments or Shandong provincial policy instruments and the Bank's own funding cost, so as to further expand high-quality green projects.
Diversifying financing instruments	<ul style="list-style-type: none"> The Bank actively develops financing instruments such as short-term financing bonds, medium-term notes, corporate bonds, collective notes for small and medium-sized enterprises (SMEs), financial leasing and trust loans to support customers in carrying out green projects. We encourage the combination of such financing with green financial instruments such as green bonds, green asset-backed securities and green investment funds to provide blended financing for projects. Through innovation in green credit products, the Bank seeks to enhance returns and reduce risks, thereby strengthening the sustainability of green credit in serving the real economy.



Hosted the "Five Major Areas•BQD Green Finance Win-Win Co-Creation Conference"

On 18 July 2025, the "Five Major Areas•BQD Green Finance Win-Win Co-Creation Conference", hosted by the Bank, was successfully held in Qingdao. Under the theme of "Together with Green Finance, Towards the Mountains and Seas", the conference focused on the clean heating industry. Key heating corporates, water utilities corporates and industry experts from Shandong Province were invited to participate. Through an innovative model of "idea sharing + technology showcase + on-site visit + solution co-creation", the conference built a tripartite matchmaking platform linking technology, finance and application scenarios. During the conference, the Bank invited the International Finance Corporation (IFC), a member of the World Bank Group, to share global frontier concepts in green finance and provide an in-depth analysis of new opportunities in the wastewater thermal energy sector. From the perspective of financial solutions, the Bank introduced its green finance and blue finance products and service systems, together with relevant cases. We also invited representatives of energy corporates to present developments in green and environmental protection technologies such as wastewater-source heat pumps, and organised a visit for participants to the demonstration project of the Wastewater Energy Station in Qingdao High-tech Zone. Together with all parties, the Bank explored practical solutions for financial support for the application of green and environmental protection technologies, helping the clean heating industry break through development bottlenecks and contributing financial strength to the achievement of the dual-carbon goals.



"Green Water Clean Source Loan" helped corporates improve water environmental quality

The Bank focuses on development opportunities in green and low-carbon industries and has innovatively launched the dedicated loan product "Green Water Clean Source Loan". The product mainly provides credit support to eligible wastewater treatment corporates or integrated water supply and wastewater treatment corporates. We deliver targeted support for the construction of wastewater treatment facilities, upgrading and renovation projects, and daily operational capital needs, thereby effectively improving water environmental quality and supporting the dual goals of public welfare protection and ecological conservation.

In March 2025, a wastewater treatment corporate applied to the Bank for a floating capital loan because local fiscal funds were under pressure and payments of receivables for wastewater treatment fees had been delayed. After assessment, the Bank found that the corporate held the concession right for wastewater treatment in a certain area and had consistently met wastewater treatment standards. As it met the requirements under the Bank's Green Water Clean Source Loan policy, the Bank promptly granted it a RMB10 million floating capital loan, helping the corporate maintain effective operations and safeguard local public welfare.

Leading blue finance development

As a city commercial bank rooted on the coast of the Yellow Sea and along Jiaozhou Bay, Bank of Qingdao leverages Shandong's strengths as a major oceanic province, regards the blue economy as a key area of service, and focuses on the sustainable development of the blue economy. In November 2020, the Bank was approved by the United Nations Environment Programme (UNEP) as a member of the Sustainable Blue Economy Finance Initiative and signed and committed to comply with the *Sustainable Blue Economy Finance Principles*. In recent years, the Bank has worked with professional institutions such as the International Finance Corporation (IFC), a member of the World Bank Group, to formulate China's first industry standard for blue finance. We have also continued to enrich and refine its blue finance service solutions, expand its blue finance product portfolio, and advance blue finance into broader and deeper fields, providing comprehensive financial support for industries such as marine fishery, marine equipment manufacturing, and port logistics.



Implementing blue finance initiatives

The Bank has continued to improve its blue finance-related credit policies. We have issued specialised blue finance service plans such as the *Comprehensive Financial Service Plan of Bank of Qingdao for Supporting the High-quality Development of Qingdao's Blue Economy and the Comprehensive Financial Service Plan for Qingdao's Ocean Management*. From the perspectives of financial product and service model innovation, development of new financing channels, optimisation of service processes, and creation of one-stop service support platforms, the Bank has built a high-standard blue finance service system, efficiently served the blue real economy and injected financial momentum into the development of the blue economy. At the same time, the Bank has innovatively developed the blue finance brand "The Pupil Outdoes the Master" and continued to advance the branding and systematic development of blue finance. As at the end of 2025, the Bank's blue finance loan balance reached RMB22.754 billion, representing an increase of RMB5.972 billion from the beginning of the year, or 35.59%. At present, its business is mainly concentrated in traditional sectors such as wastewater treatment, green ports, and shipping logistics.

As at the end of 2025,
the Bank's blue finance loan balance reached

RMB22.754 billion

Increase from the beginning of the year
RMB5.972 billion,
Growth rate reached

35.59%



Expanding the blue finance industry	In 2025, in line with macro policy priorities such as “strengthening marine development, utilisation and protection” and “accelerating the building of China into a strong maritime country”, the Bank focused on marine biodiversity conservation and the development of the primary, secondary and tertiary marine industries. Our services covered a wide range of fields, including sustainable fisheries, ocean-friendly chemicals, port and shipping logistics, marine engineering equipment, renewable energy and ecological restoration. The Bank provided integrated financial services covering credit, settlement and wealth management.
Standardising the identification of blue finance	The Bank strictly identifies and determines whether proposed business qualifies as blue finance in accordance with the <i>Blue Asset Classification Standard of Bank of Qingdao and Industrial Classification for Ocean Industries and Their Related Activities</i> (GB/T 20794-2021). In addition to marking such business in the Bank’s credit management system, the Bank also makes it clear in the business application conclusion whether the business falls within blue finance. For high-quality blue finance projects and blue finance projects included in key government plans and development programmes, the Bank provides differentiated policy support in areas such as access criteria, credit limits, financing tenors, disbursement conditions and risk mitigation measures.
Blue finance risk management	The Bank has formulated the <i>Management Measures of Bank of Qingdao for Environmental and Social Risk of Blue Project Loans</i> . Based on the degree of potential environmental and social risks faced by customers and in light of the characteristics of their industries or specific projects, the Bank classifies customers and projects into three categories: A (high risk), B (medium risk, including B1 and B2) and C (low risk). We apply differentiated risk control strategies and effectively embeds ESG risk management and control into the entire credit business process. At the same time, the Bank strictly adheres to environmental compliance requirements and treats ESG risk assessment of customers and projects as a mandatory component of pre-credit investigation, credit approval and post-credit management.

Innovating blue finance products

In 2025, the Bank developed a diversified range of blue finance products, including credit products such as “Fishing Vessel Loan” and “Seaweed Loan”; innovative financing products such as “Port Cloud Warehouse” and “Pharma Care Financing”; “Export Easy Loan” for export corporates; and convenient settlement products such as “Swift Remittance”. These efforts significantly enhanced the Bank’s service coverage and support for marine-related corporates. Meanwhile, as at the end of 2025, BQD Wealth Management had cumulatively issued 50 blue wealth management products, raising approximately RMB5.6 billion. The funds were mainly invested in marine environmental protection and related industries, further strengthening the Bank’s comprehensive service capabilities.

Case Bank of Qingdao participated in the China International Financial Exhibition, enhancing its new profile as a “featured bank for blue finance”

In 2025, the Bank participated in the China International Financial Exhibition. Through a distinctive blue-themed booth and a promotional video on blue finance, we showcased our innovative practices and strategic positioning in sustainable blue finance, enhancing Bank of Qingdao’s new profile as a “featured bank for blue finance.”



Case Bank of Qingdao assisted in hosting the blue finance exchange event “Finance Empowering Corporates, Sailing Towards the Future”

In 2025, the Bank assisted the Qingdao Municipal Financial Regulatory Bureau and the Qingdao Municipal Marine Development Bureau in hosting the blue finance exchange event “Finance Empowering Corporates, Sailing Towards the Future”. As a featured bank for blue finance services, the Bank introduced its blue finance service system and strengthened communication and exchanges with related corporates and regulators. In addition, the Bank assisted the Financial Office of the Communist Party of China (CPC) Qingdao Municipal Committee and the Qingdao Finance Association in hosting the “Blue Finance, Shared Future” Golden Corporate School and the seminar on the integrated development of the blue economy and financial innovation. At the event, the Bank shared its practices, experience and recommendations in blue finance. This effectively helped build broader consensus on the development of blue finance and significantly enhanced the Bank’s professional image in this field.

Building a green bank

Advancing green operations and promoting energy conservation and emission reduction are important ways for banks to practise sustainable development and fulfil their social responsibilities. In 2025, the Bank thoroughly implemented the national dual-carbon strategy and the philosophy of green development, comprehensively advanced ESG system development, and formulated the Work Plan of Bank of Qingdao for ESG Development. Focusing on its green operation goals, the Bank strengthened overall planning and systematic implementation, continued to improve the relevant management mechanisms, and introduced a series of energy conservation and emission reduction measures, to ensure that the philosophy of green development is effectively embedded in all aspects of operation and management.

Green operations

The Bank actively practises the concept of green operations. By promoting the transformation and upgrading of outlets and optimising remote service processes, we have improved energy and resource efficiency, and specified key indicators and targets for green operations in areas such as energy conservation, emission reduction, water conservation and waste reduction. We have also strengthened the review of energy consumption of relevant equipment, to promote energy conservation in the course of operations.



Providing remote services

The Bank promotes online channels such as mobile banking and online banking, covering a full range of services including account opening, transfers and wealth management. These channels help reduce customers' energy consumption and time costs associated with visiting outlets, while also reducing water, electricity and paper consumption in outlet operations. The Bank also promotes electronic statements, electronic contracts and electronic receipts to replace paper vouchers and reduce carbon emissions from paper procurement, printing, storage and disposal. In addition, the Bank advances the development of remote counter services and has established a remote financial service system featuring diversified channels, human-machine collaboration, security and reliability, thereby reducing the resource consumption of traditional outlet services.



Building green outlets

The Bank actively explores the development of green outlets. The Bank conducts real-time monitoring and analysis of energy consumption at outlets, provides visualised information on total energy consumption, regional energy consumption, itemised energy consumption and carbon emissions, and dynamically adjusts air-conditioning temperature, lighting intensity, equipment switches and illuminated signs in different areas of business outlets. Among these efforts, Qingdao Laoshan Second Sub-branch obtained the Excellence in Design for Greater Efficiency (EDGE) green building certification issued by the International Finance Corporation (IFC), a member of the World Bank Group.



Promoting green office practices

The Bank upholds the principle of operating the Bank with diligence and thrift and has implemented a number of energy conservation measures in daily operations. These measures include saving every kilowatt-hour of electricity, installing automatic controls and separate circuit switches for lighting in public corridors and staircases, encouraging employees not to take lifts when travelling between lower floors, making full use of teleconferencing and videoconferencing systems to reduce business travel for meetings, and building a "green cafeteria" with greater use of energy- and water-saving facilities and equipment.



Supporting green travel

The Bank actively promotes green travel. In terms of official vehicles, the Head Office has implemented centralised vehicle management and unified dispatching. Fuel type, fuel consumption and refuelling stations are managed with differentiated limits according to vehicle conditions and allocated based on actual needs. The Bank also conducts targeted inspections of vehicles with relatively high fuel consumption. For fuel vehicles that have reached the end of their service life, the Bank gradually replaces them with new energy electric vehicles, thereby reducing carbon emissions and exhaust pollution. At the same time, the Bank encourages employees to use public transport such as buses and metro services for daily commuting and to reduce the frequency of private car use, to foster a green travel ecosystem.

Green procurement

The Bank adheres to a market-oriented approach and steadily advances transparent procurement. The Bank has continued to strengthen institutional development, process optimisation and supplier solicitation, and has revised the *Measures of the Bank of Qingdao on Centralised Procurement Management* and the *Operating Procedures of the Bank of Qingdao on Centralised Procurement* based on the actual situation. By improving its institutional framework, the Bank has further strengthened the compliance of procurement management. During procurement, the Bank continuously refines procurement requirements, taking into account multiple factors such as product materials and compliance with quality standards. We reject suppliers and products characterised by high pollution or high energy consumption, and guide suppliers to fulfil social responsibilities such as environmental protection, energy conservation and emission reduction, thereby building a green supply chain.

Green activities

During the reporting period, the Bank carried out a series of public welfare activities related to green and low-carbon development, advocated green and healthy lifestyles, and contributed our strength to the building of a Beautiful China.



The Weihai Branch held an activity to bring environmental protection knowledge into the campus.



The Business Department of Weihai Branch went to Daqiao Community to carry out a public welfare activity on garbage sorting and environmental protection.



The Dongying Kenli Sub-branch carried out a tree-planting activity.

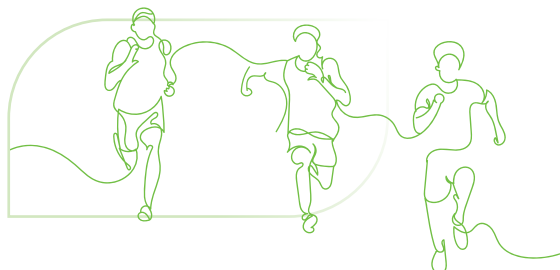


The Jimo Sub-branch organized employees to carry out a tree-planting activity.



The Zibo Branch launched an old bicycle replacement activity.

To advocate green and healthy lifestyles, in 2025, all branches of the Bank in Qingdao organized 45 community sports events in collaboration with local communities, attracting the participation of nearly 8,000 customers.





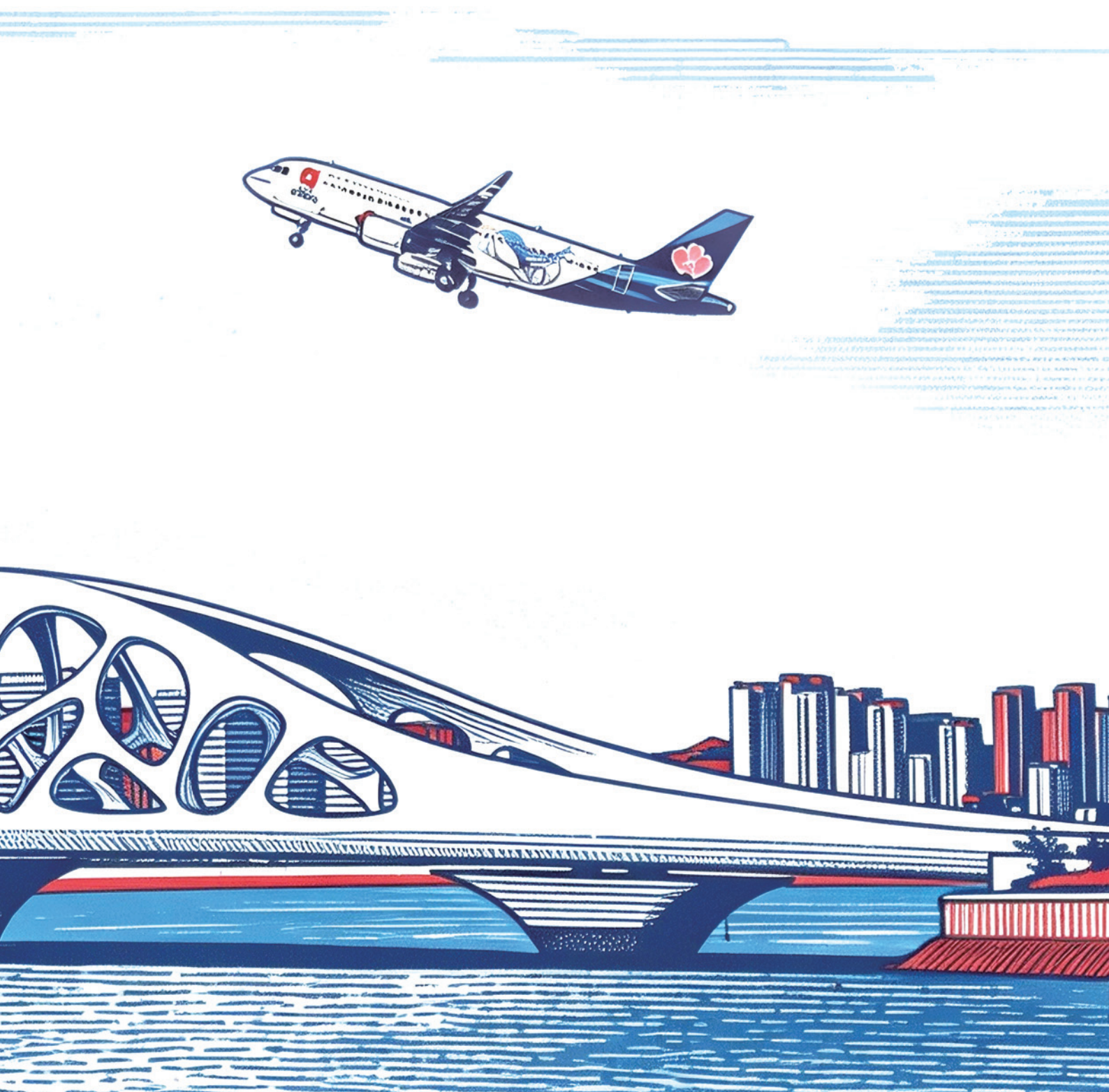
“Qingxin” Services, Delivering Warmth

Excellent services are important for financial institutions to fulfil social responsibilities and create sustainable value. Bank of Qingdao remains firmly committed to the political and people-oriented nature of financial work, fully embedding its customer-centric philosophy into both strategy and practice. By providing warm, high-quality and responsible services, the Bank strives to meet the public’s financial needs for a better life and contribute to high-quality economic and social development.

In 2025, the Bank continued to optimise its physical service channels and deepen community engagement, reinforcing the foundation of inclusive finance. The Bank vigorously advanced digital transformation and scenario innovation, leveraging technology to enhance the convenience, inclusiveness and precision of services. The Bank regarded the protection of customer rights and interests as a lifeline. Through well-established management mechanisms and advanced intelligent risk control, the Bank strictly safeguarded the bottom lines of information security and fund security. Meanwhile, the Bank actively engaged in financial literacy initiatives to help foster a sound and rational environment for financial consumption. Through these efforts, the Bank was committed to becoming the most trusted partner by its customers’ side and to contributing solid financial strength to social harmony and people’s well-being.



Response to the United Nations Sustainable Development Goals (SDGs)



Expanding the scope of financial services

Bank of Qingdao remains committed to serving the people through finance and to building a financial service system that is broad in coverage, multi-tiered and sustainable. With the goal of improving the accessibility, convenience and inclusiveness of financial services, the Bank continues to extend financial resources and professional services to a wider range of social groups and regions through optimising its layout network, innovating community service models and enhancing product offerings, thereby providing solid support for high-quality regional economic and social development.



Expanding access to financial services

With improving the accessibility, convenience and inclusiveness of financial services as its core objective, the Bank focuses on optimising outlet layout and upgrading service models. The Bank is committed to transforming its outlets from traditional “transaction processing centres” into “value creation centres” and “customer experience centres”. The Bank has steadily achieved full coverage of all cities in Shandong Province, continued to deepen its presence in county markets to support rural revitalisation, and strengthened financial support for the high-quality development of the regional economy.



Optimising outlet layout and building a tiered and coordinated service network

The Bank has formulated a systematic strategic plan for outlet layout. Based on differences in regional development and the characteristics of customer demand, the Bank has built a tiered, categorised and efficiently coordinated service network to comprehensively enhance service coverage depth and market competitiveness.

Based on the ranking of 136 districts and counties across the province, the Bank developed an overall layout plan and continued to strengthen coverage depth, brand influence and overall competitiveness in key regions. Focusing on core communities with dense populations and vibrant commercial activities, the Bank analysed outlet service radius and customer distribution to accurately identify and fill service gaps. At the same time, the Bank optimised the functions and efficiency of existing outlets, improved service offerings in light of regional characteristics, and built integrated service platforms combining financial transactions, product consultation and convenient services.



Achieving full regional coverage and empowering the high-quality development of Shandong

On 18 February 2025, Qingdao Liaocheng Branch officially opened. The opening of Liaocheng Branch completed the Bank’s final “piece of the puzzle” in Shandong Province and marked the achievement of its strategic layout covering all 16 cities in the province. This further enhanced the Bank’s ability to support Shandong’s economic development through financial services.

At the opening ceremony, the Bank signed a strategic cooperation agreement with the Liaocheng Municipal Government, and Liaocheng Branch signed strategic cooperation agreements with the Administrative Committee of Liaocheng Economic and Technological Development Zone and four corporates. These agreements further deepened government-bank and bank-corporate cooperation, explored all-round and multi-level business collaboration, and laid a solid foundation for the Bank’s integration into local development.

The opening of Liaocheng Branch marks not only the completion of the Bank’s layout in Shandong, but also a new starting point for serving the regional economy. Closely aligned with the “five major areas”, the Bank will leverage innovative financial products and technology empowerment to integrate more deeply into key areas such as industrial development, project construction and rural revitalisation in Liaocheng. The Bank will also develop a diversified financial service system to meet the customised needs of various market entities and contribute financial strength to building a harmonious Liaocheng and a harmonious Shandong.



Serving happy neighbourhood

The Bank stays committed to the fundamental purpose of finance and aims to enhance public well-being. In line with the national plan for the development of inclusive finance, the Bank has continued to extend resources, services and management into communities. The Bank has built the “Happy Neighbourhood” Party-building and community service brand and innovatively developed a new finance model that integrates Party building and volunteer service to empower business development. Through targeted and refined financial services, the Bank has fostered a brand image that reflects new finance and a new outlook, and has safeguarded neighbourhood well-being with services that are both caring and meaningful.

Focusing on inclusive finance and the role of community services

The Bank takes communities, the basic units of social governance, as an important point of focus and actively explores new paths to community financial services in the new era. To promote the flow of social resources into communities and open up the “last mile” of financial services, the Bank established the Community Finance Business Unit in 2020 and fully launched the “Happy Neighbourhood” Party building and community service brand.

Empowering volunteer service through Party building and innovating the community finance service system

The Bank’s community finance has actively adapted to the trends of the times. With new concepts, new models and new approaches, the Bank has established a new orientation for “community finance development” in the new era and put into practice the political and people-centred nature of financial work. Upholding the brand vision and mission of “providing better financial services for more community residents,” the Bank has continued to strengthen the “Happy Neighbourhood” brand. The Bank has fully implemented the innovative finance development model of “Party Building Leading + Volunteer Service First.” With the building of a “new type of neighbourhood relationship” as its core, the Bank has fostered a sense of community cultural belonging and participation in governance, strengthened the foundation of neighbourhood trust, and explored a path for the high-quality development of community finance in the new era.

Creating shared value and demonstrating the comprehensive value of community finance

The Bank has continued to promote the deep integration of volunteer service and social responsibility. 13 volunteer service teams across the Bank work closely with community Party service centres and actively participate in activities such as population censuses, anti-fraud publicity, holiday visits, assistance for people in need, and joint Party-building initiatives. These efforts have made the brand widely recognised, and fostered a positive cycle of good social reputation and mutual trust.



Community volunteer service teams help safeguard happy neighbourhoods

The Bank has established 13 “Happy Neighbourhood” community volunteer service teams, bringing together more than 100 community finance professionals. Guided by the core value of “Happy Neighborhood, Caring for One Another,” these teams fulfil social responsibilities and uphold the volunteer spirit of “volunteering in daily work and integrating work into volunteer service.” They go deep into communities to understand local conditions, listen to residents’ concerns, and help address the urgent and practical problems.

Inside outlets, the Bank has introduced the “Respecting and Caring for the Elderly Volunteer Service Nine-Grid,” extended non-financial service scenarios, and reshaped community service relationships, which has won broad recognition from local residents. Outside outlets, the Bank works with community Party service centres, building leaders, Party members and community volunteers on a regular basis to carry out activities such as joint Party-building initiatives, anti-fraud publicity, consumer rights protection, elderly care planning and environmental protection. Through joint building, mutual governance and shared benefits, the Bank has further strengthened neighbourhood trust, enriched the meaning of its Party-building community finance brand, and demonstrated the cultural essence of “putting the people at the centre.”

Optimising consumer finance services

In 2025, closely aligned with policy directions in consumer finance, the Bank focused on the diverse needs of residents and worked to optimise consumer finance services through both product innovation and service enhancement. In terms of its product system, the Bank continued to deepen scenario layout, with a focus on promoting its parking space loan product, and built a diversified product matrix covering daily consumption and scenario finance to meet the financing needs of different customer groups. In terms of service experience, the Bank strengthened digital empowerment and realised the full-process online processing of loan application, approval and disbursement. By leveraging intelligent risk control technology, the Bank improved review efficiency and reduced financing costs. The Bank has also developed “Qing Yi Rong” proprietary digital credit brand, and built a digital financial service system to provide individual customers with efficient and convenient credit services. In 2025, “Qing Yi Rong” cumulatively granted RMB3.226 billion in consumer loans, meeting individual customers’ needs for major expenditures such as home decoration, education and home appliances, as well as everyday small-ticket consumption, and effectively supporting growth in regional consumption.

Enhancing the digital finance experience

Driven by technology-empowered financial innovation, the Bank has continued to deepen its digital transformation. Focusing on three dimensions, including digital platform development, digital and intelligent experience enhancement, and scenario finance expansion, the Bank has used technology to improve service precision, operational efficiency and inclusiveness. Through digital practices, the Bank has steadily advanced sustainable development, unlocked the value of digital finance from multiple dimensions, and comprehensively enhanced customer experience. The Bank is committed to providing customers with financial services that are more convenient, efficient, secure and people-oriented.

Optimising digital finance platforms

The Bank is committed to driving financial innovation through technology and continuously deepening digital transformation. During the reporting period, by combining independent development with cooperation and introduction, the Bank successfully launched and implemented key digital platforms. These efforts significantly improved the precision of customer service, operational efficiency and scenario integration capabilities, and injected new momentum into the high-quality development of the Bank's business.

Launching the “Q Man Cang” proprietary acquiring service platform to build a new scenario finance ecosystem

In September 2025, the Bank officially launched “Q Man Cang”, its self-developed proprietary acquiring service platform. The platform is a key step in implementing the Bank's digital finance strategy. It is designed to build a more independent, flexible and inclusive acquiring service system, enhance the Bank's core competitiveness, and expand the coverage of its business ecosystem.

Enhancing service customisation and competitiveness	The platform can respond precisely to the personalised needs of acquiring customers and provide customised service solutions. At the same time, under the operating strategy of “Q Man Cang” proprietary acquiring service platform, the Bank is able to provide eligible acquiring customers with acquiring fee subsidies, effectively reducing merchants' operating costs and enhancing customer experience and market attractiveness.
Empowering innovation in specialised scenarios	Supported by the platform's core capabilities, the Bank has been able to accelerate innovation in financial service models in specialised scenarios such as healthcare, campuses and public utility payments, and build a scenario finance ecosystem with its own distinctive features.

Launching the “Rongxi Intelligent Marketing” platform to drive the intelligent upgrade of customer base management

In 2025, the “Rongxi Intelligent Marketing” project, jointly developed by the Bank and Volcengine, was successfully launched and put into operation. The project has effectively strengthened the Bank's digital and intelligent retail operations capabilities and improved the sustainable operating efficiency of financial services.

Achieving refined lifecycle management	By optimising the customer tag system, introducing large language models (LLMs) to build intelligent customer profiles, and establishing automated marketing processes, the Bank has achieved refined customer lifecycle insights and differentiated strategy deployment. These efforts have effectively supported key business scenarios such as new customer acquisition, activation of existing customers and win-back of lost customers, and have significantly improved customer value conversion efficiency.
Improving operational efficiency and customer experience	At the customer service level, the Bank leverages big data and real-time computing technologies to deliver more precise customer outreach, warmer interactions and faster response in personalised services. This approach is aligned with the ESG philosophy of customer rights protection and value creation. At the operational level, the application of digital tools such as process automation and A/B testing has enabled the rapid iteration of marketing strategies.
Deepening technology integration and continuous iteration	The project adopted an agile development model, enabling the transformation of technological achievements into business value. Going forward, the Bank will continue to advance the second phase of the platform, deepen its algorithm-driven intelligent recommendation capabilities, and explore deeper integration with various business channels. The Bank will also continue to improve its digital marketing matrix and support the comprehensive enhancement of the sustainable operating efficiency of financial services.

Optimising the product management platform to achieve full lifecycle management

The Bank has built a systematic product management mechanism covering the entire product lifecycle, established a Bank-wide product catalogue covering major business lines, and formulated product attribute standards and product manual specifications, thereby realising the centralised and standardised management of product information. The Bank independently developed the “Xingtu Product Spectrum Platform” across the full stack, enabling Bank-wide application in scenarios such as product catalogue restructuring, product dashboards, attribute management and risk suspension. The Bank has also established a product review mechanism, standardised the evaluation framework and analysis methods, and taken the lead in implementing them in the inclusive finance product line, thereby driving the continuous evolution of product management towards greater refinement and digitalisation. During the reporting period, the “Xingtu Product Spectrum Platform” was granted multiple software copyrights and won the Second Prize in the Financial Technology Development Awards of the PBOC, the only ministerial-level science and technology award in China’s financial industry. This represented strong industry recognition of the Bank’s innovative practices in the digital transformation of product management.

Enhancing the digital and intelligent finance experience

The Bank adheres to a customer-centric philosophy. Guided by both independent technological innovation and user needs, the Bank advances the upgrading of scenario-based services, digital and intelligent product management and control, full-process experience optimisation, and stronger risk control capabilities in parallel. The Bank is committed to improving the convenience, security and inclusiveness of financial services in all respects. Through the results of its digital and intelligent transformation, the Bank fulfils its corporate social responsibility, effectively protects user rights and interests, and empowers services that support people’s livelihoods.

Optimising mobile financial services and expanding inclusive and elderly-friendly scenarios

To meet customers’ growing demand for instant and lightweight services, the Bank has continuously strengthened mobile banking functions and service innovation. The Bank has built a customer companionship service platform and used scenario-based innovation to improve the quality and efficiency of financial services, so as to respond precisely to the diverse needs of the customer base.

Inclusive finance	The Bank has continued to enhance the digital service upgrade of “Inclusive e-Finance”, optimised the online application process, and launched an online loan renewal function. These efforts have further improved the accessibility, convenience and sustainability of inclusive finance services. With digital warmth, the Bank supports the growth of micro and small enterprises (MSEs) and effectively opens up the “last mile” of inclusive finance.
Services for elderly and special groups	The Bank has continued to advance the elderly-friendly transformation of its mobile banking services by optimising high-frequency scenarios such as “Asset Overview” and “Transfers and Payments.” The Bank has also launched the “Happy Golden Years” elderly care services to meet the comprehensive financial needs of elderly customers in preparing for and living in retirement through scenario-based development.
Strengthening system adaptation and upgrading	In active response to the call for self-reliance and strength in science and technology, the Bank officially released version 2.0 of its HarmonyOS mobile banking app in October 2025. The Bank has continued to enrich the service functions of the HarmonyOS version of the app and drive the iterative upgrading of digital financial services through independent technological innovation.

Implementing a full-process experience management and control system to drive responsible product innovation

In September 2025, the Bank issued its first systematic user experience management policy, the *User Experience Management Measures of Bank of Qingdao (Trial)*. The policy establishes a three-tier management structure under which the Digital Transformation Office takes overall responsibility, product departments are responsible for implementation, and other departments provide coordinated support. The policy also sets out five management principles: customer-centric philosophy, data-driven decision-making, combination of qualitative and quantitative approaches, full-process management and control, and continuous improvement and optimisation. These aim to standardise the operation of user experience management across the Bank.



Bank of Qingdao was selected for the China Financial Certification Authority (CFCA) 2025 Digital Banking•Selected Light excellent case of intelligent operation of mobile banking.

Building an evaluation framework	The Bank established a five-dimensional evaluation framework based on the Bank of Qingdao FREUD experience model, providing a comprehensive assessment of user experience across functionality, reliability, efficiency, usability and delight.
Establishing a three-tier evaluation system	The Bank established a three-tier evaluation system covering the full product lifecycle and built a rigorous “quality filter” through assessments conducted at different frequencies. During the product creation stage, the Bank sets launch thresholds to ensure initial quality. During the regular operation stage, the Bank conducts quarterly reviews to support agile iteration. In addition, the Bank carries out an annual Bank-wide satisfaction survey to support the long-term planning of products through big data.
Creating a closed loop for product experience iteration	The Bank established a closed loop of “three channels of feedback, driven by work orders.” Through the product experience management platform, the Bank consolidates feedback from customers, employees and systems to form an experience issue collection network covering both internal and external stakeholders. Relying on a full-process online work order system, the Bank has connected all key points from issue identification to agile improvement and effectiveness verification. Based on accumulated data, the Bank has also built a quantitative evaluation system and continued to promote precise iteration of product experience.

Expanding digital scenario services

Bank of Qingdao actively responds to the trend of digital transformation and continues to expand the boundaries of financial services with scenario finance as a key focus. The Bank builds an open and collaborative partner ecosystem. The Bank deeply embeds specialised and customised financial services into the production, operation and daily life scenarios of different customers, including corporates, individuals, government agencies and financial institutions. In doing so, the Bank seeks to improve service efficiency, optimise customer experience and support the sustainable development of industrial ecosystems.



Empowering key industries and building digital platforms for supply chain finance

The Bank focuses on the coordinated development of key industries and has built specialised supply chain finance service platforms. The Bank precisely responds to the needs of industries such as construction, cross-border trade, aviation and transport infrastructure. The Bank has innovatively launched online supply chain finance products such as Yun Zhu Wang, Jian Dan Hui, GoldNet and CCCC e-Credit. These products enable efficient coordination between project fund management and supply chain financing. They also help improve the quality and efficiency of capital circulation across the upstream and downstream segments of industrial chains. Through digital financial innovation, the Bank supports the high-quality development of industry.



Deepening livelihood scenarios and building a “finance + life” digital ecosystem

The Bank continues to deepen its presence in livelihood service scenarios. In the field of community finance, the Bank has innovatively launched digital tools such as the “Happy Train” convenient service platform and the wealth management fast-selling applet. These tools help seamlessly embed financial services into customers’ daily life and work scenarios. They also help build a “finance + life” digital ecosystem. In this way, the Bank has effectively improved the accessibility and convenience of convenient financial services and enabled digital services to better benefit people’s livelihoods.



Focusing on campus services and advancing the digital transformation of smart canteens

In expanding campus scenarios, the Bank actively responded to the policy requirements of the *Guidelines for the Development of Smart Management Systems for Canteens in Primary and Secondary Schools in Shandong Province*. The Bank assisted campus customers in the digital transformation of their canteen payment systems. By deploying the “Bi Bi Kou” real-time payment business, the Bank replaced the traditional prepaid model and reduced at source the risk of fund misappropriation under school prepaid arrangements. The Bank also introduced facial recognition payment to replace the original card payment. These measures optimised the dining process and significantly improved convenience and experience for teachers and students on campus.



Empowering youth development and building an ecosystem for industry-education integration through competition

Upholding the philosophy of “empowering youth and promoting coordinated development”, the Bank launched and hosted the first Bank of Qingdao•University Coze Agent Innovation Competition during the reporting period. The competition closely integrated the Bank’s exploration of financial intelligence with the cultivation of young people’s innovation capabilities. While supporting the Bank’s own digital transformation, the competition also helped build a positive ecosystem for industry-education integration and youth services.



Strictly protecting customer rights and interests

The Bank has always placed consumer rights and interests at the core of its operation and development. Through systematic management mechanisms, forward-looking risk prevention and control, and caring service practices, the Bank protects customers' legitimate rights and interests in all respects and continues to deliver trust and warmth through financial services. The Bank has actively developed the "Qingxin" service brand and fully fulfilled its primary responsibility for consumer protection. The Bank has established a full-chain consumer protection system covering prior review, timely response, follow-up improvement and end-to-end security protection. Through standardised management, efficient handling, quality service and strong security protection, the Bank has strengthened the line of defence for customer rights and interests in all respects while delivering financial services with warmth.

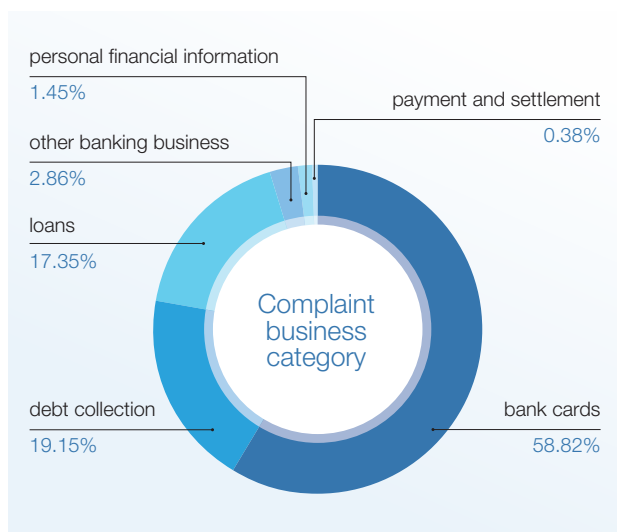
Carrying out dedicated consumer protection reviews

To fully fulfil its primary responsibility for consumer protection, the Bank has continued to improve its consumer protection review mechanism. With optimising consumer protection review functions and strengthening professional support as the core, the Bank standardises product and service management at the source, effectively prevents potential risks in business activities, and safeguards consumers' legitimate rights and interests.

Improving review mechanisms and strengthening source control	The Bank has further expanded the scope of consumer protection review. Publicity materials independently designed by branches for marketing and promotion are now all included in the review scope. The Bank has made it clear that such materials can be used externally only after passing review to prevent risks at the source. At the same time, the Bank has continued to standardise review procedures and standards. It systematically summarises and organises issues identified in daily reviews and releases them weekly through the "consumer protection chatgroup". In this way, the Bank provides branches with ongoing learning guidance and operating standards, and promotes a consistent improvement in consumer protection compliance awareness across the Bank.
Updating review priorities and identifying risks precisely	The Bank stays closely aligned with the latest national laws and regulations, policy documents and financial regulatory rules on consumer protection. The Bank regularly updates and reviews the key points of consumer protection review. Based on the type of material and the specific nature of the business, the Bank systematically summarises key risk points to ensure that all business activities are lawful and compliant and to strengthen the institutional foundation of consumer protection work.
Strengthening professional support and improving review effectiveness	To further implement regulatory requirements, the Bank has focused on strengthening professional support for consumer protection review. The Bank works to prevent actions that may infringe consumers' legitimate rights and interests at the source and to standardise lifecycle management of products and services. By engaging professional lawyers to conduct preliminary consumer protection reviews, the Bank is able to identify potential risks more accurately and provide risk prevention and control recommendations, thereby improving the professionalism and precision of consumer protection review and safeguarding consumers' legitimate rights and interests in all respects.

Standardising customer complaint handling

Upholding the customer-centric philosophy, the Bank regards customer complaints as an important opportunity to improve services and enhance management. By improving the closed-loop complaint management mechanism, deepening source-based governance and adopting innovative digital tools, the Bank has systematically improved the efficiency of complaint handling and customer satisfaction, and effectively safeguarded consumers' legitimate rights and interests. In 2025, complaints received through all channels decreased by 5.43% year on year. All customer complaints received during the year were handled efficiently in accordance with the prescribed procedures, and the complaint resolution rate reached 100%. By business category, complaints mainly involved bank cards (6,300 cases, accounting for 58.82%), debt collection (2,051 cases, accounting for 19.15%), loans (1,858 cases, accounting for 17.35%), other banking business (306 cases, accounting for 2.86%), personal financial information (155 cases, accounting for 1.45%), and payment and settlement (41 cases, accounting for 0.38%). By region, complaints were highly concentrated in Qingdao (including credit cards), accounting for 99.81%.



Complaint management and governance structure

The Bank fully implements its primary responsibility for complaint handling and works to strengthen its ability to handle complaints at the first point of contact. The Bank has designated each branch as the responsible entity for handling local complaint cases, and the Head Office business departments as the responsible entities for handling on-site complaint cases at the Head Office. Complaints falling within their respective areas of responsibility are handled promptly, investigated quickly and responded to within prescribed time limits, so as to ensure efficient response to customer concerns.

Within the Bank-wide complaint management framework, the Bank has optimised the full complaint handling process. The Consumer Interests Protection Department focuses on end-to-end complaint management and control. The department takes the lead in implementing primary responsibilities, advancing specialised governance initiatives and organising self-inspections on effectiveness. It also coordinates complaint handling across the Head Office, branches and sub-branches, thereby strengthening the Bank's line of defence in consumer protection.

Complaint management mechanism

The Bank strictly implements the requirements of the *Administrative Measures for the Handling of Consumer Complaints in the Banking and Insurance Sectors* and the *Implementation Regulations of Qingdao for the Handling of Consumer Complaints in the Banking and Insurance Sectors*. The Bank has put in place a full-chain closed-loop management mechanism of "all-channel acceptance, full-process traceability, tiered handling by the Head Office, branches and sub-branches, closure follow-up, data reporting, source-based improvement and complaint assessment." This mechanism enables multi-role coordination between the Head Office and branches and sub-branches, and ensures the smooth circulation of complaints throughout the entire process. At the same time, the Bank has strengthened prevention at the source and early-stage resolution of conflicts and disputes. The Bank provides early warning for key institutions and key issues, improves the diversified resolution mechanism for consumer complaints, and promotes the resolution of conflicts and disputes at the grassroots level and at an early stage. In doing so, the Bank continues to enhance its capabilities in complaint handling and dispute resolution.



Strengthening source-based governance and reinforcing the first line of defence for prevention

The Bank focuses on source-based complaint governance and strengthens risk prevention at an earlier stage. For complaint-prone businesses such as credit cards and online loans, the Bank handles customer complaints in advance. At the same time, the Bank strengthens consumer protection management of partner institutions. The Bank clearly defines their consumer protection rights and responsibilities. The Bank also strengthens the management and control over key areas such as information disclosure, pricing and fees, and outsourced debt collection, so as to reduce at source actions that may infringe consumers' rights and interests.



Carrying out regular self-inspection and rectification and improving complaint handling efficiency

The Bank conducts quarterly self-inspections on complaint handling effectiveness. The Bank focuses on four core dimensions: complaint hotline answering, implementation of first-contact responsibility, handling of transferred complaints, and resolution of repeated complaints. The Bank comprehensively reviews existing issues and formulates targeted improvement measures. Through self-inspection and rectification, the Bank promotes more standardised business conduct, continuously improves the quality and efficiency of complaint handling, and curbs consumer protection violations.



Innovating digital tools and driving upgrades in complaint transfer efficiency

To improve the standardisation and efficiency of complaint handling, the Bank's customer service centre actively applies digital tools to upgrade workflows. The Bank independently developed tools for "one-click generation of standardised work orders", "work order processing timeliness statistics" and integrated data cleansing. These tools have enabled rapid work order generation, visualised processing progress and automated data analysis. These innovations have significantly reduced administrative processing time, enabled advance reminders for work orders approaching the deadline, achieved smooth complaint circulation and timely handling, providing solid technical support for efficient closed-loop management. In 2025, the Bank received 10,711 customer complaints. All complaints were registered in the "Voice of Customers Complaint Management System" and circulated in a standardised manner. The on-time resolution rate within 15 days was 100%.

Enhancing customer service satisfaction

Bank of Qingdao always adheres to the customer-centric service philosophy. Through systematic satisfaction monitoring, technology-enabled service optimisation, refined operational management and human-centred special care, the Bank has built a comprehensive, high-quality customer service system and continuously improved customer experience and loyalty.

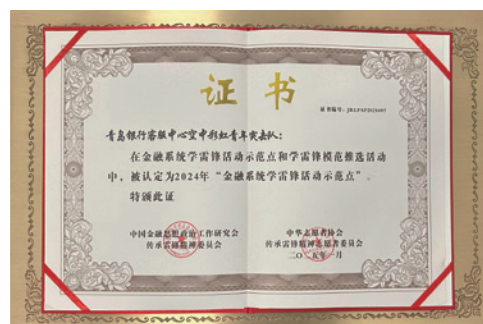
Deepening customer satisfaction monitoring and driving closed-loop service improvement

To assess and improve service quality in a scientific and objective manner, the Bank has, since 2012, continuously engaged an independent third-party institution to conduct professional customer satisfaction surveys on a quarterly basis. The Bank has established a standardised service evaluation and experience improvement mechanism. With the internationally recognised Net Promoter Score (NPS) as the core indicator, the Bank incorporates customer feedback into the monitoring system for product and service experience through sample surveys. In 2025, the Bank's NPS reached 81.99%, marking steady growth for three consecutive years and setting a new high.

The Bank has established a closed-loop problem improvement mechanism. In response to issues identified through customer satisfaction surveys, the Bank regularly issues the *Risk Alert Letter* and the *Service Quality Warning Letters* to relevant business departments. Relying on consumer protection service review meetings, the Bank breaks down departmental barriers and promotes cross-departmental and cross-level coordinated rectification. In this way, the Bank has formed a full-process closed-loop management mechanism covering problem identification, cause analysis, strategy formulation, implementation and effectiveness evaluation. Through targeted rectification, the Bank continues to improve service quality and strengthen the foundation for customer satisfaction.

Upgrading customer service channels and building efficient coordination capabilities

Through technology empowerment and process upgrading, the Bank has built a customer service matrix featuring rapid response, efficient resolution and excellent experience. In 2025, the Bank's all-channel service capabilities continued to lead. As at the end of 2025, the cumulative service volume of the debit card division of the Bank's customer service centre reached 3.62 million cases, including 1.13 million self-service telephone banking cases, 1.88 million intelligent text chatbot cases and 610,000 manual agent cases. The call connection rate reached 96.91% (up 3.54 percentage points year on year). The first-contact resolution rate reached 88.77%, and customer satisfaction reached 99.55%, remaining above 99% for nine consecutive years. In February 2025, the Sky Rainbow Youth Commando of the Bank's customer service centre was recognised as a Demonstration Site for Learning from Lei Feng in the Financial Sector.



The "Rainbow in the Air" Youth Assault Team of the Customer Service Center was awarded the national "2024 Model Site for Learning from Lei Feng Activities in the Financial System"

Technology empowerment deepens human-machine collaboration

<p>Intelligent service capabilities improved significantly</p>	<p>The Bank continued to strengthen intelligent customer service training. As at the end of 2025, the issue resolution rate of the intelligent text chatbot reached 95.13%, and the response accuracy rate reached 98.74%. Intelligent outbound calling was widely used in follow-up visits concerning customers' urgent needs and pressing concerns. During the year, a total of 115,681 outbound calls were completed, enabling closed-loop management and significantly easing manual workload.</p>
<p>Elderly-friendly services were upgraded through digital solutions</p>	<p>In May 2025, the Bank upgraded the elderly-friendly services of its telephone banking. Elderly customers calling the hotline can be intelligently identified and transferred to the dedicated service line with one click, while the traditional keypad selection option has been retained to avoid a one-size-fits-all approach, thereby genuinely respecting and meeting the personalised needs of elderly customers.</p>
<p>Process optimisation addressed customer pain points</p>	<p>To tackle high-frequency yet low-efficiency scenarios such as restrictions on personal accounts, the Bank took the lead in launching the "One Number Access" service, upgrading the original online transfer model to a "one-click transfer with dedicated handling" model. This significantly shortened processing times. In particular, requests for assistance from online loan customers fell by 60%, fundamentally improving customer experience.</p>

Serving special customers with care and delivering warmth in financial services

To provide high-quality services for elderly customers and other customers with special needs, the Bank issued the *Operational Guidelines on Extended Services for Individual Customers of Bank of Qingdao* to enhance elderly-friendly services at frontline outlets. In terms of service facilities, all business outlets of the Bank are equipped with green service windows to give priority to elderly customers handling urgent business. Based on the needs of elderly customers in surrounding communities, outlets selectively provide elderly-friendly items such as reading glasses, magnifying glasses, caring seats and convenience medicine kits. For elderly customers with limited mobility, the Bank actively provides door-to-door services to meet their urgent needs and pressing concerns in financial services. The Bank fully respects elderly customers' usage habits by offering paper forms and supporting traditional service methods such as the opening of passbooks and certificates of deposit, making it easier for elderly customers to verify their transactions.



Qingdao Beizhong Road Community Sub-branch provided special services for a stroke patient, and the customer presented the outlet with a silk banner in appreciation

Case Bank of Qingdao won the "Five Star Diamond Award" for the tenth time

On 17 December 2025, the award ceremony for the 19th Five Star Diamond Award was grandly held at the World Executive Summit 2025 in Hong Kong. In recognition of its outstanding customer service quality and premium customer experience, the Bank once again received this award. This marked the tenth time that the Bank has won this honour. It was also the only city commercial bank to be shortlisted for the award for ten consecutive years, and the only corporate from Shandong Province to be shortlisted.

The Five Star Diamond Award is intended to recognise excellent brands that have made outstanding contributions in service sectors such as finance, aviation and catering. Receiving this award represents a high level of recognition from the international industry for a brand's service capabilities.



Safeguarding financial security

In 2025, the Bank treated governance over the capital chain involved in fraud and gambling as one of its core tasks in fulfilling social responsibilities and safeguarding financial security. Through systematic planning and solid implementation, it achieved phased results in protecting the property safety of the public and maintaining a sound financial ecosystem. During the reporting period, more than 20 branches and sub-branches of the Bank, including Jinan Branch, Qingdao West Coast Branch and Qingdao Licang Sub-branch, were commended by the Office of the Coordination Mechanism for Combating and Addressing Telecom and Online Fraud in Shandong Province.

<p>Strengthening the foundation of risk prevention and control, and achieving full-process precise management</p>	<p>The Bank is committed to stopping risks at the source by establishing and improving a management mechanism covering the entire business lifecycle. In the creation of new businesses, it strictly conducted fraud-related risk assessments to ensure that innovation and security advanced in parallel. In the account opening process, the Bank established a specialised system to assess account risk levels and non-counter payment limits, while improving the hierarchical approval mechanism for account limits, unifying limit-setting standards, and strengthening standardised management over limit adjustments.</p>
<p>Strengthening technology-empowered intelligent monitoring and enhancing proactive defence capabilities</p>	<p>During the reporting period, the Bank stepped up investment in financial technology, optimised its intelligent risk control system, and comprehensively upgraded and iterated risk monitoring models for fraud – and gambling-related activities, enabling the precise identification of abnormal transaction patterns. By establishing a closed-loop process of real-time warning, rapid verification, effective disposal, the Bank took early control of more than 10,000 accounts suspected of involvement in fraud and gambling during the year.</p>
<p>Deepening coordinated response mechanisms and building a strong joint force against crime</p>	<p>The Bank established an efficient and close coordination mechanism with public security authorities and promptly transferred a large number of suspicious leads. In 2025, it worked with the police to successfully intercept 163 fraud cases involving counter cash withdrawals, helping customers avoid economic losses of RMB11.2727 million. More than 20 branches and sub-branches were commended at the provincial level.</p>
<p>Upholding a people-oriented philosophy and actively fulfilling public education responsibilities</p>	<p>While resolutely combating crime, the Bank also attached great importance to customer experience. By unifying service standards, launching online limit adjustment services for corporate accounts, and providing convenient services such as remote account control release, it sought to ensure that risk prevention and control were both rigorous and customer service remained warm. To raise public awareness of anti-fraud, the Bank centred its efforts on its original feature column “Xiaoying Talks About Anti-Fraud,” while combining online and offline channels to publish 24 issues of publicity content during the year, reaching 95,000 audience. It also carried out in-depth anti-fraud publicity activities under the “six entries” campaign, delivering more than 3,000 targeted sessions for key venues and groups such as medium and small merchants, elderly communities, labour-intensive corporates and corporate finance personnel. In addition, the Bank participated in the recording of special publicity programmes such as “Presidents Talk About Anti-Fraud” and “Protecting the Elderly, Combating Fraud Together,” further enhancing the public’s awareness of anti-fraud and ability to identify scams.</p>

Enhancing personal information protection

Bank of Qingdao regards data security and customer privacy protection as the lifeline of its development and a fundamental responsibility. In strict compliance with laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*, the Bank is committed to building a comprehensive personal information protection system covering institutions, technology, management and culture, so as to ensure that all activities involving the processing of customer information throughout its lifecycle are lawful, legitimate and secure.

Improving the governance structure and institutional framework

The Bank continued to improve its top-level design and strengthen institutional constraints. It revised and issued the *Bank of Qingdao's Management Measures for Personal Information Protection*, further clarifying the division of responsibilities among departments and setting out clear requirements for areas including AI application, debt collection and outsourced agency management. At the same time, it formulated the *2025 Work Plan of Bank of Qingdao for Customer Personal Information Protection* to systematically plan key tasks for the year and comprehensively advance compliance development from multiple dimensions, including process optimisation, stronger technical safeguards and deeper risk screening. By regularly organising compliance inspections and risk screening relating to personal information protection, the Bank conducted in-depth analysis of the root causes of issues, issued regulatory requirements and risk alerts, continuously strengthened institutional execution, and reinforced the institutional defence line for personal information protection.

Strengthening data security governance

Through the application of advanced technologies and refined management, the Bank continuously enhanced its proactive defence and risk management and control in data security.

Deepening data classification and tiered management	In accordance with regulatory requirements, the Bank completed the classification and tiered management of data in 184 business systems across the Bank, and introduced tagged management for more than 270,000 sensitive data fields. The classification results were strictly applied in the approval process for production data extraction.
Building a risk monitoring system	The Bank established a data risk monitoring system covering four major categories and 13 indicators, and issued dedicated management measures accordingly, enabling routine and indicator-based monitoring of data security risks.
Carrying out targeted assessments and drills	The Bank established a self-assessment mechanism for data security risks in key scenarios. In addition, in September 2025, the Bank successfully organised a cross-departmental and cross-institutional data security emergency drill, simulating and verifying standard response procedures following security incidents. At the same time, the Bank invited an independent third-party institution to conduct an annual overall assessment of data security risks, comprehensively reviewing governance, technology and operations, and identifying and rectifying potential risks in advance.

Standardising information protection procedures

The Bank strictly standardised the entire process for the collection and use of personal information, fully safeguarding customers' right to know and right to choose. When opening accounts or activating e-banking services, customers are required to sign a comprehensive service agreement containing clauses on personal information protection. Before using specific functions on channels such as mobile banking, the system clearly prompts customers and seeks their consent to the *Privacy Policy of Bank of Qingdao*. The policy clearly and comprehensively sets out the purpose, scope and methods for the collection and use of personal information in connection with each function, ensuring that information processing activities are open and transparent.

Empowering through multi-dimensional publicity, education and training

The Bank attached great importance to enhancing all employees' awareness of personal information protection and their professional capabilities. Through a combination of online and offline approaches, it continuously carried out regulatory interpretation, case analysis and practical training for employees across the Bank and its subsidiaries, strengthening compliance awareness and behavioural standards. At the same time, the Bank actively promoted the cultivation of professional data analysis talent. In 2025, it held two specialised training sessions covering 107 key business personnel, with a focus on strengthening the application capabilities of new technologies such as big data and artificial intelligence within a compliant framework. In terms of external communication and education, the Bank actively participated in public welfare activities such as the 5•15 Public Awareness Day for Combating and Preventing Economic Crimes, promoting knowledge of personal information protection to the public and working together with customers to safeguard information security.

Enhancing public financial literacy

Guided by consumer needs, Bank of Qingdao coordinated and advanced financial knowledge publicity and education. In 2025, the Bank organised approximately 3,100 centralised publicity and education activities as well as routine on-site financial education activities. Through systematic planning, diversified formats, targeted outreach and scenario-based education, the Bank fully fulfilled its primary responsibility for financial publicity and education, continuously improved public financial literacy and risk prevention capabilities, and built an inclusive and comprehensive publicity and education system.

Strengthening top-level design and overall planning

The Bank formulated and implemented the *2025 Work Plan of Bank of Qingdao for Financial Knowledge Publicity and Education*. Guided by demand, it identified themes on a quarterly basis, coordinated and guided the Bank-wide consumer protection publicity and education activities, and strictly implemented regulatory requirements. The Bank also actively participated in national and regional centralised publicity campaigns such as the “3•15” Consumer Protection Education and Publicity Week and Financial Knowledge Publicity Month. Through these efforts, it established a normalised and institutionalised mechanism to ensure that publicity and education responsibilities were fully implemented at every level and delivered tangible results.

Innovating publicity channels and formats

To enhance the accessibility and appeal of financial knowledge, the Bank actively innovated publicity and education channels and formats.

Building branded serial content	The Bank continued to create new-media long-image content for the BQD Financial Knowledge series, providing a monthly summary and showcase of featured publicity activities carried out by its branches and sub-branches. The content was displayed through multiple channels, including the Bank’s official WeChat account, official website and multimedia devices in outlets, and was also submitted to regulatory media platforms such as the Qingdao Banking Association. In 2025, four issues were published, effectively expanding the reach of publicity.
Upgrading digital publicity and education platforms	The Bank upgraded and launched financial knowledge sections on its official WeChat account “WeBQD” and mobile banking app, integrating high-quality educational resources and building key online publicity and education platforms to provide the public with convenient and targeted self-learning channels.

Deepening volunteer services and community engagement

Relying on the self-created “Happy Neighbourhood” community volunteer service brand, the Bank carried out financial publicity and education activities in communities under the model of “Party Building Leading + Volunteer Service First”. In 2025, the “Happy Neighbourhood” volunteer service team carried out Party-building joint activities with 96 communities and organised a total of 569 volunteer activities, reaching and benefiting 34,000 community residents.

The volunteer service team innovated publicity and education formats by organising volunteers to write, direct and perform anti-fraud melodramas, transforming complex fraud cases into vivid and easy-to-understand storylines. In 2025, it organised a total of 260 anti-fraud mini-classes, benefiting 14,000 neighbours. Owing to its remarkable results and strong public recognition, the project won the Gold Award at the Qingdao Youth Volunteer Service Project Competition.

Focusing on key groups and strengthening regional outreach

The Bank emphasised both the precision and inclusiveness of financial education by carrying out differentiated publicity and education activities for different groups.

Strengthening first-time risk alerts	In line with the requirements of Financial Education and Publicity Week, the Bank identified retail customers opening new cards as a key target group and carried out targeted anti-fraud publicity. The Bank prepared anti-fraud reminder text messages covering common telecom and online fraud methods, typical cases and prevention tips, and sent them to customers at the initial stage of account opening, helping them build anti-fraud awareness at the earliest opportunity and strengthening the financial security defence line in the early stage of account use.
Advancing the “Every Village” initiative for financial consumer protection	In response to the call to extend financial education to rural areas, the Bank actively advanced the “Every Village” initiative for financial consumer protection. Under the guidance of regulatory authorities, the Bank established Qingdao’s first integrated rural financial consumer protection service station in Houying Village, Yunshan Town, Pingdu City, and subsequently established five new service stations in Huangdao District, which extended financial knowledge publicity to the last mile.



People-Oriented and Giving Back to Society

Bank of Qingdao has always regarded its employees as the cornerstone of corporate development, and has fostered cohesion and guided growth through a “caring culture”. Upholding a people-oriented approach, the Bank protects employees’ rights and interests and cultivates an inclusive and diverse working environment. Through a sound institutional framework and market-competitive compensation and benefits, the Bank stimulates employees’ internal motivation. Through sincere organisational care and thoughtful services covering workplace life, the Bank enhances employees’ sense of belonging and cohesion. Through an open development platform, the Bank breaks down job boundaries and supports employees in broadening their horizons, deepening their expertise, and achieving mutual growth and shared value.



Response to the United Nations Sustainable Development Goals (SDGs)



Caring about employees' rights, interests and welfare

Employees are Bank of Qingdao's valuable resources and competitive advantage, and also the core driving force behind its sustained and steady development. Through a competitive compensation and benefits system, fair compensation mechanisms and a safe working environment, the Bank ensures that the rights and interests of every employee are fully protected.

Protection of employees' rights and interests

The Bank follows employment and development principles of equality and respect, openness and transparency, and openness and inclusiveness. During the reporting period, the Bank broadly attracted talent from various fields through campus recruitment and social recruitment. In accordance with *the Administrative Measures of Bank of Qingdao for Recruitment*, the Bank consistently upheld the principle of fairness throughout the recruitment process and did not discriminate against any employee on the grounds of ethnicity, race, gender or religious belief, providing every employee with equal job opportunities and a sound working environment.

To prevent the misuse of child labour, the Bank established a strict onboarding review process and carefully verified the authenticity of candidates' identity cards. The Bank did not identify any violations relating to the employment of child labour or forced labour.

As at the end of 2025

proportion of female employees

55.50%

Labor Contract Signing Rate
100%

Social Insurance Coverage Rate
100%

Number of Disabled Employees
1
Proportion
0.019%

Standardising labour contract signing

The Bank handles all hiring and resignation procedures for every position in accordance with the *Labour Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labour* and contractual requirements. The Bank clearly stipulates matters such as labour protection and working conditions in employment contracts, and has signed labour contracts with all active employees under the labour contract system.

Ensuring reasonable working hours and leave arrangements

The Bank standardises the management of employees' working hours and protects their lawful rights to leave, fostering a healthy and sustainable employment environment across the Bank. In 2025, the Bank continued to strictly implement the *Attendance and Holiday Management System of Bank of Qingdao*, effectively protecting employees' labour rights and interests as well as their rights to rest and leave. The Bank adopted the standard working hours and reasonably arranged the working hours of each employee.

Protecting employees' rights to leave

In addition to statutory holidays, the Bank provides employees with various types of leave, including paid annual leave, marriage leave, maternity leave, paternity leave, parental care leave, childcare leave and breastfeeding leave, as well as various types of welfare leave, including but not limited to parent-teacher conference leave, maternity check-up leave and medical check-up leave, thereby effectively protecting employees' rights to rest and leave.

Number of Employees Received Regular Physical Examinations
5,301

Employee data

Indicator		Unit	2025
Total number of employees		person	5,301
Total number of employees by gender	Total number of male employees	person	2,359
	Total number of female employees	person	2,942
Total number of employees by age	Total number of employees aged under 30 (inclusive)	person	1,630
	Total number of employees aged 31-40	person	2,509
	Total number of employees aged 41-50 (inclusive)	person	830
	Total number of employees aged over 50	person	332
Total number of employees by region	Employees from Shandong Province	person	5,301
	Employees not from Shandong Province	person	-
Total number of employees by degree	Junior college graduates	person	316
	Bachelors	person	3,600
	Masters	person	1,289
	PhDs	person	15
Total number of employees by rank	Senior management	person	11
	Mid-level managers	person	237
	Grassroots employees	person	5,053
Total number of new employees		person	353
Total number of new employees by gender	Total number of new male employees	person	164
	Total number of new female employees	person	189
Total number of new employees by age	Total number of new employees aged under 30 (inclusive)	person	272
	Total number of new employees aged 31-40	person	76
	Total number of new employees aged 41-50 (inclusive)	person	4
	Total number of new employees aged over 50	person	1
Total number of new employees by region	Employees from Shandong Province	person	353
	Employees not from Shandong Province	person	0
Total number of resigned employees		person	153
Total resignation rate of employees		%	-
Total number of resigned employees by gender	Total number of resigned male employees	person	81
	Total number of resigned female employees	person	72
Total number of resigned employees by age	Total number of resigned employees aged under 30 (inclusive)	person	70
	Total number of resigned employees aged 31-40	person	75
	Total number of resigned employees aged 41-50 (inclusive)	person	8
	Total number of resigned employees aged over 50	person	0
Total number of resigned employees by region	Employees from Shandong Province	person	153
	Employees not from Shandong Province	person	-
Percentage of employees with whom an employment contract has been signed		%	100
Percentage of employees who contribute to social security		%	100
Number of disabled employees		person	1
Percentage of disabled employees		%	0.019
Number of employees from ethnic minority groups		person	-
Number of foreign employees		person	-
Number of employees with regular medical check-ups		person	5,301

Compensation and benefits

The Bank has established a grade-based, pay-for-performance compensation system, ensuring the external competitiveness and internal fairness of employee compensation. While keeping total compensation costs under control, the Bank continuously optimises the allocation of compensation resources, delivers reasonable incentives to employees, and fosters a performance culture of pay-for-performance. The Bank's compensation and benefits system consists of fixed compensation, performance-based compensation and benefits income. In accordance with the law, the Bank contributes to social insurance schemes such as pension, medical, unemployment and work-related injury insurance, as well as the housing provident fund for employees. The Bank also offers supplementary benefits, including corporate annuity, mutual medical assistance and a flexible benefits platform, to improve employees' overall benefits. On the basis of distribution according to work and equal pay for equal work, the Bank has established and improved a reasonable compensation growth mechanism.

The Bank makes full and timely contributions to social insurance and is committed to providing all employees with comprehensive coverage of performance-based compensation and non-compensation benefits. As part of its non-compensation benefits, the Bank purchased mutual insurance for employees in 2025. During the year, mutual insurance benefits were paid in 379 cases, with total coverage amounting to RMB163,347, effectively easing employees' financial burden.

In addition, the Bank has continued to promote thoughtful care initiatives for key occasions, including birthday greetings, wedding congratulations, childbirth care, retirement commemorations, hospital and bereavement visits, delivering greater warmth and care to employees.

Mutual insurance benefits

379 person-times
total coverage amounting to
RMB163,347



Case

Warmed employees' hearts by bringing care to retired employees and employees in need

In 2025, the Bank carried out visits and extended care to retired employees, model workers and employees in need during the New Year's Day, Spring Festival and May Day holidays. The Bank also provided targeted assistance to 17 employees in difficulty or suffering from serious illnesses from ten entities, with total assistance amounting to RMB90,500, effectively easing their financial pressure.

Safety and health

Protecting and caring about employees' occupational health is not only an important part of the Bank's fulfilment of social responsibilities, but also a key foundation for safeguarding employees' physical and mental welfare and boosting morale across the Bank. In 2025, with a focus on employee care, the Bank continued to carry out a wide variety of activities with rich content, effectively enhancing employees' sense of happiness and belonging.

Case

Saluted workers and increased employee welfare through the "Vitality and Health+" programme

To actively implement the national strategy of "Healthy China 2030," during the reporting period, the Bank's labour union held the launch ceremony for the "Vitality and Health+" employee health service programme at the training centre. The programme is designed to provide employees with comprehensive and multi-level health support, helping them improve their physical and mental well-being and contributing to the Bank's high-quality development.

The programme covers three health service sub-modules: the four initiatives under "Mental Care," the three services under "Warm Medicine Kit," and two kinds of resources under "Health Escort." Ranging from psychological care to medical services, these efforts protect employees' health in an all-round way. They not only help employees relieve work-related stress and acquire scientific stress management skills, but also, through the post-event sand table TIME experience, further examine psychological mechanisms such as intrinsic motivation, positive drivers and negative resistance. This has not only deepened employees' understanding of their own psychological state, but also enhanced communication and mutual understanding among them, further strengthening team cohesion.



Case

Unleashed youthful energy and brought employees together with sports through the "Vitality and Passion+" programme

Only with a fulfilling life can employees work better. While paying attention to employee development, the Bank also closely cares about employees' cultural life. Genuine vitality comes from a love of life. "Vitality and Passion+" is designed to discover and support employees' interests and talents beyond work. As at the end of 2025, the Bank had established a total of 14 employee clubs and organised a wide range of activities. In 2025, it successfully held the sixth badminton tournament, organised the third Brilliant BQD People Talent Competition and a series of anniversary celebration activities. The table tennis club won third place in the provincial competition in the financial industry, and received the Excellent Organisation Award as well as multiple individual awards at the 41st Qingdao Workers' Games.

On 25 October 2025, the Bank held its third Catering Culture Festival to promote its distinctive food culture. The festival evolved from providing basic logistics to offering a distinctive, healthy, and culturally-rich experience, transforming its catering services into a warmer, more efficient, and value-driven model.



The Bank participated in the Shandong Financial System Staff Table Tennis Competition



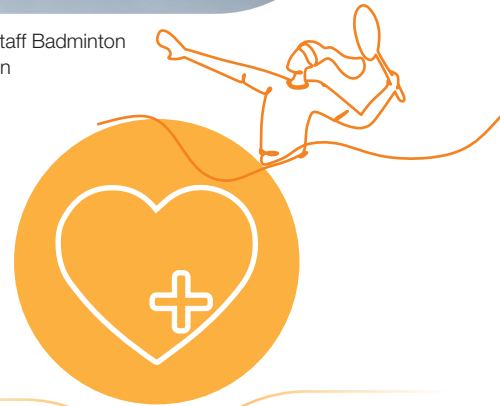
The Bank held the 6th Staff Badminton Competition



The Bank held the 3rd "Brilliant BQD People" Employee Talent Competition



The Bank carried out the "Caring for Employees, Serving the Overall Situation" summer cooling-off activity



The Trade Union of the Bank's Head Office held an autumn outing activity



The Bank held the BQD Bloom "Her Power" Women's Day series activities



Activating the momentum of talent development

A sound system for talent recruitment and promotion, clear employee development paths, and effective employee communication channels provide solid support for the Bank's sustainable business operations. The Bank pays close attention to employees' career development paths and is committed to building a talent development system covering employees at all levels across the Bank. The Bank provides a wide range of training and development opportunities for employees, and strives to work together with all employees towards a promising future of mutual achievement.

Recruitment and retention

The Bank broadly attracts all kinds of talent through channels such as social recruitment and campus recruitment. To strengthen its talent team, the Bank formulated the *Administrative Measures of Bank of Qingdao for Recruitment*. The Bank has consistently adhered to the principle of fairness in the recruitment process and provided every employee with equal job opportunities and a sound working environment. To open up channels for the introduction of high-level and urgently needed talent, optimise the talent team structure, and support the Bank's strategic transformation and high-quality development, in 2025, the Human Resources Department formulated and issued the *Detailed Implementation Rules of Bank of Qingdao for Special Talent Recruitment*, clearly defining the scope, standards, organisational leadership and closed-loop management procedures for special talent recruitment, as a supplement to existing recruitment channels.

In 2025, campus recruitment mainly focused on management trainee positions at the Head Office, management trainee positions at supervising branches (pilot innovation track), and banking positions at branches and sub-branches. A total of 223 candidates were ultimately recruited during the year, including 81 undergraduates and 142 postgraduates.

Carrying out campus recruitment

Special talent recruitment

To respond to the new circumstances and challenges arising from the accelerated transformation of the banking industry, the Bank plans to launch a normalised social recruitment mechanism for two categories: "positions urgently needed for business development" and "positions requiring scarce expertise and a high professional threshold." This is intended to build a flexible talent supply chain, reduce the cost of individual recruitment exercises, improve talent acquisition efficiency, and provide sustainable human resources support for the Bank's strategic advancement.

Training and development

The Bank places employee capability development in an important position in its overall development. By continuously improving its routine training mechanism, the Bank provides employees with multi-level and professional learning opportunities, helping them continuously enhance their professional capabilities and supporting their career development planning and growth.

Optimising career development pathways

The Bank issued institutional documents such as the *Administrative Measures of Bank of Qingdao for Reserve Talent Management*, the *Administrative Measures of Bank of Qingdao for Employee Grading* and the *Administrative Measures of Bank of Qingdao for Position Management*, and actively built mechanisms featuring "promotion and demotion based on performance" and "person-post matching". With clear standards and quality assurance as the prerequisite, improvement of professional capabilities as the foundation, and strengthened practical training as the focus, the Bank established reserve talent pools across the Bank for principal middle management positions, deputy middle management positions and manager-level positions. This has effectively enhanced the cadre team's initiative in learning and professional capabilities, and provided talent support for the Bank's high-quality development.

Employee development and training

In 2025, the Bank organised a total of 3,372 training sessions with over 9,000 training hours, delivering targeted capability enhancement for employees at all levels. Among these, the “Qihang Programme” focused on newly campus-recruited employees and implemented the “511” development model, namely five weeks of training, one year of mentoring follow-up and one mentor cultivating. The “Xuhang Programme” was designed for grassroots management personnel across the Bank, with five targeted thematic training sessions to strengthen their ability to perform duties. The “Yinhang Programme” focused on deputy middle management personnel, with two specialised training sessions for capability enhancement to sharpen their core management competencies. The “Yuanhang Programme” centred on middle – and senior-level management personnel, with training seminars organised at Tsinghua University and Peking University to comprehensively enhance their strategic vision and management capabilities.



The Bank successfully held the 2025 Senior and Middle-level Managers’ Capacity Improvement Seminar at Tsinghua University

In 2025, the Bank organised a premium course competition to develop a number of premium courses that are replicable, highly practical and strongly empowering, and to build a tiered course system in which foundational courses consolidate the basics and intermediate – to advanced-level courses enhance capabilities. The Bank also completed a comprehensive upgrade of its online learning platform, the “Bank of Qingdao E-learning Room,” comprehensively improving employees’ online learning experience. In addition, the Bank further improved the four-tier training evaluation mechanism, producing 50 evaluation reports on key training programmes and the annual employee behaviour tracking report. This promoted the close integration of evaluation results with course optimisation, trainer assessment and training plan adjustment, enabling talent development and business development to reinforce each other and providing high-quality talent support for the implementation of the Bank’s strategy.



The Bank held the 2025 Employee Professional Knowledge Competition.

Communication and participation

The Bank carries out the “Head Office Serving the Frontline” satisfaction surveys on a quarterly basis to extensively collect opinions and suggestions from branches and sub-branches regarding Head Office departments. The Bank has established a closed-loop management mechanism covering opinion collection, classification and transfer, rectification and feedback and follow-up tracking, ensuring that frontline business appeals, opinions and suggestions receive timely and effective responses. In 2025, the Bank conducted four rounds of surveys, collected 825 suggestions, established rectification ledgers, and continued to improve grassroots’ satisfaction.

Contributing to public welfare

Bank of Qingdao has always integrated charitable values into its development and practised its original aspiration of “finance for good” through diversified public welfare initiatives. The Bank has successively received a number of honours, including Social Responsibility Entrepreneur in Shandong of 2025 and the Qingdao Ten-Year Contribution Award for Philanthropy, forging a distinctive path of responsible finance. In 2025, Bank of Qingdao and the Bank of Qingdao Charity Foundation made external donations totalling RMB6.9597 million.

Carrying out the “One Day’s Charity Donation” activities

On 5 September 2025, the tenth Charity Day of China, the Bank mobilised employees across the Bank to donate a total of RMB1.63 million. All donations will be used for public welfare undertakings, conveying the Bank’s care and promoting the spirit of charity.

Caring about children in difficult circumstances

For three consecutive years, the Bank has cumulatively donated RMB3 million to support Qingdao’s “Charity Programme for Caring about Children in Difficult Circumstances”, helping orphans, children from families in hardship and left-behind children in rural areas across the city fulfil their “small wishes”, and enhancing their sense of fulfilment and happiness.



“Art with Children, Painting the Beautiful” public welfare art event

Under the theme of “Taking public welfare as a bond to convey urban warmth”, the Bank has explored a development path of “Finance + Art + Public Welfare” centred on the theme of “Beautiful Companionship.”

Ahead of the Children’s Day in 2025, the Bank joined hands with the Qingdao Municipal Civil Affairs Bureau and a well-known Chinese digital artist to hold a large-scale parent-child public welfare art event “Art with Children, Painting the Beautiful” at the Head Office. On the day of the event, the lobby was transformed into an art space full of fun. Guided by professional art tutors, children held carefully designed art exploration handbooks and moved through the interactive exhibition area of a “fantasy sea of flowers” created with digital technology, experiencing the charm of digital art through engaging interactions.



Bank of Qingdao won the Qingdao Red Cross Philanthropy Gold Award

On the 78th World Red Cross and Red Crescent Day, the Bank, as a corporate representative long committed to public welfare, participated in the Red Cross Philanthropy Week Weichen Public Welfare Carnival in Qingdao and was awarded the Qingdao Red Cross Philanthropy Gold Award.



Prospects for the future

The year 2026 marks the opening year of the 15th Five-Year Plan period and also the starting point of Bank of Qingdao's New Three-Year Strategy. Guided by the principles of high quality, sustainability and responsibility, the Bank will fully deepen ESG governance, focus on the five major areas of technology finance, green finance, inclusive finance, pension finance and digital finance, and build itself into a regional value-leading bank characterised by capability empowerment, organisational agility, quantity and quality improvement, and health and sustainability. With the power of finance, the Bank will serve the coordinated development of the economy, the environment and society, pursue value creation through a long-term approach, and work with all stakeholders to build a sustainable ecosystem. In doing so, the Bank will contribute greater strength to regional high-quality development and the building of a strong financial sector.

We will stay committed to the main theme of high-quality development and strengthen the foundations for steady and long-term progress. In 2026, we will continue to uphold Party building as a driving force to build cohesion, strengthen momentum and promote development, injecting strong impetus into business management and innovation. We will steadily advance the implementation of the New Three-Year Strategy and deliver high-quality completion of our tasks. We will continue to improve the corporate governance of a modern financial corporate and comprehensively enhance the modernisation of the governance system and governance capabilities. We will deepen the development of a comprehensive risk management system, strengthen the empowering role of research, solidly implement ESG risk management, and continuously improve our ability to anticipate risks, respond to emergencies and resolve risks with precision. We will also build an internal control and compliance management system that is scientifically regulated, fully covered and highly coordinated, providing strong support for the Bank's sustained and steady operations.

We will continue to serve the country through finance and empower high-quality regional economic development. Focusing on major national strategies, key local projects and weak links in the economy, we will build a professional, distinctive and diversified financial product and service system to support the optimisation, transformation and upgrading of the regional economic structure. We will actively participate in the forefront of technological innovation and industrial upgrading, fully support the development of a modern industrial system, and provide precise support for fostering new quality productive forces. We will continue to iterate our product and service architecture, give full play to the advantages of group-based and integrated operations, shift away from our focus on loans to provide one-stop financial services, deepen our presence in segmented industry scenarios, comprehensively improve service quality and efficiency, and precisely meet the multi-level and diversified financial needs of the real economy.

We will further embed the philosophy of green development and build a distinctive benchmark in green finance. From a strategic perspective, we will coordinate and advance the development of green finance, prioritise credit resource allocation to green and low-carbon areas such as energy conservation and environmental protection, clean energy and ecological protection, highlight our strengths in blue finance, and fully support the green and low-carbon transition of the economy and society. We will continue to deepen the establishment of the Bank as a green bank, comprehensively promote green office, green operations and green procurement, integrate low-carbon principles into the entire business process, and honour our commitment to green development through concrete actions, thereby demonstrating the responsibility of a local financial institution.

We will stick to a people-centric approach to finance and serve the people's aspiration for a better life. We will continue to expand the coverage and accessibility of financial services, enrich application scenarios, and precisely meet the growing demand of the public for financial services. We will explore to build a featured service model for pension finance and introduce a pension finance product for each county to empower rural revitalisation. We will carry out financial knowledge publicity and education on a regular basis, improve the protection of consumer rights and interests, and effectively safeguard the lawful rights and interests of financial consumers. Guided by the "Bank of Qingdao for Charity (青銀益善)" public welfare brand, we will maintain a strong focus on key areas such as low-carbon initiatives, helping the weak and the poor, donating money to schools, and rural revitalisation, actively fulfil our social responsibilities, and give back to the public with dedication and care.





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Independent assurance report

安永华明 (2026) 专字第 70050236_A01 号
青岛银行股份有限公司

To the Board of Directors of Bank of Qingdao Co., Ltd.

Scope

We have been engaged by Bank of Qingdao Company Limited (the “Bank”) to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the selected data as at 31 December 2025 and for the year ended in the 2025 Sustainability Report (the “Sustainability Report”).

Selected data

The selected data in the Sustainability Report of the Bank for 2025 that is covered by this report is as follows:

- Balance of technology loans (RMB 100 million)
- Balance of green loans (RMB 100 million)
- Balance of blue finance loans (RMB 100 million)
- Balance of agriculture-related loans (RMB 100 million)
- Balance of inclusive loans (RMB 100 million)
- Charitable donations (RMB 10,000)
- Social contribution value per share (RMB)
- Total number of employees (persons)
- Proportion of female employees (%)
- Total number of training sessions
- Number of customer complaints received
- Customer complaint resolution rate (%)
- Direct greenhouse gas (GHG) Emissions (Scope 1) (tonnes of CO₂ equivalent)
- Indirect greenhouse gas (GHG) Emissions (Scope 2) (tonnes of CO₂ equivalent)
- Office power consumption (10,000 kWh)
- Office water consumption (tonnes)

Our assurance was with respect to the selected data as at 31 December 2025 and for the year then ended only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2025 Sustainability Report.



Independent assurance report

安永华明（2026）专字第 70050236_A01 号
青岛银行股份有限公司

Criteria applied by the Bank

The criteria used by the Bank to prepare the selected data in the 2025 Sustainability Report are set out in the basis of reporting of the selected data (the “Basis of Reporting”) within the Sustainability Report in the accompanying the *Appendix: Basis of Reporting* (Criteria).

The Bank’s responsibilities

The Bank’s management is responsible for selecting the basis of reporting, and for presenting the selected data in accordance with the basis of reporting within the 2025 Sustainability Report, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the selected data, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the selected data as at 31 December 2025 and for the year then ended in the 2025 Sustainability Report based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (the “ISAE 3000 (Revised)”) and the *International Standard on Assurance Engagements on Greenhouse Gas Statements* (the “ISAE 3410”). The standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the selected data in the Sustainability Report in order for it to be in accordance with the basis of reporting, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Independent assurance report

安永华明（2026）专字第 70050236_A01 号
青岛银行股份有限公司

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the selected data in the Sustainability Report and related information, and applying analytical and other appropriate procedures.

Our work was performed at the Head Office of the Bank, which included:

- 1) Conducted interviews with personnel to understand the business and reporting process;
- 2) Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selected data during the reporting period;
- 3) Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Basis of Reporting;
- 4) Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
- 5) Tested, on a sample basis, underlying source information to check the accuracy of the data; and
- 6) Other procedures deemed necessary.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the selected data as of 31 December 2025 and for the year then ended in the 2025 Sustainability Report, in order for it to be in accordance with the Basis of Reporting.

Restricted use

Our report has been prepared for and only for the board of directors of the Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Ernst & Young Hua Ming LLP
26 March 2026
Beijing, China

Appendix: Basis of Reporting

Balance of technology loans (RMB100 million): The balance of technology loans disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the balance of loans extended to technology enterprise by the head Office and branches of Bank of Qingdao as of the reporting period, in accordance with the *S70 Science and Technology Finance Status Table* issued by National Financial Regulatory Administration. Technology enterprises include high-tech enterprises, small and medium-sized technology enterprises, innovative small and medium-sized enterprises, specialized and sophisticated SMEs, “little giant” enterprises, national enterprise technology centers, national technology innovation demonstration enterprises, and manufacturing single-item champion enterprises.

Balance of green loans (RMB100 million): The balance of green loans disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to balance of green loans, as calculated by the bank’s headquarters and branches as of the end of the reporting period. The calculation in accordance with the Statistics and Analysis Department of the PBOC on *Adjusting the Special Statistical Content of Green Loans (Yin Diao Fa [2025] No.7)*, and the green loan criteria are determined in accordance with the *Green Finance Endorsed Projects Catalogue (2025 Edition)* issued by the PBOC, the National Financial Regulatory Administration and the China Securities Regulatory Commission.

Balance of blue finance loans (RMB100 million): The balance of blue finance loans disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to that, as of the end of the reporting period, the head office and sub-branches of Bank of Qingdao, in accordance with the *Blue Assets Classification Standard of Bank of Qingdao* and the *Industrial classification for ocean industries and their related activities (GB/T 20794-2021)*, the balance of loans to finance or refinance activities that contribute to Marine conservation and/or improve water management and advance the sustainable development of Marine industries. The eligible industry categories include: clean water supply and water treatment, ocean-friendly and water-friendly products, circular economy and ocean-friendly chemicals, green shipping and port logistics, sustainable fishery and seafood value chain, Marine ecological restoration and sustainable tourism, Marine renewable energy.

Balance of agriculture-related loans (RMB100 million): The balance of agricultural-related loans disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the balance of agricultural-related loans calculated by the head office and sub-branches of Bank of Qingdao as of the end of the reporting period in accordance with the *Notice on the Establishment of the Special Statistical System for Agricultural-Related Loans (Yin Fa [2007] No.246)* issued by the PBOC and the former China Banking Regulatory Commission. Agriculture-related loans include all loans extended to non-financial enterprises and public institutions registered in rural areas, loans to non-financial enterprises and public institutions registered in urban areas engaged in agriculture, forestry, animal husbandry and fishery, supporting agricultural and rural infrastructure construction, loans to farmers, and loans to non-farmers for agriculture, forestry, animal husbandry and fishery.

Balance of inclusive loans (RMB100 million): The balance of inclusive loans disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to balance of operating loans provided by Qingdao Bank’s head office and branches as of the reporting period to small and micro enterprises, small and micro business owners, and individual industrial and commercial households with a single credit limit of RMB10 million or less, in accordance with the *Standards for Classifying Small and Medium-Sized Enterprises (MIIT Joint Enterprise [2011] No.300)*.

Charitable donations (RMB10,000): The charitable donations disclosed in the 2025 Sustainability Report of Bank of Qingdao refer to the total amount of donations of a public welfare nature implemented by Bank of Qingdao and Qingyin Charitable Foundation through government departments qualified for pre-tax deduction of public welfare donations, legally established charities and other public welfare institutions during the reporting period. It is determined in accordance with the *Charity Law of the People’s Republic of China*, the *Notice of the Ministry of Finance on Strengthening the Financial Management of External Donations of Enterprises (Cai Qi [2003] No.95, issued on 14 March 2003)* and the *Public Welfare Donation Law of the People’s Republic of China (1 September 1999)*.

Social contribution value per share (RMB): The social contribution value per share disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the incremental value created per share for society by the head office, sub-branches and subsidiaries of Bank of Qingdao during the reporting period, it is calculated by taking the basic earnings per share generated for shareholders, and adding the value created for other stakeholders, such as taxes paid to the government, wages paid to employees, interest payments to creditors, and charitable donations made by the company, and deducting other social costs incurred by the company, such as those resulting from environmental pollution.

Total number of employees (persons): The total number of employees disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the total number of formal employees who have signed labor contracts with the head office and sub-branches of Bank of Qingdao as of the end of the reporting period.

Proportion of female employees (%): The proportion of female employees disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the proportion of the number of female employees in the head office and sub-branches of Bank of Qingdao to the total number of employees as of the end of the reporting period, and the gender information is derived from the identity cards. The proportion of female employees is calculated as $\text{Number of female employees} / \text{Total number of employees} \times 100\%$.

Total number of training sessions: The total number of training sessions disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the cumulative number of training sessions attended by contract employees at Qingdao Bank’s head office and sub-branches during the reporting period, organized by relevant departments at the head office and the respective branches.

Number of customer complaints received: The number of customer complaints received as disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the total number of complaints received during the reporting period by the head office and sub-branches of Bank of Qingdao through internal channels (such as the bank's hotline 96588, operating outlets, publicly available complaint hotline, written letters, customer suggestion books, and publicly listed email addresses for complaints) as well as regulatory channels (including the Qingdao Branch of National Administration of Financial Regulation, the Qingdao Branch of the PBOC, the Municipal Jinhong Network, and other regulatory authorities). Statistically calculated in accordance with the *Measures for the Administration of the Handling of Banking and Insurance Consumer Complaints (Order No.3 [2020] of the China Banking and Insurance Regulatory Commission)*, which defines that multiple complaints submitted by the same consumer against the same entity regarding the same issue within the same calendar year shall be counted as one case.

Customer complaint resolution rate (%): The customer completion resolution rate disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the percentage of complaints that have been resolved out of the total number of complaints received during the reporting period through internal channels (such as the bank's hotline 96588, operating outlets, publicly available complaint hotline, written letters, customer suggestion books, and publicly listed email addresses for complaints) as well as regulatory channels (including the Qingdao Branch of National Administration of Financial Regulation, the Qingdao Branch of the PBOC, Municipal Jinhong Network, and other regulatory authorities). Statistically calculated in accordance with the *Measures for the Administration of the Handling of Banking and Insurance Consumer Complaints (Order No.3 [2020] of the China Banking and Insurance Regulatory Commission)*, which defines that multiple complaints submitted by the same consumer against the same entity regarding the same issue within the same calendar year shall be counted as one case.

Direct greenhouse gas (GHG) Emissions (Scope 1) (tonnes of CO₂ equivalent): The direct greenhouse gas (GHG) emissions (Scope 1) disclosed in the 2025 Sustainability Report of Bank of Qingdao refer to the total greenhouse gas emissions generated by the head office, sub-branches and subsidiaries of Bank of Qingdao through the consumption of natural gas, gasoline and diesel during the reporting period. The direct greenhouse gas emissions are presented in terms of carbon dioxide equivalent. The calculation is based on the following reference sources: the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*, the *Guidelines for Greenhouse Gas Emission Accounting and Reporting for Public Building Operation Enterprises (Trial)* issued by the National Development and Reform Commission, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement)* and the *Sixth Assessment Report (AR6)* issued by the Intergovernmental Panel on Climate Change (IPCC).

Indirect greenhouse gas (GHG) Emissions (Scope 2) (tonnes of CO₂ equivalent): The indirect greenhouse gas (GHG) emissions (Scope 2) disclosed in the 2025 Sustainability Report of Bank of Qingdao refer to the total greenhouse gas emissions generated by the head office, sub-branches and subsidiaries of Bank of Qingdao through the consumption of outsourced heat and electricity during the reporting period. Indirect greenhouse gas emissions are presented in terms of carbon dioxide equivalent. The calculation is based on the following reference sources: the *Announcement on the Release of 2023 CO₂ Emission Factors for Electricity (Announcement No. 47 of 2025)* jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics, *Guidelines for Greenhouse Gas Emission Accounting and Reporting for Public Building Operation Enterprises (Trial)* issued by the National Development and Reform Commission, and the heating prices for non-residents issued by the China Urban Heating Association and local governments.

Office power consumption (10,000 kWh): The office power consumption disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the total amount of externally purchased electricity consumption of the head office, sub-branches and subsidiaries of Bank of Qingdao during the reporting period.

Office water consumption (tonnes): The office water consumption disclosed in the 2025 Sustainability Report of Bank of Qingdao refers to the total office water consumption of the head office, sub-branches and subsidiaries of Bank of Qingdao during the reporting period.

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	13	Supply chain security	26
	14	Equal treatment to small and medium-sized enterprises	26
	15	Safety and quality of products and services	63-67
	16	Data security and customer privacy protection	30, 31, 68
Sustainability-related governance	17	Employees	72-77
	18	Due diligence	25, 47, 50
	19	Communications with stakeholders	14
	20	Anti-commercial bribery and anti-corruption	25
	21	Anti-unfair competition	26

II. Content Index of Environmental, Social and Governance Reporting Code of the SEHK

Aspect	Disclosure Requirement	Location of Disclosure
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	3-5, 9-10
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: <ul style="list-style-type: none"> Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison 	2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2

* Note: The company operates in the banking industry, where the circular economy has limited direct relevance to its core operations. Nevertheless, the company has been actively exploring and promoting the concept of the circular economy in its daily operations and business development, and has put relevant practices into effect.

Aspects, General Disclosures and KPIs	Description	Location of Disclosure
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	48-54
KPI A1.1	The types of emissions and respective emissions data.	48
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	48
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	48
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	15, 48
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	48, 54
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	48, 54
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	48
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	48
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	15, 48
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	53-55
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	48-50
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	70-77
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region	73
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	73
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	74-75
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	74-75
KPI B2.2	Lost days due to work injury.	74
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	74-75

Aspects, General Disclosures and KPIs	Description	Location of Disclosure
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	76-77
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	73
KPI B3.2	The average training hours completed per employee by gender and employee category.	73
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	72
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	72
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	72
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	26-27
KPI B5.1	Number of suppliers by geographical region	27
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	26-27
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	26-27
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	26-27
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	63-69
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	63-64
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	63-69
KPI B6.4	Description of quality assurance process and recall procedures.	63-69
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	68
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	24-25
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	/
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	24-25
KPI B7.3	Description of anti-corruption training provided to directors and staff.	25
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	78
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	78
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	78

Aspects, General Disclosures and KPIs	Description	Location of Disclosure
Climate-related Disclosures		
(I) Governance		
(I) Governance	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	46-47
(II) Strategy		
Climate-related risks and opportunities	An issuer shall disclose its assessment of any climate-related risks and opportunities reasonably likely to have a material effect on the issuer's business model, strategy and cash flows, its access to finance and its cost of capital, which may manifest in the short, medium or long term.	46-47
Business model and value chain	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	46-47
Strategy and decision-making	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph (a). An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph (a).	46-47
Financial position, financial performance and cash flows	Current financial effect An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph (a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	46-47
	Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	46-47
Climate resilience	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date; and (b) how and when the climate-related scenario analysis was carried out.	46-47
(III) Risk Management		
Climate-related risks and opportunities	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	46-47

Aspects, General Disclosures and KPIs	Description	Location of Disclosure
(IV) Metrics and Targets		
Greenhouse gas emissions	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	48
Greenhouse gas emissions measuring method	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)</i> unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed, disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the <i>Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i> .	48
Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	46-47
Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	46-47
Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	46-47
Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	/
Internal carbon prices	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making; and (b) the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	/
Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	/
Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry.	47
Climate-related targets	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	47
	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	47
	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	47

Note: In light of the amendments to the Listing Rules and the Code adopted by The Stock Exchange of Hong Kong Limited in *the Consultation Conclusions on Optimising Climate-Related Disclosures under the Environmental, Social and Governance Framework*, which shall take effect for financial years commencing on or after 1 January 2025, the Bank will continue to monitor the phased implementation approach in respect of the new climate-related disclosure requirements stipulated in Part D of Appendix C2. With regard to data that is not reasonably readily accessible or cannot be measured using a reliable methodology during the reporting period, the Bank will progressively enhance its disclosure standards in tandem with the improvement of data quality, and will consider making appropriate disclosures in subsequent financial years.

III. GRI Sustainability Reporting Standards Content Index

GRI Indicators	Interpretations	Location of Disclosure
GRI 1 Foundation		
1 Foundation 2021	Reporting foundations, including publishing a GRI content index, providing a statement of use, etc.	2
GRI 2 General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	9
2-2	Entities included in the organization's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	No significant changes compared to previous years
2-5	External assurance	80-82
Activities and workers		
2-6	Activities, value chain and other business relationships	6
2-7	Employees	72-77
2-8	Workers who are not employees	72-77
Governance		
2-9	Governance structure and composition	3, 9-10
2-10	Nomination and selection of the highest governance body	Please refer to our Annual Report
2-11	Chair of the highest governance body	Please refer to our Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	3, 4, 10, 20-23
2-13	Delegation of responsibility for managing impacts	3, 4, 10, 20-23
2-14	Role of the highest governance body in sustainability reporting	3, 4, 10
2-15	Conflicts of interest	Please refer to our Annual Report
2-16	Communication of critical concerns	14
2-17	Collective knowledge of the highest governance body	23
2-18	Evaluation of the performance of the highest governance body	/
2-19	Remuneration policies	Please refer to our Annual Report
2-20	Process to determine remuneration	Please refer to our Annual Report
2-21	Annual total compensation ratio	/
Strategy, Policy, and Practice		
2-22	Statement on sustainable development strategy	3, 10, 55
2-23	Policy commitments	/
2-24	Embedding policy commitments	/
2-25	Processes to remediate negative impacts	22-27, 50-51
2-26	Mechanisms for seeking advice and raising concerns	77
2-27	Compliance with laws and regulations	21, 26, 63, 68
2-28	Membership associations	/
Stakeholder engagement		
2-29	Approach to stakeholder engagement	11-15
2-30	Collective bargaining agreements	/
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	11-15
3-2	List of material topics	11-15

GRI Indicators	Interpretations	Location of Disclosure
3-3	Management of material topics	11-15
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	7
201-2	Financial implications and other risks and opportunities due to climate change	48
201-3	Defined benefit plan obligations and other retirement plans	74
201-4	Financial assistance received from government	/
GRI 202 Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
202-2	Proportion of senior management hired from the local community	/
GRI 203 Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	38, 42-43
203-2	Significant indirect economic impacts	42-43
GRI 204 Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	/
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	24-25
205-2	Communication and training about anti-corruption policies and procedures	24-25
205-3	Confirmed incidents of corruption and actions taken	24-25
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
GRI 207 Tax 2019		
207-1	Approach to tax	Please refer to our Annual Report
207-2	Tax governance, control, and risk management	Please refer to our Annual Report
207-3	Stakeholder engagement and management of concerns related to tax	Please refer to our Annual Report
207-4	Country-by-country reporting	N/A
GRI 301 Materials 2016		
301-1	Materials used by weight or volume	N/A
301-2	Recycled input materials used	N/A
301-3	Reclaimed products and their packaging materials	N/A
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	48
302-2	Energy consumption outside of the organization	48
302-3	Energy intensity	48
302-4	Reduction of energy consumption	48
302-5	Reductions in energy requirements of products and services	48
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	/
303-2	Management of water discharge-related impacts	/
303-3	Water withdrawal	/

GRI Indicators	Interpretations	Location of Disclosure
303-4	Water discharge	/
303-5	Water consumption	/
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
304-2	Significant impacts of activities, products and services on biodiversity	50, 53
304-3	Habitats protected or restored	N/A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	/
305-2	Energy indirect (Scope 2) GHG emissions	/
305-3	Other indirect (Scope 3) GHG emissions	/
305-4	GHG emissions intensity	/
305-5	Reduction of GHG emissions	/
305-6	Emissions of ozone-depleting substances (ODS)	N/A
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	/
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	48
306-2	Management of significant waste-related impacts	/
306-3	Waste generated	48
306-4	Waste diverted from disposal	/
306-5	Waste directed to disposal	/
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	26, 48
308-2	Negative environmental impacts in the supply chain and actions taken	26, 48
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	73
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	72, 74
401-3	Parental leave	72
GRI 402 Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	N/A
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	74, 75
403-2	Hazard identification, risk assessment, and incident investigation	/
403-3	Occupational health services	74, 75
403-4	Worker participation, consultation, and communication on occupational health and safety	/
403-5	Worker training on occupational health and safety	/
403-6	Promotion of worker health	75
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75
403-8	Workers covered by an occupational health and safety management system	74, 75

GRI Indicators	Interpretations	Location of Disclosure
403-9	Work-related injuries	74
403-10	Work-related ill health	N/A
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	77
404-2	Programs for upgrading employee skills and transition assistance programs	76, 77
404-3	Percentage of employees receiving regular performance and career development reviews	/
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	20
405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406 Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	/
GRI 407 Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 410 Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411 Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	N/A
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	/
413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	/
414-2	Negative social impacts in the supply chain and actions taken	/
GRI 415 Public Policy 2016		
415-1	Political contributions	N/A
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	N/A
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	/
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A
GRI 418 Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	/

Feedback from readers

Dear readers,

Thank you for reading the *Bank of Qingdao 2025 Sustainability Report*. For the purpose of enhancing information communication, better understanding and meeting your expectations and demands, providing more valuable information for you and other stakeholders and improving the Bank's ability to perform its sustainability management and practice, we hope that you can share with us your valuable comments and suggestions on this report. Please fill out the feedback form below. You may send us your feedback using any of the following methods.

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Multiple-choice questions (please tick as appropriate)

1. Do you think this report reflects Bank of Qingdao's significant impacts on the economy, society and the environment?

Yes Average No

2. Do you think the stakeholders identified in this report and the analysis of their relationship with Bank of Qingdao are accurate and comprehensive?

Yes Average No

3. Do you think the information provided in this report is comprehensive?

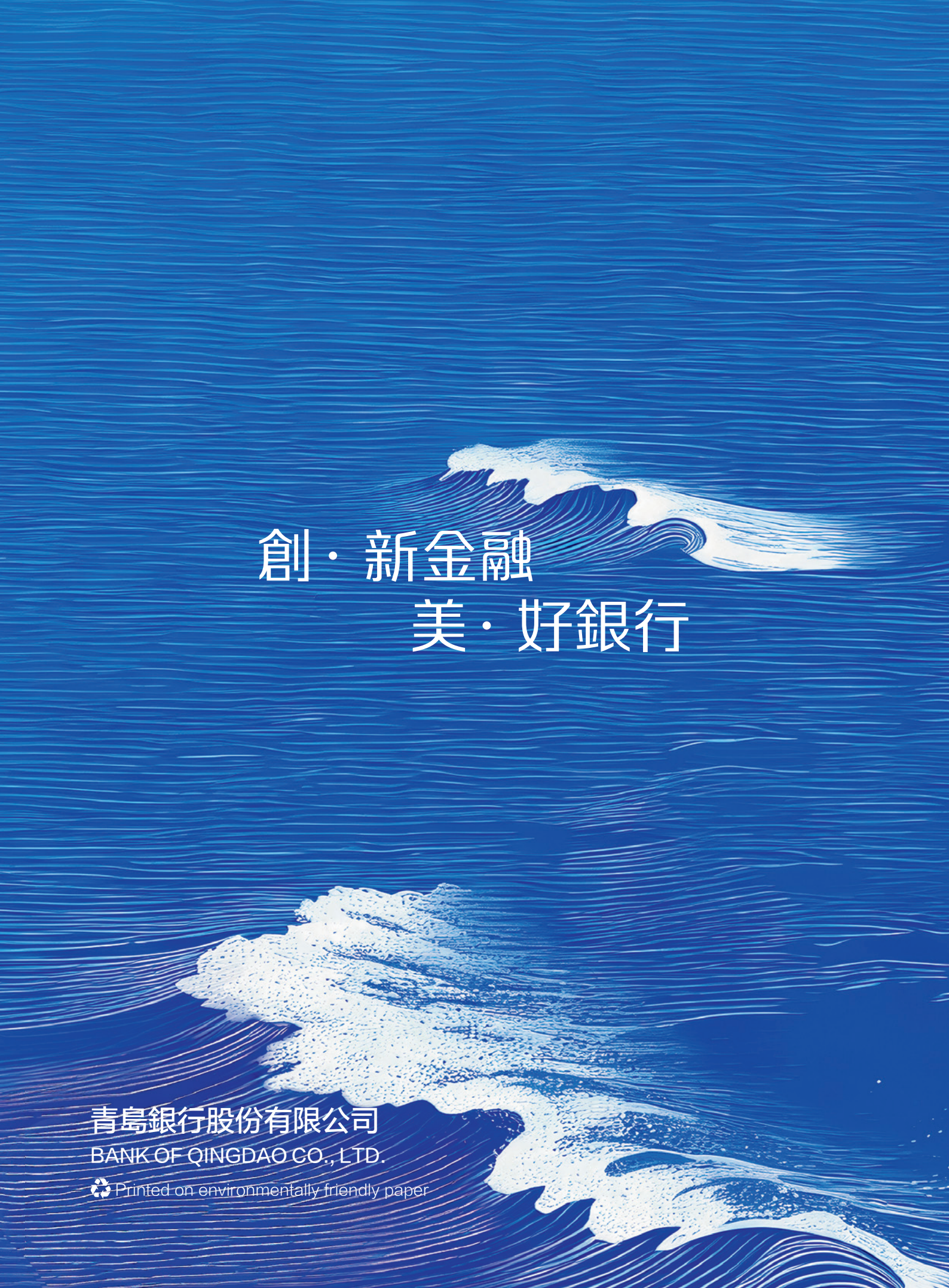
Yes Average No

4. Do you think the information provided in this Report is clearly organised and easy to read?

Yes Average No

An open question

Your comments and suggestions on the *Bank of Qingdao 2025 Sustainability Report* and the Bank's related work are welcome.



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