**Code of A share: 601166 Abbreviation of A Share: Industrial Bank Code: TEMP 2021-008**

**Code of Preferred Stock:** **360005, 360012, 360032 Abbreviation of Preferred Stocks:** **Industrial Preferred 1, Industrial Preferred 2, Industrial Preferred 3**

Industrial Bank Co., Ltd.

Announcement on Giving the People’s Insurance Company (Group) of China Limited Series Related Transaction Quota

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 responsible for the truthfulness, accuracy and integrity of the announcement.

**Prompt of Important Content**

On March 30, 2021, the 27th Meeting of the 9th Board of Directors of the Company reviewed and agreed to give the Related Legal Persons of the People’s Insurance Company (Group) of China Limited Series (hereinafter referred to as “Related Legal Persons of PICC Series”) credit related transaction quota of RMB 54 billion and non-credit related transaction quota of RMB 25.6 billion, with a validity period of 3 years. Related director Mr. Fu Anping has abstained from voting. The above-mentioned related transactions are reasonable transactions in the Company’s daily business operations, which exert no significant impacts on the Company’s business activities and financial status, and will not affect the Company’s independence. The above-mentioned related transaction matters still need to be submitted to the Company’s general meeting of shareholders for deliberation, and the relevant related shareholders will withdraw from voting on the proposal of the Company’s general meeting of shareholders to consider this related transaction.

**I. Overview of Related Transaction**

The 27th Meeting of the 9th Board of Directors of the Company reviewed and approved the *Proposal on Giving Related Transaction Quota to certain Related Parties*, agreed to give the Related Legal Persons of PICC Series related transaction quota of RMB 79.6 billion, with a validity period of 3 years, including: credit related transaction quota of RMB 54 billion for the People’s Insurance Company (Group) of China Limited and its affiliated companies to carry out various short, medium and long term businesses; non-credit related translation quota of RMB 25.6 billion with transaction types of customized wealth management, credit asset transfer, capital business, insurance services, agent sales of insurance products, investment in insurance asset management products, asset custody, and other comprehensive services.

The related transaction quota between the Company and the Related Legal Persons of PICC Series this time exceeds 5% of the audited net assets of the Company Group in the nearest period, which makes it a substantive related transaction. The above-mentioned related transaction matters have been audited by the Board of Directors of the Company, reviewed by the Related Transaction Control Committee and reviewed and approved by the Board of Directors, and still need to be submitted to the general meeting of shareholders for approval.

**II. Introduction of Related Parties**

(I) Basic Information of Related Parties

The People’s Insurance Company of China, the predecessor of the People’s Insurance Company (Group) of China Limited, was established on October 20, 1949 at No. 108, Xijiaomin Lane, Beijing. The controlling shareholder and actual controller was the Ministry of Finance, the legal representative was Luo Xi, and the registered capital is RMB 44.224 billion. The People’s Insurance Company (Group) of China Limited was listed on the main board of the Hong Kong Stock Exchange on December 7, 2012, and on the main board of the Shanghai Stock Exchange on November 16, 2018, becoming the fifth domestic listed insurance company of “A+H” shares. After more than 70 years of development, PICC Group has now become a comprehensive insurance and financial group with more than a dozen professional subsidiaries. Its business scope covers property insurance, life insurance, reinsurance, asset management, real estate investment and alternative investment, financial technology and other fields.

(II) Related Relationship with Listed Companies

The People’s Insurance Company (Group) of China Limited and its subsidiaries, PICC Property and Casualty Company Limited and PICC Life Insurance Company Limited, hold 12.90% of the Company’s total shares and have director Mr. Fu Anping stationed in the Company. According to provisions of CBIRC’s *Administrative Measures on Related Transactions between Commercial Banks and Internal Personnel and Shareholders*, *Temporary Measures on Equity Management of Commercial Banks*, SSE’s *Guideline for Implementation of Related Transactions of Listed Companies* and the Company’s *Administrative Measures on Related Transactions*, the People’s Insurance Company (Group) of China Limited and its affiliated companies are related parties of the Company.

**III. Main Content and Pricing Policy of Related Transaction**

(I) Main Content of Related Transaction

The Company’s 2017 annual general meeting of shareholders agreed on May 25, 2018 to give the Related Legal Persons of PICC Series related transaction quota of RMB 79.6 billion, with a validity period of 3 years, including: credit related transaction quota of RMB 54 billion; non-credit related translation quota of RMB 25.6 billion.

As the original approval quota will expire on April 30, 2021, this re-approval will give the Related Legal Persons of PICC Series related transaction quota of RMB 79.6 billion, with a validity period of 3 years, including: credit related transaction quota of RMB 54 billion for the People’s Insurance Company (Group) of China Limited and its affiliated companies to carry out various short, medium and long term businesses; non-credit related translation quota of RMB 25.6 billion with transaction types of customized wealth management, credit asset transfer, capital business, insurance services, agent sales of insurance products, investment in insurance asset management products, asset custody, and other comprehensive services.

(II) Pricing Policy

For related transactions between the Company and the Related Legal Persons of PICC Series, non-related transaction price of an independent third party will be referenced for the pricing of such transactions. In case of credit related transactions, if related credit conditions are not better than conditions for the same credit of other credit receivers, non-related transaction price of an independent third party will be referenced for related transaction price and settlement method is the same with that of non-related transaction of an independent third party; non-credit related transaction belongs to reasonable transaction during the daily business operation of the Company, and for such transactions, general business rules will be followed, and conditions not more favorable than those of similar transactions of non-related parties will be adopted.

**IV. Goal of Related Transaction and Influence of This Related Transaction on Listed Company**

Considering the continuous promotion of the cooperation between the Company and the Related Legal Persons of PICC Series in multiple business fields and the increasing demand for relevant businesses, the relevant businesses carried out by the Company with the Related Legal Persons of PICC Series is conducive to the further cooperation of all parties.

The above-mentioned related transactions are concluded based on market principles and general business rules or terms not more favorable than those applicable to independent third parties during the daily business of the Company, the transaction conditions will be fair and reasonable, in line with the interests of the Company and all shareholders, subject to relevant regulations requirements of the regulatory department and internal policies of the Company and without prejudice to the interests of the Company and minority shareholders, and will not have negative influence on current and future financial conditions of the Company and independence of listed company.

**V. Opinion of Independent Directors**

Independent directors Mr. Paul M. Theil, Mr. Zhu Qing, Mr. Liu Shiping, Mr. Su Xijia and Mr. Lin Hua of the Company, expressed the following independent opinions with regard above related transactions:

(I) Procedure. The above-mentioned related transactions have been audited by the Board of Directors, reviewed by the Related Transaction Control Committee and reviewed by the Board of Directors, which is in compliance with the regulations issued by CBIRC, SCRC, SSE and other regulatory authorities, and the Company’s Articles of Association and *Administrative Measures on Related Transactions*.

(II) Fairness. The above-mentioned related transactions belong to reasonable transactions during the daily business operation of the Company, and for such transactions, general business rules will be followed, and conditions not more favorable than those for similar transactions of non-related parties will be adopted, the transaction conditions are fair and reasonable, and such transactions are subject to relevant regulations requirements of the regulatory department and internal policies of the Company and without prejudice to the interests of the Company and shareholders (especially minority shareholders), and will not have negative influence on current and future financial conditions of the Company and independence of the listed company.

**VI. Contents of Reference Documents**

1. Resolution of the 24th Meeting of the Audit & Related Transaction Control Committee of the 9th Board of Directors of the Company;

2. Resolution of the 27th Meeting of the 9th Board of Directors of the Company;

3. Prior Approval Opinions Signed and Confirmed by Independent Directors;

4. Independent Opinions Signed and Confirmed by Independent Directors.

Hereby Announced.

Board of Directors of Industrial Bank Co., Ltd.

 March 30, 2021