**Code of A shares: 601166 Abbreviation of A Shares: Industrial Bank Code: TEMP 2018-010**

**Code of Preferred Stock: 360005, 360012 Abbreviation of Preferred Stock: Industrial Preferred 1, Industrial Preferred 2**

Industrial Bank Co., Ltd.

Announcement on Diluted Spot Returns of the Private Offering of Domestic Preferred Stocks and Supplement Measures

The board of Directors of the Company and all directors guarantee there’s no false account, misleading statement or material omissions of the announcement, and will be jointly and severally be responsible for the truthfulness, accuracy and integrity of the announcement.

Industrial Bank Co., Ltd. (hereinafter referred to as "the Company") proposes to offer non-public domestic preferred stocks of no more than RMB 30 billion (hereinafter called as "this Offering"). Based on Opinions of General Office of the State Council on Further Strengthening the Protection of Lawful Rights and Interests of Medium and Small-scale Investors in the Capital Market (Guo Ban Fa [2013] No.110) and Instructions on Relevant Matters of Diluted Spot Returns of Initial Offering and Re-financing and Major Assets Restructuring (CSRC Announcement [2015] No.31), the Company analyzed the influence of the Offering on spot returns and brought up relevant returns remedial measures in light of actual conditions. Details are as follows:

**I. Change Trend of Immediate Earnings Per Share of the Company Following the Offering**

Capital raised through this Offering is used to support future business development and supplement Tier 1 capital of the Company based on relevant regulation requirements after the capital is in place.

**(I) Main assumptions**

1. Assume that there are no major adverse changes in macroscopic economic environment, industrial development trend and operation condition of the Company in 2018.

2. Annual net profit of the Company for 2017 amounted to RMB 54.464 billion which was attributable to shareholders of parent company and excluded non-recurring profit and loss; compared with the growth in 2017, there are three forecasts for net profit of the Company for 2018 which is attributable to shareholders of parent company and excludes non-recurring profit and loss: (1) no growth; (2) growth rate is up to 5%; (3) growth rate is up to 10%. This assumption and analysis do not constitute the prediction of profit of the Company, based on which investors shall not make investment decisions, and the Company will not be responsible for the compensation if investors make investment decision based on such assumption and then suffer from losses.

3. Assume that the total amount of this private Offering of domestic preferred stocks is RMB 30 billion, and the expense influence is not considered. The raised fund actual received in this Offering will be finally determined according to regulatory department’s approval, subscription and expense.

4. Assume that the related income after capital raised through this Offering and its impact on company’s operation and finance are not taken into consideration.

5. From a prudent point of view, it is assumed that this preferred stocks already existed at the beginning of 2018 (only for illustrative calculations, which does not represent the actual issuance time of the company's preferred stocks, and the issuance time is ultimately subject to the actual completion one after being approved by the regulatory authorities), and it completes a interest-accrual year dividend payout in 2018, with the dividend rate of 5.0% (only for illustrative calculations, which does not represent the Company's expected dividend rate of the preferred stocks).

6. Predict the total capital stock of the Company’s common stock based on the total capital stock of RMB 20.774 billion shares before the private offering of the domestic preferred stocks, without considering the stock changes caused by other factors.

7. The calculation only considers the impact of private offering of domestic preferred stocks on diluted spot returns, not the influence of other capital instruments issued or to be issued.

**(II) Influence analysis of this private offering on the immediate earnings per share of the Company**

Based on the said assumptions, after this Offering is completed, comparison of influence on earnings per share of the Company for 2018 is as follows:

| **Items** | **2017/**  **December 31, 2017** | **2018/**  **December 31, 2018** | |
| --- | --- | --- | --- |
| **Before issuance** | **After issuance** |
| Total capital of common stock (100,000,000 shares) | 207.74 | 207.74 | 207.74 |
| Total weighted average capital of common stock (100,000,000 shares) | 203.44 | 207.74 | 207.74 |
| **Assumption 1: Compared with 2017, there is no growth in net profit for 2018 which is attributable to shareholders of parent company and excludes non-recurring profit and loss** | | | |
| Net profit which is attributable to shareholders of parent company and excludes non-recurring profit and loss (RMB 100,000,000) | 544.64 | 544.64 | 544.64 |
| Net profit which is attributable to common shareholders of parent company and excludes non-recurring profit and loss (RMB 100,000,000) | 529.82 | 529.82 | 514.82 |
| Basic earnings per share which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company (RMB/share) | 2.60 | 2.55 | 2.48 |
| Diluted earnings per share which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company (RMB/share) | 2.60 | 2.55 | 2.48 |
| **Assumption 2: Compared with 2017, net profit for 2018 is increased by 5% which is attributable to shareholders of parent company and excludes non-recurring profit and loss** | | | |
| Net profit which is attributable to shareholders of parent company and excludes non-recurring profit and loss (RMB 100,000,000) | 544.64 | 571.87 | 571.87 |
| Net profit which is attributable to common shareholders of parent company and excludes non-recurring profit and loss (RMB 100,000,000) | 529.82 | 557.05 | 542.05 |
| Basic earnings per share which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company (RMB/share) | 2.60 | 2.68 | 2.61 |
| Diluted earnings per share which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company (RMB/share) | 2.60 | 2.68 | 2.61 |
| **Assumption 3: Compared with 2017, net profit for 2018 is increased by 10% which is attributable to shareholders of parent company and excludes non-recurring profit and loss** | | | |
| Net profit which is attributable to shareholders of parent company and excludes non-recurring profit and loss (RMB 100,000,000) | 544.64 | 599.10 | 599.10 |
| Net profit which is attributable to common shareholders of parent company and excludes non-recurring profit and loss (RMB 100,000,000) | 529.82 | 584.28 | 569.28 |
| Basic earnings per share which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company (RMB/share) | 2.60 | 2.81 | 2.74 |
| Diluted earnings per share which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company (RMB/share) | 2.60 | 2.81 | 2.74 |

Note:

1. Net profit which is attributable to common shareholders of parent company and excludes non-recurring profit and loss = profit which is attributable to shareholders of parent company and excludes non-recurring profit and loss - dividend of preferred stocks which is currently declared to be released; dividend of preferred stocks for 2017 amounted to RMB 1.482 billion in total which was announced to be released according to 2017 Profit Distribution Proposal reviewed and approved in the 8th Meeting of the 9th Board of Directors, assuming that the dividend of preferred stocks for 2017 has already been fully paid in 2018;

2. Basic earnings per share and diluted earnings per share are calculated based on Compilation Rules for Information Disclosure By Companies Issuing Securities through Public Offering No.9 --- Calculation and Disclosure of Return on Equity and Earnings per Share.

Based on the above assumption, on the premise that utilization effectiveness of raised capital is not taken into account, after the Offering is completed, the basic earnings per share of the Company for 2018 will drop slightly which is deducted with non-recurring profit and loss and then is attributable to common shareholders of parent company.

**II. Risk Prompts for Spot Returns of the Private Offering of Domestic Preferred Stocks**

Since the holders of preferred stocks will get profit distribution prior to common shareholders according to agreed dividend rate, on the premise that utilization effectiveness of raised capital is not taken into account, basic and diluted earnings per share of the Company in the short run may have a certain level of decline. Spot returns of common shareholders after raising fund have the risk of being diluted.

The private offering of domestic preferred stocks will be used to supplement the capital to further enhance the Company’s capital strength. In the long term, maintaining current capital operation efficiency will help support the sustainable and healthy development of the Company’s business and play a positive role in sustainable development and profitability increasing.

**III. Necessity and Rationality of the Financing**

**(I) Improve capital adequacy level, continue to satisfy regulatory requirements**

Banking capital supervision is getting increasingly strict under the framework of Basel III Accord and the Capital Administration Measures for Commercial Banks (Trial) (hereinafter referred to as “Capital Administration Measures”) of China Banking Regulatory Commission (hereinafter called as “CBRC”). At the same time, the People's Bank of China has implemented a Macro Prudential Assessment System (MPA) since 2016. It puts forward higher requirements on self-discipline and self-discipline management toward banking financial institutions from seven aspects: capital and leverage, asset and liability, liquidity, pricing behavior, asset quality, cross-border financing risks, and implementation of credit policies, wherein macro-prudential capital adequacy ratio is one of the core indicators to determine the evaluation results.

As of December 31, 2017, the capital adequacy of Tier 1 was up to 9.07% under consolidated statements of the Company, adequacy ratio was 9.67% and that of Tier 1 reached 12.19%. As per Medium-term Capital Plan of Industrial Bank Co., Ltd. (2018-2020), from 2018-2020, goals for capital adequacy ratio of the Company are: adequacy ratio of Tier 1 core capital is no lower than 8%; adequacy ratio of Tier 1 capital is no lower than 9%; capital adequacy ratio is no lower than 11%; and efforts will be made to enable the capital adequacy ratio for the following several years to be higher than the average level of similar banks so as to maintain a good market image of the Company as a bank with adequate capital.

Therefore, apart from internal profit retention, it is necessary for the Company to carry out necessary external financing in order to improve the capital adequacy level, continue to satisfy regulatory requirements and in the meantime reserve some space for regulatory requirements which will possibly be improved.

**(II) Improve the ability of serving entity economy to support the Company’s stable, harmonious and healthy development**

The global economy as a whole has shown a synchronous recovery since 2017, with sustained economic expansion and moderate inflation. China's economy has also been on a steady and better course than expected. With constantly optimized economic structure, new growth drivers have been accelerated, and quality and efficiency have been significantly improved, thus achieving steady and sound development. In terms of policy, China will continue to implement steady monetary policy to keep reasonable and stable liquidity, surrounding three tasks of serving equity economy, preventing and controlling financial risks and deepening financial reform. China is in a critical period of economic restructuring and transformation. Good credit support from banks is still required for sustainable and healthy development of real economy. Meanwhile, under the intensifying competition in domestic banking industry, commercial bank’s capital strength will become more significant to its development. Expanding capital supplement channels, improving capital quality and increasing capital adequacy ratio will help the Company strengthen its risk resistance, adhere to prudent operation, and continuously promote reform of institutional mechanisms and adjustment of business structure. Promote business transformation with comprehensive operation and support the Company's stable, harmonious and healthy development to increase the ability of serving the real economy.

**(III) Continuously optimize the Company’s capital structure**

In recent years, the company has been continuously strengthening and standardizing bank capital management. Its capital replenishment is mainly based on profit accumulation, with improving profitability and increasing internal accumulation as an important way to improve the capital adequacy level. Meanwhile, it makes rational use of external channels to supplement capital according to the regulatory provisions and capital market conditions.

According to related provisions in Capital Administration Measures, commercial bank’s Tier 1 capital is classified into Tier 1 core capital and other Tier 1 capital. Commercial banks may improve Tier 1 capital adequacy by supplementing others, whose quantity is 1% of weighted risk assets. Article design and investors become mature along with the offering of preferred stocks, with increasing market acceptance. Offering preferred stocks to supplement Tier 1 capital will contribute to the Company continuously improve capital structure and increase the return for shareholders.

**IV. Relationship between the Capital Raising Investment Project and Existing Businesses of the Company & Reserve in Personnel, Technology, Market and the like of the Company Involved in such Investment Project**

**(I) Relationship between the capital raising and existing business of the Company**

The total amount of this private Offering of domestic preferred stocks is not more than RMB 30 billion, which will all be applied to supplement the Company's Tier 1 capital after deducting offering expense. It will help increase capital adequacy ratio, better satisfy regulatory department’s requirements, strengthen the Company’s risk resistance and support its sustainable and healthy development.

**(II) Existing conditions of the Company's reserves in personnel, technology, market and the like in fund raising and investment projects**

In terms of personnel, the company always adheres to the core values of rationality, innovation, humanism and sharing, and relies on the simple, harmonious and efficient corporate culture to attract talents, increase cohesion, and establish a high-quality and capable financial professional team to provide strong support for the long-term development of the company.

As for technology, the company takes "driven by science and technology" as one of its strategies, attaches importance to tracking and mastering the development trend of modern financial science and technology, constantly increases scientific and technological investment, promotes financial technology innovation, and improves the scientific and technological content of financial services; Guided by "Five Themes & Seven Projects", the Company vigorously promotes the construction of process bank and achieves remarkable achievements; continues to explore such new technology applications as artificial intelligence and biometric authentication, so as to build up intelligent finance and open bank. It promotes the application of process robot in credit card and remote pilot in the field of customer service, continuously strengthens the integration of technology and business, and promotes information technology transformation from support role to leading the business development and promoting the business model transition.

In the aspect of market, the company unswervingly follows multi-market, multi-products and integrated development path. With the bank as the main body, it focuses on the capital, money, bond, inter-bank, non-bank financial institutions, precious metals, foreign exchange and derivatives trading market, etc. to create multi-market comprehensive financial services capabilities.

**V. Relevant Measures of the Company on Compensation Returns**

The private offering of domestic preferred stocks is likely to cause spot returns of investors to be diluted. Considering the said situation, the Company will adopt several measures to improve the operation performance of the Company and increase the constant return capability of the Company, of which details are as follows:

**(I) Operation and development trend of existing business sectors of the Company and main risks and improvement measures thereof**

Facing harsh and complicated internal and external conditions, the Company follows policy trends, innovates in operation ideas and grasps work emphasis, with main business indicators climbing upwards and the overall trend stable and improving.

1. Deposit and loan scale is stably expanding, and profitability remains excellent

As of December 31, 2017, total assets of the Company reached RMB 6.416842 trillion, which was increased by RMB 330.947 billion or 5.44% compared with the beginning of the year; total loan amounted to RMB 2.430695 trillion, which was increased by RMB 350.881 billion or 16.87% compared with the beginning of the year; total deposit amounted to RMB 3.086893 trillion, which was increased by RMB 392.142 billion or 14.55% compared with the beginning of the year. Net profit of the Company for 2017 which was attributable to shareholders of parent company amounted to RMB 57.200 billion, increased by 6.22% year on year.

2. Strategic business is continuous, and unique business is securing its own advantages

(1) Customer Lines

① Enterprise finance business

As for large customer business, the Company strives to promote steady customer expansion, improve quality and efficiency, carry out special business marketing development, and promote business development in depth, so as to lay a solid foundation for steady development of enterprise finance business.

In terms of middle and small-sized enterprise business, the Company adheres to the principle of “client orientation”, takes the opportunity to handle the challenge and makes continuous innovation. It strengthens layered and classified customer management and marketing services, lies a solid foundation for business development, creates business features and professional advantages, and further improves the ability of serving real economy.

In the aspect of transaction bank business, the Company insists on its original purpose and transformation. Heading towards the main direction of “supply chain finance, bill financing business, cross-border business and Internet finance”, it focuses on key industries and regional characteristics, and comprehensively uses cross-selling of diversified products to strengthen the penetration and coverage of transaction banking products. It expands the customer base by providing professional product services and increasing product innovation, enhances the company's business scale and market share in key customer groups and regions, promotes the sustainable, stable and healthy development of the transaction banking business, and strengthens entity service economy.

In terms of green finance business, the Company relies on the linkage mechanism of the group and focuses on such key areas as water resources, air pollution prevention and control, solid waste management, rail traffic and green building, and actively promotes the healthy and rapid development of green finance business; it actively participates in formulating relevant policies and rules, further enhances professional influence and consolidates market leading edge; carries out concentrated promotion of green finance to improve brand image; promotes the reform of the green financial system and mechanism; puts emphasis on internal control and management of compliance to ensure the sound and rapid development of green finance.

② Retail finance business

Considering the aspect of asset liabilities business, the Company strengthens the expanding of conventional deposit, and develops basic settlement business to increase settlement deposit. It absorbs medium and long term fixed term deposit with controllable costs through interest floating policy and product innovation, achieving excellent performance in business development and significant growth of retail liabilities scale and market share.

In terms of retail wealth business, the Company actively responds to changes in the market environment, takes the initiative to strengthen the sales and expand the scale of bank's financial products; deepens product structure transformation, and the innovation of sales model and channel; strengthens market analysis, adjusts product strategy, and promotes fund, trust and other commission business sales; enhances the coordination of the group's large wealth business.

As for bank card services, the company seizes the opportunity of rapid development of mobile payment to provide merchants with aggregation payment receipt services, and constructs the "weaving network project" that integrates offline branches and online shops operation, including customer acquisition through merchants. Merchant receipt business and comprehensive financial business have achieved rapid development.

In the aspect of private banking business, the Company revolves around the new orientation of “customer relationship management department”, promoting the concept of “consulting drive + asset allocation” and its implementation, and driving business innovation and risk management. It continuously improves its professional service capabilities of research and analysis and investment advisory, and improves high-end service system and actively responds to market changes, adjusting product structure and stabilizing of asset supply, so as to promote the rapid growth of customer base.

③ Institutional finance business

As for institutional business, the Company actively handles changes and challenges of policy and market, gives full play to its advantages of professional management system and talents, and vigorously promotes business transformation and professional promotion. It strives to further strengthen market and compliance awareness, constantly enhances the linkage of business within the group, for the purpose of providing more professional, comprehensive and efficient financial products and services, and ensuring steady development of trade finance businesses.

In terms of banking cooperation, the company focuses on the customer service of small and medium sized financial institutions, positively promotes the development strategy of “one financial cloud + three major platforms + inter-bank international platform”, forming a financial ecosystem supported by financial cloud service and involving wealth management, payment settlement and asset trading platform.

(2) Public product line

① Investing bank business

The Company gives priority to customer service and development, enhances coordination surrounding critical customers and integrates functions of investment banks, so as to improve comprehensive financial service level among whole market, product and life cycle, and satisfy customers’ diversified and individual requirements, significantly increasing market competitiveness.

② Asset management business

The Company actively implements the regulatory policy, takes the initiative to de-leverage, and strategically reduces institutional financing; continues to strengthen innovation ability of asset management business, improves the professional management model based on the capabilities of market trend judgment, asset allocation of large-scaled assets, customer development marketing and risk identification management, putting adequate emphasis on the construction of sales capability to promote structure transformation of financing products.

③ Fund business

Based on the group linkage, the Company explores light capital consumption FICC business, takes more actions in overseas and domestic allocation, transaction and liquidity of large-scaled assets, accelerates the establishment of international platform and increases capabilities of client agency service and gaining trading profit. All services keep a stable growth with a leading competitiveness in the market.

④ Asset custody business

Giving play to the traditional advantage of custody business, the Company still strives to deepen reform and innovation, create characteristic business, consolidate management basis and quicken the adjustment of product structure. It focuses on improving professional service capability and efficiency and emphasizes on the transformation promotion of public offering fund, public fund, private fund and Internet finance, so as to achieve stable and growing business development.

3. Main risks and improvement measures of the Company

Main risks faced by the Company mainly cover credit risk, market risk, liquidity risk, operation risk, compliance risk, information technology risk, reputation and country risk, etc. Under new economic normal, influenced by the slower domestic economy growth, industrial structure adjustment, increasing market competitiveness and other factors, the company is confronting greater pressure on credit risk, market risk (including exchange rate risk and interest rate risk) and liquidity risk, and the operation pressure is further reinforced. Meanwhile, under the framework of Basel III Accord, Capital Administration Measures for Commercial Banks (Trial) of CBRC and People's Bank of China's Macro Prudential Assessment System (MPA), the importance of prevention against other risks (including operation risk, compliance risk, information technology risk and reputation and country risk) is further stressed.

The Company actively adapts to the supply-side reform requirements, accelerates its return to the financial industry, strengthens the sense of compliance, and strictly prevents against various risks. With main work of “promoting reform, improving risks & improving efficiency”, and the starting point of “optimizing processes and improving efficiency”, the Company continues to strengthen asset quality control and risk mitigation, improve risk management system and mechanism, promote management innovation, and unceasingly improve the professionalization and refinement of risk management. During daily risk management, the Business Department, the Risk Management Functional Department and the Internal Audit Department constitute “three defense lines” against risks with specific responsibilities. They perform their own functions to jointly achieve the purpose of risk management. Among them, the Business Operation and Lines Management Departments are the first defense line, the former of which is responsible for all the risks appearing in business and operation process of this department and performing prevention duties, while the latter is in charge of risk control measures on this line, regularly evaluating the risk management conditions and adopting necessary remedial measures on vulnerable links. The Risk Management Functional Department is the second one, being responsible for making basic regulations and policy of risk management, analyzing the overall risk management situation of the group, strengthening assessment and monitoring of standardization and effectiveness of all departments and institutions’ risk management. It also has the duty of performing comprehensive risk reporting responsibility, continuously improving risk management mode and tools and increasing the independence. The Audit Department serves as the third defense line, with the responsibilities of carrying out whole process auditing and independent, focused and prospective supervision on all businesses.

**(II) Specific remedial measures for diluted spot returns of the private offering of preferred stocks of the Company**

In order to guarantee the effective utilization of capital raised through the Offering, promote the sustainable and steady development of businesses of the Company, fully protect the interests of shareholders of the Company, especially medium and small-scale shareholders, strengthen the sustainable development ability of the Company, improve the business scale and management performance of the Company, reduce the risk where spot returns will be diluted and provide guarantee for returns of values of medium and long-term shareholders, the Company will take the following steps:

1. Stress capital planning management and keep sufficient and stable capital

The Company will carefully implement and put in place national macro-control policies and regulatory requirements, make dynamic adjustment to the capital planning without delay based on domestic and overseas economic and financial conditions and business development and internal management of the Company, supplement Tier 1 capital and Tier 2 capital in due time by means of endogenous and exogenous methods, improve the capital strength of the Company and ensure the capital level is able to match with future business development and risk condition. The established organization and system structure of new capital accord involves capital adequacy ratio management, internal rating process and authority management, exposure category, release affirmation, model measurements, system verification, rating application, pressure test, data governance, etc. The Company will keep carrying out internal training and institutional research, further improve the application of new capital accord and cultivate the operation concept of capital constraint risks.

2. Improve the capital utilization efficiency, and reasonably deploy resources

The Company will actively conduct the intensive capital management, constantly perfect and optimize the risk-weighted asset limit allocation and control management mechanism, rely on return on risk-weighted asset, give overall consideration to risk-weighted asset scales of all outlets and business lines, impel the optimal capital configuration and further improve the endogenous capability of capital; reliably and actively promote the implementation of capital measurement tools, containing Risk-Adjusted Return On Capital (RAROC), model construction for capital measurement, devaluation and pressure test of credit asset risk, asset quality management, risk preference setting, comprehensive evaluation and provision & withdrawal, internal ratings based approach to risk capital allocation management, screening & warning model for credit capital risk, etc.

3. Accelerate transformation and innovation to promote the continuous business development of the Company

The Company will quicken transformation and innovation, strengthen economic capability of entity service, improve its service increasing capabilities, profitability and brand influence. The specific measures it will take include: taking the chance of economic transformation and upgrading and the supply-side organizational reform to optimize allocation of financial resources; Putting its focus on provinces and cities involved in "the Belt and Road", the joint development of Beijing, Tianjin and Hebei, and the development of the Yangtze River Economic Belt, and emerging industries, and taking prospective enterprises and projects with powerful motive force as the critical customers and financial services satisfying demands of corporation transformation and upgrading as key products, increasing resources support, serving economic transformation and upgrading and promoting development of real economy. According to the 2018 annual operation objectives disclosed in 2017 Annual Report, the Company is trying to achieve RMB 6,767 billion total asset, increase RMB 400 billion customers' deposit and RMB 350 billion loan balance, with 3% year-on-year growth of shareholders' net profit of parent company by the end of 2018; give full play to its comprehensive operation, innovate financing mode, and strongly implement direct financing businesses, such as perpetual bond, investment-loan linkage, industry fund and asset securitization, for the purpose of offering low-cost and long-term equity-type funds to enterprises; develop such unique services as green finance, pension finance, inter-bank platform and asset custody and new profitable offerings to drive the Company transform along the way of "light capital and high efficiency".

4. Continuously improve sustainable, stable and scientific shareholders’ return mechanism

The company will maintain the continuity and stability of profit distribution policy, balance the relationship between business sustainable development and comprehensive return of common shareholders, and maintain a consistent, rational and stable cash dividend policy.

**VI. Promises of Directors and Senior Management of the Company on Taking Remedial Measures for Diluted Spot Returns of the Private Offering of Domestic Preferred Stocks of the Company**

(I) Promise not to freely or unfairly export interests to other units or individual, or adopt other measures to impair the interests of the Company.

(II) Promise to restrict the job-related consumption on the part of directors and senior management.

(III) Promise not to use assets of the Company to carry out investment or consumption activities irrelevant to duty performance thereof.

(IV) Promise that the remuneration system stipulated by Board of Directors or Remuneration Assessment Committee matches with the implementation of return supplement measures of the Company.

(V) Promise that right conditions for equity incentive of the Company proposed to be released match with the implementation of return supplement measures of the Company if the Company implements the equity incentive.

Hereby Announced.

Board of Directors of Industrial Bank Co., Ltd.

April 25, 2018