



首都銀行 Metrobank

ANNUAL REPORT 2024



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CHAIRMAN'S STATEMENT



Metropolitan Bank (China) Ltd.
Arthur V.TY Chairman

Spring tides surge, and the New Year begins with great enthusiasm.

Looking back on the past year of 2024, the global situation has shown a trend of intensifying turbulence, with frequent local conflicts and intensified great power rivalries highlighting the instability of the international situation. The world stands at a critical crossroads. Domestically, the economic operation is also facing numerous challenges due to complex situations such as the upgrading and adjustment of consumption structure, insufficient confidence in corporate investment, unstable supply chains and insufficient demand. It is precisely because of the impact of many unstable factors that Metrobank (China) has always prioritized “stability”. All employees of MBCL are bravely facing challenges and making steady progress, planning the Bank’s new three-year strategic plan with extreme prudence. We firmly establish the business policy of “risk prevention, promoting change, adjusting structure and stabilizing growth”, continuously promoting the sustainable development of multiple businesses and cooperation, so that the Bank’s continuous positive trend is continuously consolidated, and we are moving more firmly along the path of high-quality development. This also fills us with infinite confidence in the Bank’s future high-quality development.

“Stability” is paramount, anchoring the goal of high-quality development and leading sustainable development through diversification. “The road ahead is paved with mountains and peaks, and the rough terrain is smoothed out into a broad path.” 2024 is a “crucial year” and an “important year” for the Bank’s development. This year, the Bank released a brand-new three-year strategic planning direction. In the assessment of adheres to the basic principle of “seeking progress while maintaining stability and promoting stability through progress”, sticks to the business bottom line of “risk-oriented and compliance-based”, and firmly follows the “four focuses” policy of focusing on regions, industries, products and peers, innovated business models. For example, in June 2024, the Bank successfully issued the first phase of financial bonds with a total size of RMB300 million in the national interbank bond market, but also makes us the first local incorporated foreign bank in Jiangsu Province to issue financial bonds, which is a milestone for the Bank. At the same time, the Bank has also maintained close communication with Metrobank Group, guided by diversification, explored the Taiwanese and Filipino customer groups through multiple channels and methods, and fully utilized the cross-border financial advantages of foreign banks to undertake the responsibility of financial bridge for Chinese and foreign enterprises “going out” and “coming in”.

With the word “stability” as our guiding principle and a commitment to positivity, we leverage our financial capabilities to fulfill charity responsibilities. The end goal of our charity journey is the starting point that Metrobank (China) has been striving for. In line with the entrepreneurial aspirations of Dr. George Ty, founder of Metrobank Group, the Bank, as a responsible enterprise, has always played a role in various charity activities by utilizing our financial capabilities. In June 2024, the Bank joined hands with the Shanghai Soong Ching Ling Foundation to visit two primary schools in Yongding, Longyan, Fujian Province, delivering essential learning and living supplies to local teachers and students. Meanwhile, the Metrobank Rural Children Growth Protection Project, which was initiated by the Bank and the Shanghai Soong Ching Ling Foundation in 2019, has been officially renamed as the “Dr. George Ty-Metroabnk” Rural Children Growth Protection Project.

CHAIRMAN’S STATEMENT

The renaming of the project also reflects the Bank has been following Dr. George Ty’s teachings of giving back to the education in his hometown. Furthermore, the Bank’s charity achievements have reached a new level last year. The “Litter Bankers” financial knowledge campaign on campus, which promotes financial knowledge among children in rural areas, won the “Excellent Case of Financial Consumer Projection and Service Innovation” award by CBIMC in 2023, marking the Bank’s first award in the field of consumer rights protection. The annual all-staff ESG activity-“A Simple Act: Re-shaping New ‘Clothing’” won the “Golden Promise Financial Brand Annual Social Charity Project” award by CBIMC in 2024, marking the Bank’s third consecutive year winning this honor. At the end of 2024, our “Dr. George Ty-Metrobank” Rural Children Growth Protection Project was honored with the title of “Social Responsibility Advantage Case” in the third Xinhua Credit Jinlan Cup ESG Excellent Case Collection organized by Xinhua Press.

“Stability” is paramount, and we are gradually advancing digital transformation. As an important part of the Bank’s new three-year strategic plan, digital transformation is not only a general trend but also an indispensable element on our path to achieving high-quality development. Taking the integrated development of digitalization, networking and intelligence as an opportunity and improving data governance as a starting point, the Bank is accelerating the implementation of Digital Transformation 2.0. We are leveraging digital technology to empower our business innovation, risk prevention and control, process innovation and other purposes, reducing costs and increasing efficiency to achieve high-quality development. In 2024, our independently developed wealth management system was successfully launched and won relevant awards at the CBIMC and the Banking Digital Innovation Summit 2024 as a successful case of the Bank’s digital transformation.

In 2025, the task of achieving high-quality development remains arduous. The Bank will always prioritize “risk prevention” as the key to driving our high-quality development. Looking ahead, we will continue to enhance risk prevention and control, promote business innovation, optimize customer service experience and fulfill social responsibilities. This will enable the Bank to maintain composure in a complex and volatile environment, achieving steady and sustainable development. Furthermore, with the deep application of financial technology and profound changes in the global economic landscape, the Bank will adhere to the principle of “stability” as our guiding principle, striving for excellence through steady progress. We will continuously explore a development path suited to our own characteristic and remain steadfast on the path of high-quality development!

Arthur V. Ty
April 2025

Image From: 2024 MBCL Photography Contest
Author: Wei Wang (Internal Audit)

PRESIDENT’S MESSAGE



Metropolitan Bank (China) Ltd.
 Thomas Huang
 President & Executive Director

Time never stops flowing. A brand new and wonderful year is upon us once again

Over the past 2024, globally, ‘risk’ and ‘uncertainty’ remained the key words of the year for the economic, financial and political situation. The global governance system became fragmented, economic growth remained low, the debt risk crisis further intensified, international trade continued weakening, and geopolitical conflicts escalated. In China, the economic and financial situation was stable and improving, high-quality development had been advancing solidly, and the positive effects of the package of incremental policies had been gradually appearing. As a foreign bank, we were firmly committed to the local market and had taken the initiative to carry out diversified changes by adjusting our customer base structure, business strategy, asset structure and product strategy, as well as upgrading our organizational structure, human resources and optimizing our processes and promoting digitalization, which had injected new momentum into our steady growth during the year.

Thanks to the trust and support of our customers as always, our total assets rose by 15.14% in 2024 to RMB 20.436 billion, among which the loan post a 18.08% increase to RMB9.545 billion. Total liabilities stood at RMB 18.279 billion at the end of the year, with a 15.14% growth. Improving customer confidence was also evident in the level of our total deposits, which went up by 15.76% year on year to RMB13.959 billion. The operating revenue for the year was RMB317.19 million, an increase of 1.46% year-on-year. The profit structure was optimized, and non-interest income increased by 68.27% from RMB38.86 million to RMB65.39 million, and the proportion of non-interest income increased from 12.43% to 20.62%. As a result, the annual net profit of RMB62.51 million was achieved, with a growth rate of 3.44%. Meanwhile, based on the Bank's sound risk management system, good asset quality and liquidity, adequate provisioning and the strong comprehensive strength of the parent bank group, the Bank once again maintained an AA+ domestic long-term main credit rating and Baa2 (investment grade) long-term local and foreign currency deposit rating, both with stable outlooks. In May, RMB200 million additional capital was injected by the parent bank, further enhancing our ability to continue as a going concern.

Customer value is the foundation of our business. ‘Customer-Oriented’ is the primary objective of MBTC and MBCL, and is our unchanging commitment to our customers. Providing excellent financial services which focus on the real economy and the needs of our core customers is the foundation of our high-quality and sustainable development. In 2025, the global economic downside risks will continue to increase, protectionism has become the biggest risk to global trade growth, compounded by geopolitical conflicts, public finance challenges and other downside risks, the external environment for China’s economy remains complex and unpredictable. In the Chinese market, low interest rates have become the new normality, the traditional profit model of banks' deposit and loan spreads continues to be under pressure, and the profit growth is facing with numerous challenges, while the urgency and importance of risk prevention and control issues have been further increased.

PRESIDENT'S MESSAGE

In this economic environment, the emphasis of **'navigate steadily to achieve long-term goals'** is on **stability**. MBCL will continue implementing the business philosophy of **'keeping risk management and compliance as baseline'**, continue strengthening our overall risk management capabilities, build a solid bottom line for safe operation, to guard the safety of customers' assets; we **will always abide by our original intention**, provide best-in-class service with our efficient and professional workforce, continue improving service standards and processes, focus on optimizing the customer experience, concentrate on improving the quality of our services, and do a good job in protecting consumer rights and interests; we will **adhere to the fundamentals of banking**, accelerate product iteration and innovation, output high-quality and distinctive integrated financial solutions, provide financial support for the development of the real economy, deeply plough into vertical areas. We will also give full play to the natural advantages of foreign banks and continue expanding the scope of co-operation with our clients in the field of cross-border finance to help enterprises seize new opportunities and shape new advantages; we will **advance with the times**, accelerate the pace of digital transformation, and make full use of digital technology to empower our customers and our business; we **will focus on the long term future**, build an EESG (Economic, Environmental, Social and Corporate Governance) management system, strengthen the development of green finance, take multiple initiatives to make meaningful contributions to society, and create a low-carbon corporate culture.

"Good Service, High Efficiency, Good Reputation, Small yet Exquisite & Decent" is the unchanging vision mission of MBCL. In the new year, we will still make our earnest endeavor, strive for the highest level of excellence, move forward hand in hand with you, to share a meaningful future together!

Thomas Huang
April 2025

Image From: 2024 MBCL Photography Contest
Author: Yulei Cai (Changzhou Branch)

ABOUT METROBANK GROUP

Metropolitan Bank and Trust Company (hereinafter referred to as “Metrobank Group”) is a diversified financial services company founded in 1962 by patriotic overseas Chinese Dr. George Ty from Quanzhou, headquartered in Manila, Philippines.

In 1981, Metrobank Group became the first bank to be granted a universal banking license by the Central Bank of the Philippines (BSP). Its business includes comprehensive public and private business including deposits and loans, trade financing, settlement, credit card, insurance, trust and investment banking. After more than 60 years of development and operation, Metrobank Group has become a large scale commercial bank group, including a number of savings bank, investment bank, finance company, securities company, credit card company, exchange company, insurance company, leasing company, etc. The group is listed on the Philippine Stock Exchange under the symbol “MBT”.

At present, Metrobank Group has nearly 1,000 branches or affiliates around the world. Metrobank Group has become one of the most important commercial banking groups in the Philippines and has maintained a good international influence. It has won the title of the Strongest Commercial Bank in the Philippines for many years from the Asian Banker. Metrobank Group has an excellent external rating. Moody's recently grant a long-term debt rating of Baa2 and an outlook rating of STABLE.



VISION & MISSION STATEMENT

To be the country’s premiere financial conglomerate, empowering our individual and business clients to realize their goals and reach their full potential. By creating and customizing financial solutions in response to our stakeholder’s needs, continuously expanding ours scope of reach, and leading in community service, we live up to our “You’re in Good Hands” embodies who we are and what we do. We are Metrobank.

WE COMMIT TO BE

The Trusted Financial Partner.

Our business relies on the principles of trust, honesty and integrity as we serve our customers and help them attain their financial goals.

The Employer of Choice.

We strengthen the organization by continuously developing and enhancing the abilities of our people. We nurture them into professional individuals with integrity and passion for service and excellence. We ensure their future by providing them with fulfilling careers.

A Responsible Bank.

We adhere to the highest standards of corporate governance, exercising accountability, fairness, and transparency across all our business operations. We exercise good management to provide our shareholders with sustainable returns on their investments.

An Institution with a Heart.

Giving back to the community we serve. Committed to making meaningful contributions to the economic and social development of our nation.

Awards (2024)

[Strongest Bank in the Philippines, The Asian Banker](#)

[Best Bank for Ultra-High-Net-Worth, Euromoney Global Private Banking Awards](#)

[Best Bank for Corporate Responsibility in the Philippines, Euromoney](#)

[Most Recommended Retail Bank in the Philippines, The Asian Banker *Annual BankQuality™ Consumer Survey](#)

[Best Managed Funds \(Metrobank Trust\), CFA Society Philippines](#)

[Best Asset Manager for the Philippines \(Metrobank Trust\), Citywire ASEAN Awards](#)

[4-Golden Arrow Award, Institute of Corporate Directors](#)

ABOUT METROBANK (CHINA)

Metropolitan Bank (China) Ltd. (hereinafter referred to as “Metrobank (China)”) is a wholly foreign-owned bank approved by CBIRC and established in Nanjing by Metrobank Group. On March 2, 2010, Metrobank (China) officially opened its business. As the first wholly foreign-owned bank in Jiangsu Province, Metrobank (China) has been developing branches around the initial development strategy of “taking the Yangtze River Delta as the center and further radiating the whole country” since its restructuring and opening up in 2010. As of the end of 2024, MBCL has seven branches in Shanghai, Nanjing, Changzhou, Quanzhou, Xiamen, Suzhou, Ningbo, as well as two sub-branches of Shanghai Pudong Sub-branch and Changzhou Wujin Sub-branch. The total amount of employees in the Bank reached to 302.

Metrobank (China) has been continuously innovating in the midst of steady development and providing excellent quality financial services to the customers in China and all over the world. As for the long-term corporate credit rating, with excellent operating performance and sound risk control, Lianhe Credit granted Metrobank (China) AA+ credit rating for 4 consecutive years. In 2024, Moody's maintained Metrobank (China)'s Baa2/P-2 deposit rating with a stable outlook and assigned an ESG Credit Impact Score of CIS-2.

Since its establishment, Metrobank (China) is always committed to the excellent service principle of “Customer Oriented”, and integrates the core values of “Integrity, Service, Efficiency, Professionalism and Innovation” into the customer value proposition. The Bank introduces the advanced international management concept and experience from the parent bank and combines with the local culture and industry operation in China so as to strive to provide internationalized, diversified and high-standard banking services to the customers. We are committed to be a specialty bank with “Good Services, High Efficiency, Good Reputation and Small Yet Exquisite & Decent”.

Corporate Information

Registered Name: Metropolitan Bank (China) Ltd.
Legal Representative: Arthur V. Ty
Registered Office: Room 2103-2111,2201-2216, One ifc, Nanjing ifc, No.347 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu Province
Date of Incorporation: 14 January 2010
Paid up Share Capital: RMB1,700,000,000
Customer Service Line: 400-864-9000

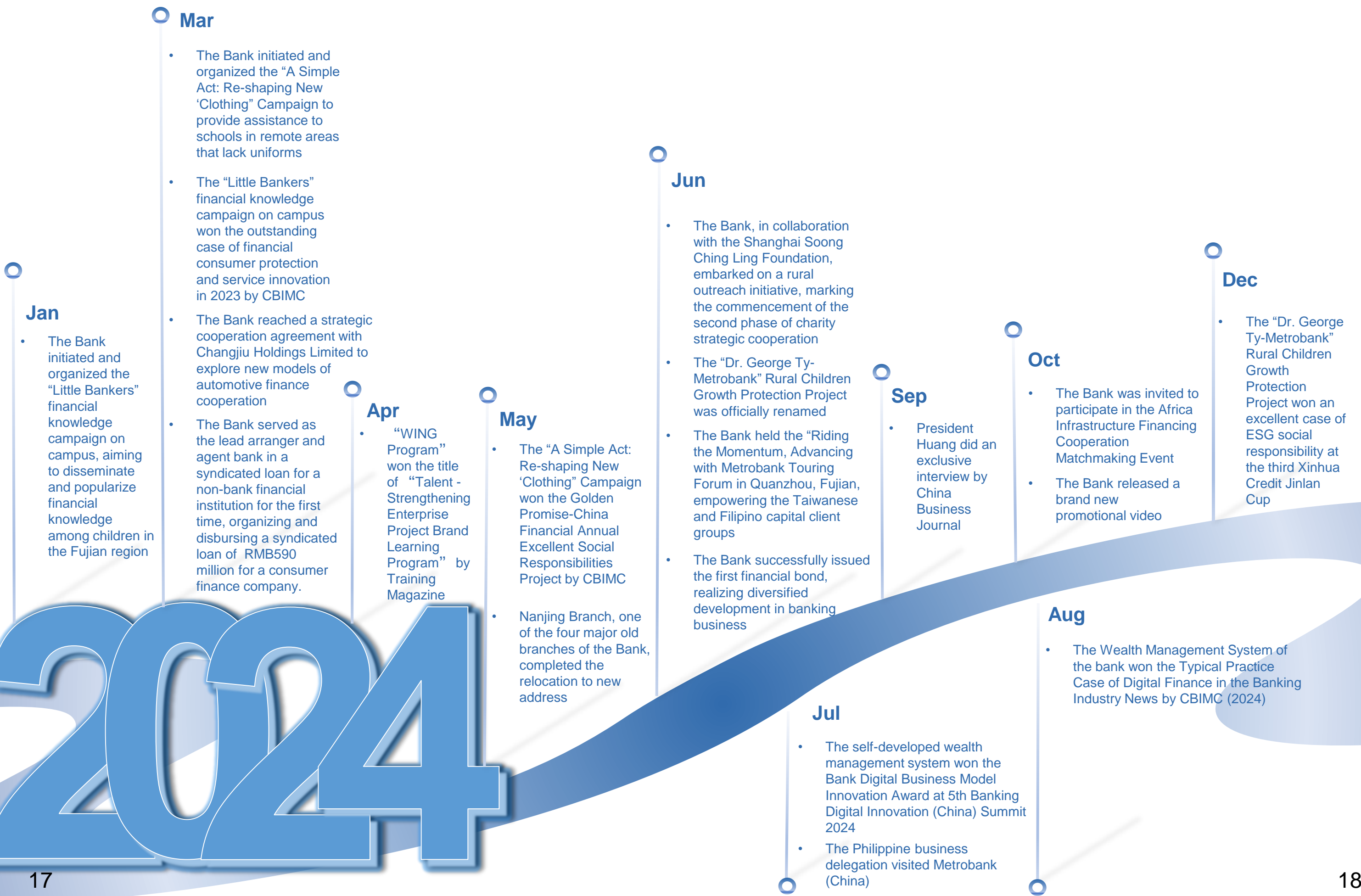


BANK NETWORK

Unit	Address	Phone No.	Fax No.	Zip Code
Head Office	L21/22, One ifc, Nanjing ifc, No.347 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu Province	(025) 68584194	(025) 68584141	210019
Nanjing Branch	Room 1701-2, 17F, China Life Building, No. 179 Yanshan Road, Jianye District, Nanjing, Jiangsu Province	(025) 69761345	-	210019
Shanghai Branch	1F, Metrobank Plaza, 1152 West Yan'an Road, Changning District, Shanghai	(021) 31832500	(021) 31833379	200052
Changzhou Branch	No.88-103, Jingchenghaoyuan, Beida Street, Zhonglou District, Changzhou, Jiangsu Province	(0519) 88061611	(0519) 88061617 (1F) (0519) 88061616 (2F)	213003
Quanzhou Branch	Unit 1302-1303, South Asia Plaza, 666 Fengze Street, Fengze District, Quanzhou, Fujian Province	(0595) 29889372	(0595) 29889377	362000
Xiamen Branch	Unit 05-07, 11F, Yishan Business Center (Xiamen Fortune Center), 100 Lujiang Road, Siming District, Xiamen, Fujian Province	(0592) 2110265	(0592) 2113275	361001
Suzhou Branch	1805-1808, China Life Finance Center, Building 24A, Harmony Times Square, Suzhou Industrial Park, Suzhou, Jiangsu Province	(0512) 88859159	(0512) 88859159	215000
Ningbo Branch	20F, New World Ningbo Tower, No.51, Sanyanqiao Street, Ningzhu Square, Yinzhou District, Ningbo, Zhejiang Province	(0574) 28900173	-	315000
Shanghai Pudong Sub-Branch	Building D, 12F, New Shanghai International Tower, No.360 South Pudong Road, Pudong New Area, Shanghai	(021) 31833336	-	200122
Changzhou Wujin Sub-Branch	No.101-102, Building 13, Wanda Plaza, Wujin District, Changzhou, Jiangsu Province	(0519) 89883299	(0519) 89882621 (0519) 89882631	213100

(By the End of 2024)

IMPORTANT HIGHLIGHTS



Economic Highlights

Sustainable
Development

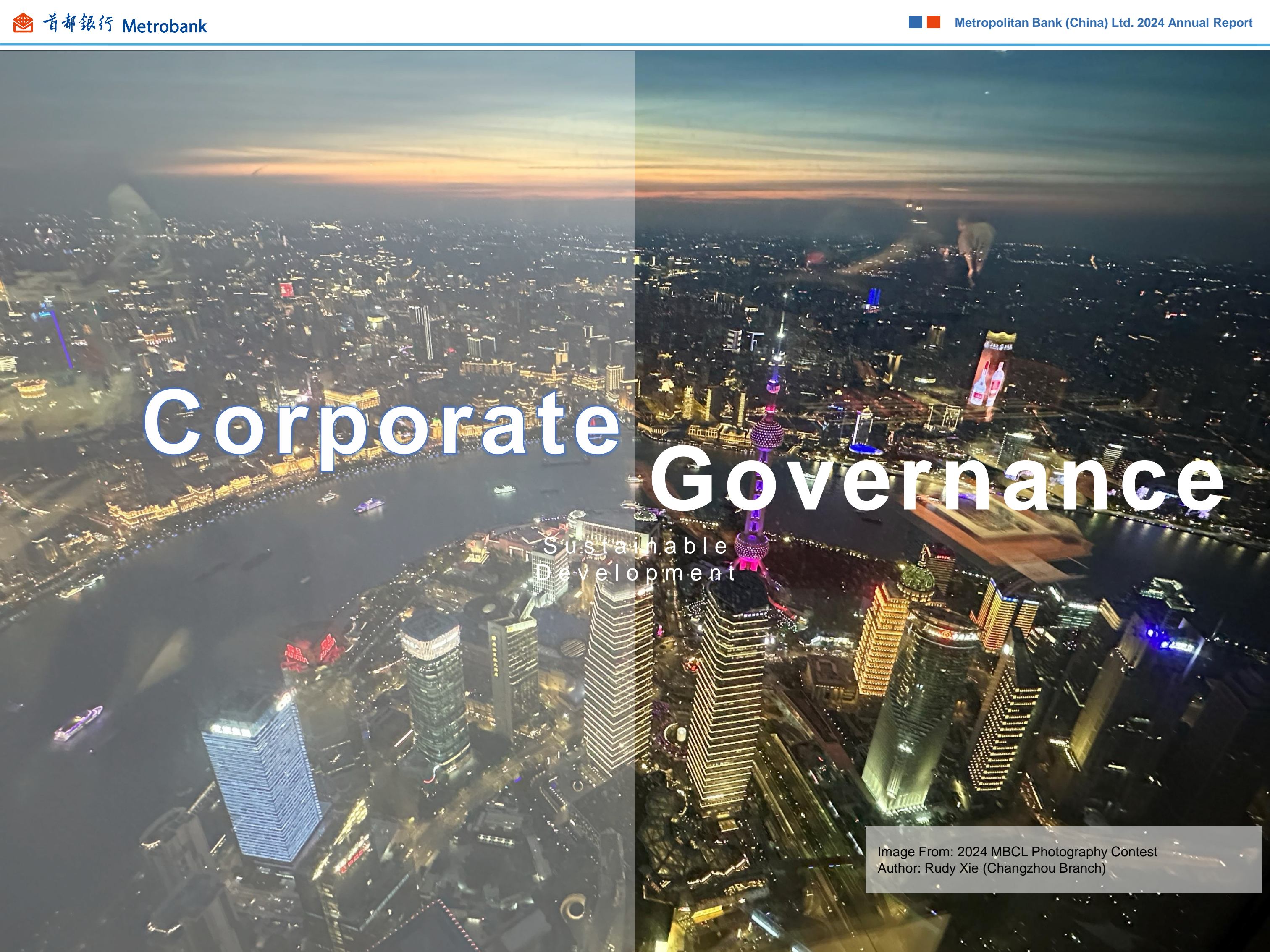
Image From: 2024 MBCL Photography Contest
Author: Duo Xu (Nanjing Branch)



ECONOMIC HIGHLIGHTS

	2024	2023	Increase/ (Decrease)
Operating Result	RMB '000	RMB '000	%
Net interest income	251,802	273,758	-8.02
Total operating income	317,192	312,617	1.46
Total operating expense	200,327	194,059	3.23
Impairment losses	28,012	34,393	-18.55
Profit before tax	85,363	82,051	4.04
Net Profit	62,512	60,433	3.44
Balance Sheet	RMB '000	RMB '000	%
Total assets	20,436,485	17,749,098	15.14
Financial Indicators	%	%	%
Return on equity	3.10	3.36	-0.26
Return on assets	0.33	0.37	-0.04
Cost/income ratio	63.16	62.08	1.08
Loan-to-deposit ratio	68.38	67.04	1.34
Liquidity ratio	93.12	91.79	1.33
Leverage ratio	9.21	8.91	0.30
Non-performing loan ratio	0.17	0.12	0.05
Loan provision ratio (Note 1)	1.96	1.96	0.00
Provision coverage ratio (Note 1)	1,147.57	1,608.85	-461.28
Capital adequacy ratio (CAR)			
Core Tier 1 CAR	15.05	14.68	0.37
Tier 1 CAR	15.05	14.68	0.37
CAR	16.24	15.85	0.39

In 2024, regulators requested the Bank's loan provision ratio to be no less than 1.50% and provision coverage ratio to be no less than 120%.



Corporate Governance

Sustainable Development

Image From: 2024 MBCL Photography Contest
Author: Rudy Xie (Changzhou Branch)

BOARD OF DIRECTORS

Board of Directors

In 2024, the Board of Directors of the Bank is composed of 9 directors, including 3 independent directors. The Board of Directors is authorized to decide all substantial matters except for those to be decided by the shareholder. The Board of Directors conducts procedures in the aspects of decision-making, authorizing, and voting in strict compliance with laws, regulations, and the Articles of Association. All the directors attend the board meeting in an earnest and responsible manner. They know the rights, obligations, and responsibilities as a director, keep diligence to fulfill their responsibilities and pay attention to guarantee the interest of the Bank and the shareholder. The Board has built up an effective decision-making and supervising mechanism. During the year of 2024, the Bank held 4 regular board meetings and 4 interim meetings.

Supervisor

The Bank has 1 supervisor, whose responsibility is to supervise the Board of Director and senior management in an independent and fair way, and prevent the Board of Directors and senior management’s behaviors from hurting the legal rights and interests of the Bank, the shareholder and depositors.

The supervisor attended all board meetings and reviewed meeting materials and minutes of the Board of Directors and the Board-level committees, and actively fulfilled her responsibilities.

Position	Name	Gender
Chairman of Board	Arthur V.Ty	Male
Vice Chairman of Board	Lin Gui Xian	Female
Executive Director, President	Thomas Huang	Male
Independent Director	Stanley Lo	Male
Independent Director	Robin A. King	Male
Independent Director	Peter Pang	Male
Non-executive Director	David Lin	Male
Non-executive Director	Charles W.B.Cheung	Male
Non-executive Director	George Tsai	Male
Supervisor	Marilou C.Bartolome-Cirilo	Female



Mr. Arthur V. Ty, MBA, Columbia University, was approved as the Chairman of MBCL by the regulators in December 2009. Mr. Arthur V. Ty has over 30 years of experience in international finance and management. He joined Metropolitan Bank & Trust Company in 1991 and was appointed as Director in 2002 and as President in May 2006. Mr. Ty has been the Chairman of Metropolitan Bank & Trust Company since May 2012. He is also the Director of multiple subsidiary and associate companies within Metrobank Group, including as the Vice Chairman of Philippine Savings Bank and the Vice Chairman of Philippine AXA Life Insurance Corporation.



Ms. Lin Guixian, MBA, Macau University of Science and Technology, joined MBCL in June 2009 and was appointed Executive Vice President, Executive Director and President successively. She was appointed Vice Chairman of the Board with regulatory approval in May 2017. Prior to joining MBCL, Ms. Lin Guixian served in the Industrial and Commercial Bank of China for a long time, where she was Head of the Planning and Finance Department, Head of the Credit Management Department and Deputy General Manager of Nanjing Branch of Jiangsu Provincial Branch.



Mr. Thomas Huang, Master of International Business, Tamkang University, joined MBCL in February 2015 and was appointed Managing Director, Executive Director and Board Advisor successively. He was appointed Executive Director and President with regulatory approval in June 2023. Prior to joining MBCL, Mr. Thomas Huang served in financial institutions including EnTie Commercial Bank, Ta Chong Bank and Fubon Bank (China) Ltd., where he served as Sub-branch General Manager, Branch General Manager, Vice President of the Financial Product Division etc.



Mr. Stanley Lo, graduated from the Business Administration Major of Beijing Institute of International Business Administration and received diploma in Management Studies from Hong Kong Polytechnic University. Mr. Lo was appointed Independent Director of MBCL in January 2019 with regulatory approval. Mr. Stanley Lo has more than 35 years of experience in corporate management and operation, bank management and risk management. Prior to joining MBCL, he served in many banks and financial institutions in Greater China, Hong Kong and Australia, and was the President and General Manager of the Shanghai Branch of the Commonwealth Bank of Australia. He is currently the Independent Director of Bank of Fuxin.

BOARD OF DIRECTORS



Mr. Robin A. King, MBA of the University of the Philippines, joined MBCL in July 2019 and was appointed Independent Director with regulatory approval. Mr. Robin A. King has been working in the financial industry for nearly 50 years with extensive experiences in banking and finance sectors. Prior to joining MBCL, he served in multiple financial enterprises and commercial banks, including Ayala Investment & Development Corp., Filinvest Credit Corporation, Associated Bank, Bank of America, Asianbank Corporation, International Bank of CA, Globalbank, Penta Capital Corporation, Toyota Financial Services, First Metro Investment Corp. and Metropolitan Bank & Trust Company, and took positions of Senior Management and Directors.



Dr. Peter Pang, Doctor of Business Management, Shanghai University of Finance and Economics, was appointed Independent Director of MBCL from September 2017 to July 2018 and August 2020 till now with regulatory approval. Prior to joining MBCL, Dr. Peter Pang served in financial institutions such as China CITIC Bank (International), Standard Chartered Bank Group, Dah Sing Financial Group, and consulting companies such as BearingPoint, Deloitte Consulting and Roland Berger. Dr. Pang has rich experience in corporate management and operation, bank management and risk management. Dr. Pang is the Founder and Director of Liquid Gold Development Strategy Co., Ltd, and is currently the Independent Director of New Higher Education Group Co., Ltd.



Mr. David Lin, Bachelor of Business Management, Fu Jen Catholic University, joined Metrobank in August 2016. He was appointed Board Advisor, Vice Chairman of the Board, Executive Director and President successively, and became a Non-executive Director since June 2023. Prior to joining MBCL, Mr. David Lin served in International Commercial Bank of China (now Mega Bank) and Fubon Bank (China) Ltd., where he served as Branch General Manager, Vice President of the Head Office and Chief Executive Officer of Corporate Banking.



Dr. Charles W.B. Cheung, Justice of Peace, DBA (Hon), Dewey University, MBA degree and Bachelor of Science degree, New York University, has been a Non-executive Director of MBCL since January 2010.

Dr. Cheung has over 50 years of experience in finance, real estate, hotel investment, manufacturing and sports industries, including over 30 years of experience in the banking industry, holding senior management positions. He is currently the Independent Director of Pioneer Global Group Limited and Modern Dental Group Limited, and Non-Executive Director of Galaxy Entertainment Group Limited, which are listed on the Main Board of Hong Kong Stock Exchange. He is also an advisor of the Hong Kong Institute of ESG & Benchmark.

Dr. Cheung was awarded the Director of the Year Awards 2002 - Listed Company Non-executive Director. In December 2010, he received 3 awards of Outstanding Management Award of the Chartered Management Association, Outstanding Director Award of the Chartered Association of Directors and Outstanding CEO Award of the Asia Pacific CEO Association.



Mr. George Tsai, Master of Business Administration, Saint John's University, New York, joined MBCL in April 2014 as Board advisor. He became a Non-executive Director since June 2024 with regulatory approval. Mr. Tsai has worked in multiple financial institutions, including Bank of Lyon, Mizuho Corporate Bank, Taishin Bank, DBS Bank, KBC Bank and First Sino Bank, where he served as Vice President of the Business Department, Vice President of the branch, Deputy General Manager of the Business Department, etc. Mr. Tsai is currently the General Manager of Metropolitan Bank & Trust Company Taipei Branch.



Ms. Marilou C. Bartolome-Cirilo, Bachelor of Science in Accountancy, cum laude at Saint Louis University, joined MBCL in April 2017 as Supervisor. Ms. Marilou C. Bartolome-Cirilo has nearly 30 years of experience in the financial industry. She served as the Audit Partner at EY Philippines, later as former Controller of Metropolitan Bank & Trust Company and then as consultant for a number of foundations, with rich experiences in the financial audit and management and transaction advisory of banks and other financial institutions.

BOARD OF DIRECTORS



Advisor
Femand A. Tansingco



Advisor
Larry Chan



Advisor
Peter Yueh



Advisor
Solomon Cua



Advisor
Michael Ong

BOARD OF DIRECTORS

Committees under the Board of Directors

To ensure that relevant decisions of the Board are executed in compliance with laws and regulations and are in accordance with the Bank’s strategic targets, the Bank has set up Executive Committee, Audit Committee, Risk Management Committee, Related Party Transactions Control Committee and Nomination and Remuneration Committee under the Board of Directors. These committees monitor management’s execution of the strategic, risk and operational policies approved by the Board of Directors.

The committees fulfilled their roles and responsibilities as authorized by the Board of Directors. In 2024, the Executive Committee held 12 regular meetings and 1 interim meeting; The Risk Management Committee held 4 regular meetings and 6 interim meetings; The Audit Committee held 4 regular meetings and 1 interim meeting; The Related Party Transactions Control Committee held 4 regular meetings, and the Nomination and Remuneration Committee held 4 regular meetings.

Committees under Management Team

To ensure that management’s execution of Board decisions is in accordance with the Board resolutions, the daily operation is in accordance with relevant regulatory policies, indicators and the daily business is conducted in accordance with the requirements of business development and risk control. The Bank set up Credit Committee, Assets and Liabilities Committee, Information Technology Committee, Anti Money Laundering Committee, Rewards and Discipline Committee and Emergency Management Committee under the management team. In 2024, all the committees actively fulfilled their responsibilities.

Remuneration Policy and Management

The remuneration policy of Metrobank (China) aims to provide competitive remuneration package to appropriately attract, motivate and retain high quality talents who not only fit the Bank’s culture and share the same values but also meet the long-term development of the Bank. Meanwhile, the remuneration entitlement links to the Bank’s performance, long-term benefits and risk management. The remuneration policy applies to all of the full-time employees in the Bank.

According to the Bank’s remuneration policy, in line with the principles of rewards for productivity and pay for performance, the employee's salary is mainly linked to the individual performance, the Division’s or Business Unit’s performance. The performance objectives setting clearly shows the requirements and expectations of the Bank for risk management and performance of the division or business unit and the individual. In addition, the compensation of the employees who are taking risk management, compliance and internal audit's roles is independent with the performance of the business lines they supervise.

In line with the Regulatory Guidelines for Sound Remuneration of Commercial Banks, the senior executives and the employees whose roles have material impacts on the Bank’s risk exposure would have a portion of their variable pay deferred. The deferral payment method links the employees’ variable pay to the Bank’s performance and current and future risks.

Compensation for Board Directors, Supervisor and Senior Management

In 2024, Metrobank (China) paid a total of RMB2,283,000 compensation to the directors and supervisor, and paid a total of RMB23,165,900 compensation to the senior executives.

MANAGEMENT TEAM



Deputy President & Double hatting the
Head of Credit Control
Wesley Chen

Chairman
Arthur V. Ty

President & Executive Director
Thomas Huang

Deputy President
Alex Hong

MANAGEMENT TEAM



Billy Lau
 Corporate Secretary & Head of
 Accounting and Finance Division



Alice Shi
 Head of Human Resources



Lin Quan
 Head of Financial Markets



Willson Chen
 Head of Information Technology



Jie Zhu
 Head of Operations



Amanda Chen
 Head of Compliance



Tomas Wei
 Head of Administration Management
 & Security



Crystal Yang
 Head of Internal Audit




Bin Li
 Head of Risk Management

MANAGEMENT TEAM



Raymond Yang
 GM of Shanghai Branch



Jasmine Liu
 GM of Nanjing Branch



Xuefen Feng
 GM of Changzhou Branch



Stephen Yu
 GM of Quanzhou Branch



• Honda Huang
 GM of Xiamen Branch



Gary Lu
 GM of Suzhou Branch



Terry Zhao
 GM of Ningbo Branch

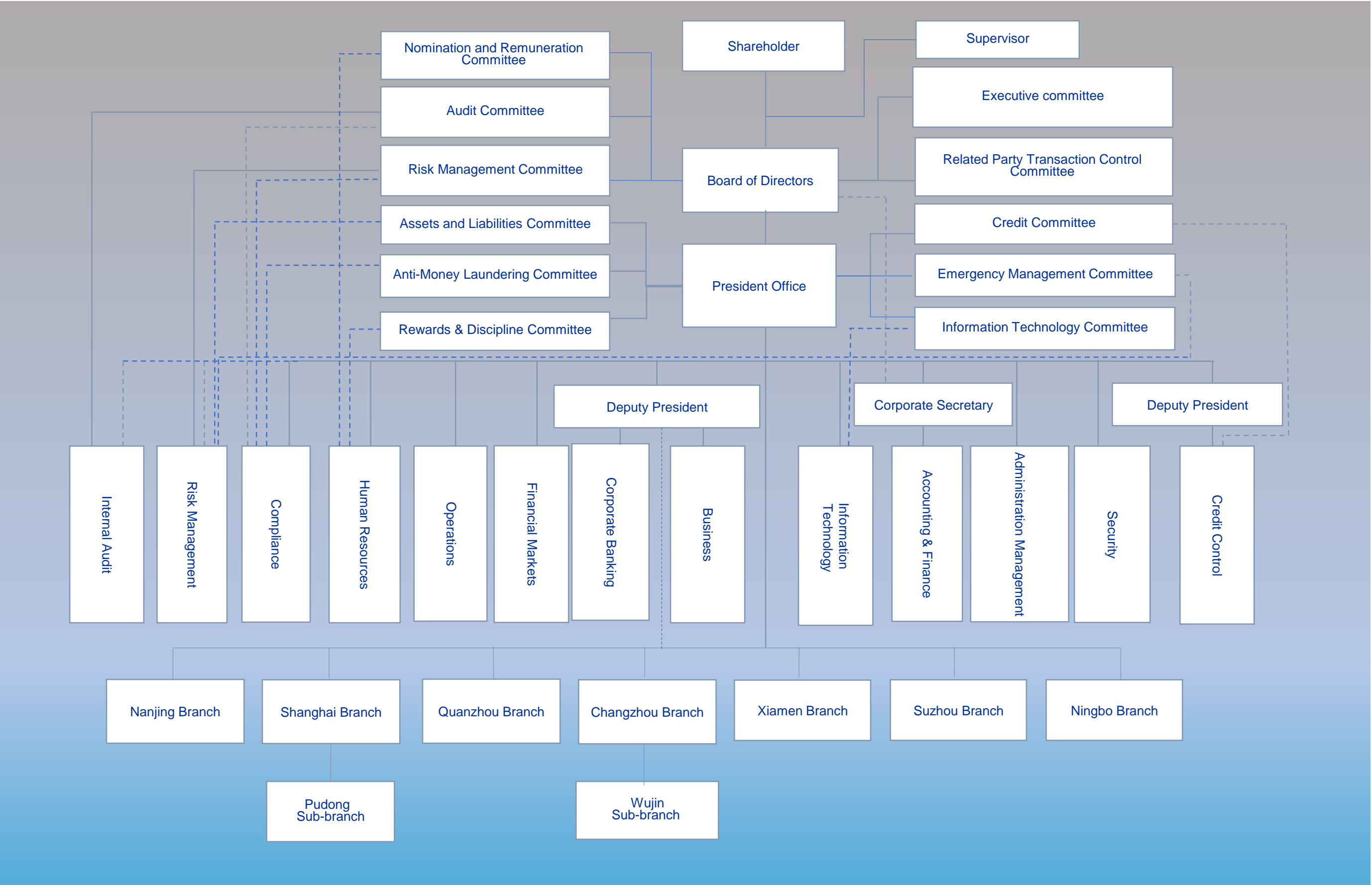
* Honda Huang,GM of Xiamen Branch retired in late December 2024.

MANAGEMENT TEAM

Senior Management

Name	Position	Gender	Year of Birth	Assignment Commencement	Highest Academic Degree	Years of Experience
Thomas Huang	President & Executive Director	M	1967	2015.05.11	Tamkang University Master of International Business Management	31
Billy Lau	Corporate Secretary & Head of Accounting and Finance Division	M	1973	2023.08.23	City University of Hong Kong Bachelor of Art (Honors)	28
Wesley Chen	Deputy President Double hatting the Head of Credit Control	M	1961	2023.08.29	National Taiwan University Bachelor of Economics	36
Alex Hong	Deputy President	M	1974	2024.06.24	National Central University Master of Management	27
Alice Shi	Head of Human Resources	F	1983	2018.08.06	Shanghai University of Finance and Economics Master of International Economics	19
Quan Lin	Head of Financial Markets	M	1979	2016.01.13	University of Durham Master of Science Finance and Investment	19
Tomas Wei	Head of Administration Management & Security	M	1972	2011.06.20	Beijing Institute of Machinery Industry Bachelor of Mechanical and Electrical Engineering	24
Willson Chen	Head of Information Technology	M	1975	2020.03.01	Shanghai Jiaotong University Bachelor of Engineering in Computer Science and Technology	29
Crystal Yang	Head of Internal Audit	F	1982	2019.11.14	Shanghai University of Finance and Economics Bachelor of Financial Management & Business English	20
Li Bin	Head of Risk Management	M	1984	2020.07.01	China Europe International Business School FMBA	19
Amanda Chen	Head of Compliance	F	1978	2023.05.01	Nanjing Normal University Bachelor of Art	28
Zhu Jie	Head of Operations	F	1976	2023.04.01	Nanjing Audit University Bachelor of Economics	25
Raymond Yang	GM of Shanghai Branch	M	1980	2024.06.24	Shandong University Bachelor of Business Administration	23
Jasmine Liu	GM of Nanjing Branch	F	1974	2022.10.21	Nanjing University MBA	30
Feng Xuefen	GM of Changzhou Branch	F	1971	2022.09.13	Party School of the Central Committee of the Communist Party of China Bachelor of Economics and Management,	31
Stephen Yu	GM of Quanzhou Branch	M	1976	2021.12.21	Xiamen University Master of International Trade	24
* Honda Huang	GM of Xiamen Branch	M	1964	2021.11.08	National Chung-Cheng University Master of Finance	34
Gary Lu	GM of Suzhou Branch	M	1982	2022.04.02	Hohai University Bachelor of Accounting	18
Terry Zhao	GM of Ningbo Branch	M	1982	2022.11.09	Shanghai Lixin University of Accounting and Finance Bachelor of Accounting	23

ORGANIZATION CHART



CORPORATE BANKING BUSINESS

In 2024, the Bank, in line with the parent bank's philosophy of building "Meaningful Banking", will continue to adhere to the established strategic development vision of building a foreign bank with "Good Service, High Efficiency, Good Reputation, Small Yet Exquisite & Decent", and achieve sustainable growth in asset size and operating results. Adhering to the concept of steady and prudent development, firmly adhering to the business philosophy of "risk prevention, promoting change, adjusting structure and stabilizing growth", and adhering to the path of sustainable development;. We will continue to deepen our core values of "integrity, service, efficiency, professionalism and innovation", adhere to the business objectives of "customer-oriented, employee-oriented and profit-oriented", and provide better financial services to our customers to achieve the overall goal of "leading sustainable development through diversification".

In the face of a complex and severe external economic environment and fierce competition in the industry, the Bank has always believed that "adherence to the original intent of financial services" is the basis for certainty in an uncertain situation. The Bank will continue to strengthen risk prevention and carry out business development based on the strategies of regional focus, industry focus, customer focus and product focus, and at the same time, realize the "gear shift and upgrade" of financial instruments and financial services, create differentiated and distinctive financial services, and seek high-quality development together with customers.

The Bank has always Emphasized the Pursuit of Deeper Integration Between its Business and the Chinese Market, Relying Mainly on the Following Points:

In terms of customer service, we have gained an in-depth understanding of the characteristics of the local market and the needs of our customers, and provided them with more in-depth financial services. In response to the commercial financial needs of Chinese and foreign-funded enterprises, we will strengthen cross-border linkages with our parent bank, and provide diversified cross-border financial products and services through the network of our parent bank and its overseas organizations, so as to grasp the broader market and opportunities for cross-border finance brought about by China's advancement of high-level opening-up pattern.

In terms of industrial support, the Bank has continued to increase its financial support for the real economy, such as the transformation and upgrading of traditional industries, advanced manufacturing industries, strategic emerging industries and other key areas that the government has been supporting. Utilizing the Bank's comparative advantages as a foreign bank in group network, risk control management, cross-border business and product innovation, we will increase our efforts to support China's foreign trade, cross-border investment and the construction of an open economy.

In terms of product innovation, the Bank, in line with the background that China's strengthening of the construction of a new pattern of high-level opening up to the outside world has put forward higher requirements for the cross-border service capacity of the financial industry, gave full play to the Group's resource advantages and further deepened its cooperation with its financial peers in China. Through bond investment business, syndication business, draft financing business, trade financing business, cross-border financing business, foreign exchange settlement and sale and derivatives business, the Bank helps enterprises to continuously shape new momentum and new advantages for development, realizing effective qualitative enhancement and steady quantitative growth, and outputting high-quality and characteristic integrated financial solutions for the upgrading and development of enterprises under the new situation.

In terms of policy guidance, the Bank actively fulfills its EESG commitments and strengthens the building of brand reputation. It has made the construction of an EESG (Economic, Environmental, Social and Corporate Governance) operation and management system one of its strategic priorities, strengthened the development of business in the field of green finance, and actively contributed back to the society and fulfilled its social responsibilities.

On the asset side, the Bank explored state-owned enterprise clients in depth, and promoted structural adjustment while adhering to the bottom line of risk prevention and control. As of the end of December, the Bank's total assets exceeded RMB20 billion, reaching RMB20.436 billion, a YOY growth of 15.14%. The balance of credit assets amounted to RMB11.325 billion, an increase of 5.38% YOY. Among them, the loan balance was RMB9.545 billion, up 18.08% YOY, and the balance of corporate bonds was RMB1.780 billion. Meanwhile, the quality of the Bank's assets remained stable, with a non-performing loan ratio of 0.17%.

On the liability side, the Bank optimized its liability structure by strictly controlling the cost of liabilities. Keeping pace with the adjustment of market interest rates, the Bank focused on reducing high-cost deposits and achieved results. As of the end of December, the balance of the Bank's deposits increased by 15.76% to RMB13.959 billion as compared with the end of the previous year.

In 2024, the Bank's overall business was steady and progressive, with the Bank's focus on customer identification, risk consideration, and efficiency enhancement, focusing on customer development and restructuring from the perspective of risk and client industries. For the year, the Bank achieved operating income of RMB317 million, up 1.46% YOY from the previous year; profit before provision of RMB113 million; and net profit of RMB62.51 million, up 3.44% YOY. Analyzing YOY, non-interest income increased by 68.27% and the proportion of operating income increased from 12.43% to 20.62%. The operating income was RMB65.39 million as of the end of December.

FINANCIAL MARKETS BUSINESS

In 2024, the Bank's financial market business achieved diversified development. In addition to the main business of asset and liability management, FX & derivatives, interbank, trade finance business also achieved rapid growth and a number of new businesses were implemented. In view of the Bank's strong capital strength and ample liquidity, Moody's maintained the Bank's Baa2 long-term and prime-2 short-term local currency and foreign currency deposit ratings, with a stable outlook; United Credit maintained the Bank's long-term main credit rating of AA +, with a stable outlook.

Asset and Liability Management

While managing the liquidity of the Bank as a whole, the Treasury Department adjusted the business structure and asset allocation in a timely manner adapting to changes in market condition, to improve the level of efficiency and capital return. The business of asset and liability management are mainly domestic and foreign currency money market business and various fixed income investment business. Treasury business income is one of the main sources of profit of Metrobank (China).

The Bank's interbank assets are mainly interbank loans to non-bank financial institutions, which mainly cooperate with financial leasing companies, consumer finance companies and auto financing companies with strong shareholder backgrounds; Interbank cooperation targets are mainly joint-stock banks, urban commercial banks and foreign banks. In terms of inter-bank liabilities, Metrobank (China) obtains overseas low-cost funding through the parent bank on offshore market, and continues to expand the scope of domestic cooperative inter-bank institutions to broaden the source of active liability funds. The scale of inter-bank integration funds has increased significantly in recent years.

FX & Derivatives Business

In 2024, FX & derivatives business flourished. We actively provided customers with various FX & derivatives solutions. In addition to products such as FX spot, FX forward, FX options, FX swaps, currency swaps and derivatives portfolio, we also actively provided customers with market consultation, FX and rate forecast and customized hedging solutions according to customers' conditions. Because of our excellent services, the number of customers continued to grow and the transaction volume continued to grow increase by about 4% this year against the substantial growth last year.

Financial Institution Business

In 2024, we paid close attention to the trend of macroeconomic situation and changes in regulatory policies. Timely, we issued the first financial bond by a foreign-funded corporation bank in Jiangsu Province for optimizing our own liability structure. In response to the national financial policies that encourage and support consumption, we led and disbursed the first syndicated loan for a consumer finance company. We actively engaged in interbank business with financial leasing companies, especially those within Jiangsu Province, leveraging the foreign currency funding advantages of foreign-funded banks to support the development of shipping and aviation leasing businesses.

Trade Finance Business

In 2024, transactional banking business, based on regional economic advantages, continued to focus on customers, concentrating on trade finance, cross-border finance, and channel construction, to promote the development of an ecosystem finance scenario driven by transactional banking. Trade finance products cover Bank Acceptance Drafts, Domestic Letters of Credit and forfaiting, and Commercial Bills Discounting services. By the end of 2024, the transaction volume of trade finance business reached RMB5.056 billion, with a year-on-year growth of 25.87%. By utilizing trade financing products such as Domestic Letters of Credit, International Letters of Credit, and primary market forfaiting, we have further achieved a transition towards light-asset business transformation, and we actively formulated comprehensive transactional banking service plans for customers based on their trade backgrounds. In addition, with the goal of improving customer service, our bank has been continuously improving products and infrastructure under strict risk control, gradually achieving the digitalization and computerization of trade finance business, promoting the standardized development of the business, and enhancing service efficiency.

New Businesses

- In March 2024, Metrobank (China) served as the lead arranger and agent bank in a syndicated loan for a non-bank financial institution for the first time, organizing and disbursing a syndicated loan of RMB590 million for a consumer finance company.
- In March 2024, Trade finance products continue to focus on enhancing corporate cross-border financing services. We actively respond to the financial services of the "Belt and Road" initiative, and in collaboration with our parent company, we re-issue counter guarantees on behalf of Chinese enterprises to support their local infrastructure projects in the Southeast Asian region.
- In April 2024, we landed its first interest rate option business, enriching our derivative products. We successfully concluded 2 interest rate option transactions with a combined principal amount of RMB60 million.

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FINANCIAL MARKETS BUSINESS

(Last Page)

- In April 2024, to accelerate the digital and electronic development of trade finance products, the Bank has indirectly connected to the People's Bank of China's Clearing Center's electronic certificate system. This connection meets the demand for querying the repeated financing of electronic invoices, thereby improving our bank's business risk control system.
- In June 2024, we successfully issued its first financial bond of RMB300 million in the China Interbank Bond Market, also it is the first foreign-funded corporation bank bond in Jiangsu Province.
- In September 2024, we successfully completed our first outright bond-repurchase transaction, which enrich the Bank's financing products.
- In September 2024, we continues to optimize the trade finance product strategy and improve the trade finance service system. We successfully implemented the first Commercial Bills secondary transfer business. By combining the credit of enterprises with that of the Bank, we have enhanced the liquidity of Commercial Bills while also helping to improve the creditworthiness of enterprises.
- In November 2024, the first successful issuance of interbank certificates of deposit to public fund entities, which turn on new directions for financing channels.



INFORMATION TECHNOLOGY

In the past 2024, Metrobank (China) has implemented the information technology strategy with "Digitalization 2.0, Refinement 2.0, Intensification 2.0 and Data Governance 2.0" as the core. Taking the integration of digitalization, networking and intellectualization as an opportunity, and improving the level of data governance as the starting point, we should make full use of digital technology to enable banking business innovation, risk management and process innovation, so as to achieve the goal of reducing costs and increasing efficiency, improving user experience and achieving high-quality development.

Improve the level of information technology governance in an all-round way, optimize the internal business processes of banks through the fine management of information technology, and promote close cooperation and win-win coordination among various divisions. Establish an information technology risk management system that combines management with technology, adhere to the guiding ideology of "ensuring the safe and stable operation of information systems", and change passive response into active prevention.

Strengthen the talent development and information technology development & application, and continuously improve the quality of management. Metrobank (China) continues to explore and study the innovation of information technology. The continuous improvement of digital operation and maintenance, independent research and development capabilities of information technology has enhanced the security and sustainability of information systems. In order to reduce costs and increase efficiency, we should adhere to the principle of intensive construction, standardize infrastructure and optimize application architecture. Strengthen overall planning and management, and improve resource allocation and management capabilities on the premise of meeting security, ease of use and scalability. Strengthen system platform integration and development capabilities, and improve the level of independent operation and maintenance based on the principle of mastering core technologies.

We will continue to promote the construction of data governance system and build a data base for digital transformation. Enhance the ability of data management, and gradually develop the application of data mining on the premise of initially completing the quality management of data base; Upgrade the data architecture, build the data platform, and provide the data cornerstone for the business flow.

Major Information Technology Events and Projects

In the aspect of system construction, the Bank continuously improve the core competitiveness of the information system. In 2024, a number of self-developed information systems were launched, such as the new generation of credit management system and wealth management system, which provided guarantee and support for digital transformation, strengthened the business diversification system and enriched the data interaction path between the Bank and customers, and made a great step towards the established system architecture planning of Metrobank (China).

In the aspects of data governance, the date governance management system, structured at the management and implementation levels, played an obvious role in the special governance of data quality throughout the year, with continuous improvement in data quality, unified management of supervisory and management reports, strengthened advancement of data standardization, and the automation rate of the reports continued to be improved to provide construction guarantee for the Bank’s information technology construction.

In the aspects of IT risk management, in 2024, we continued to improve the system related to IT risk and strengthened the real takeover rehearsal of important business. System security assessment, vulnerability scanning, baseline configuration checking, penetration testing, business continuity testing and system security level protection evaluation were continuously carried out to effectively improve the Bank’s IT risk management and IT security capabilities. At the same time, the automated IT risk monitoring system was continuously improved, effectively and efficiently reducing IT-related risks.



INTERNAL AUDIT

Internal Audit Division (IAD) is established by the Board of Directors, targeting to provide independent, objective assurance and consulting services designed to identify the potential risks for key businesses. The mission also includes to add value and to improve the comprehensive controls in the areas of risk management, internal control and governance process by considering both practical operations and best practices.

Internal audit activity is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. As the third line of defense, IAD keeps the highest level of independence. All auditors report to the IAD Head who in turn reports functionally to the Board of Directors through the Audit Committee, and administratively to the President.

In 2024, IAD adopted risk-based approach and globally accepted standards to conduct comprehensive audits of head office units, branches and sub-branches, business products and processes, information technology areas and application systems, so as to help the Bank accomplish its objectives and improve the effectiveness of its risk management, internal control and governance processes continuously. By covering higher-risks and major areas, IAD achieved to be highly aligned with the Bank's business strategic plans and external effects. Meanwhile, IAD has always committed to integrate the audit work with short-term planning and long-term development of the Bank, and paid close attention to the compliance of applicable regulatory requirements. IAD provided recommendations where control weaknesses exist and where the achievement of objectives is at risk, contributing enhanced accountability, performance and operations. By doing that, IAD supported the long-term steady growth of the Bank.

Also, even with the stricter internal and external requirements, IAD has upgraded the overall audit quality by strengthening the working efficiency and communication channels. And continuous self-education on the new knowledge and application of flexible audit focus has been in place during the year, with the changing of business and risk factors. By end of Year 2024, the overall accomplishment reached 109%, with the favorable feedback from the management and the auditee, which realizing the continuous assurance and consulting service provided to the Bank. With an on-going emphasis on the highest level of integrity and unwavering diligence across the organization, IAD will continuously affirm the commitment to the Bank by providing solid and high-quality service, while help the Bank prevent the potential risks in advance.



RISK MANAGEMENT

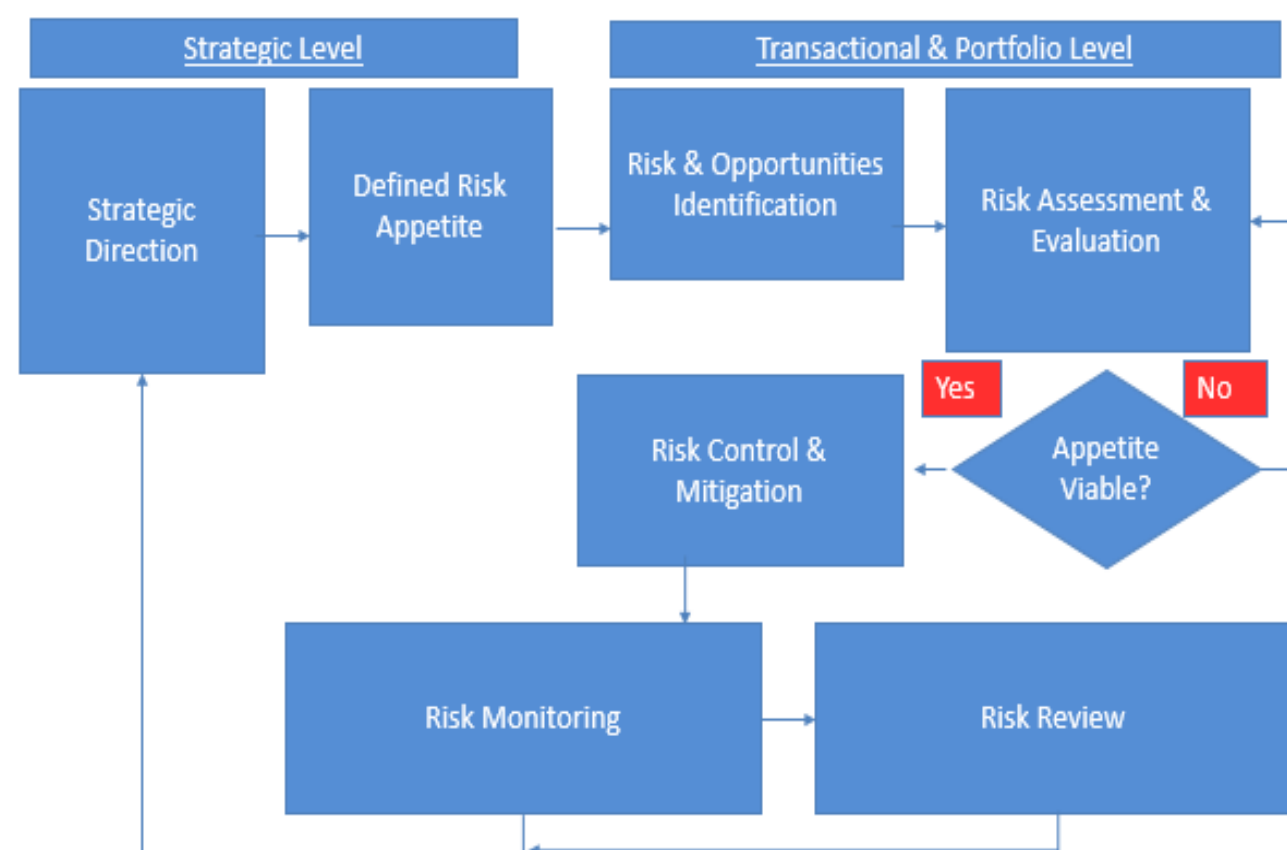
Risk Governance

The Bank has exposure to different types of risks such as credit, market, liquidity, compliance, operational and country risk. It manages these risks comprehensively to achieve a balance between risk and return and ensure the Bank operates in a safe and prudent manner.

The Risk Management Committee (RMC) is set up under the Board of Directors. The committee members are appointed by the Board of Directors annually. The chairman of the committee is Robin King, Independent Director. The other 4 members are Guixian Lin, the vice chairman, Dr. Charles W.B. Cheung, the non-executive director, Stanley Lo, an independent director and Dr. Peter Pang, an independent director.

The RMC held 4 regular meetings and 6 Emails meetings in year 2024. These meetings conducted a review of the Bank's risk control and risk management strategy. The RMC reviewed and approved relative regulations and limits for credit, market, liquidity and operational risk, and conducted a regular and comprehensive review of the Bank's risk profile.

Risk Management Framework

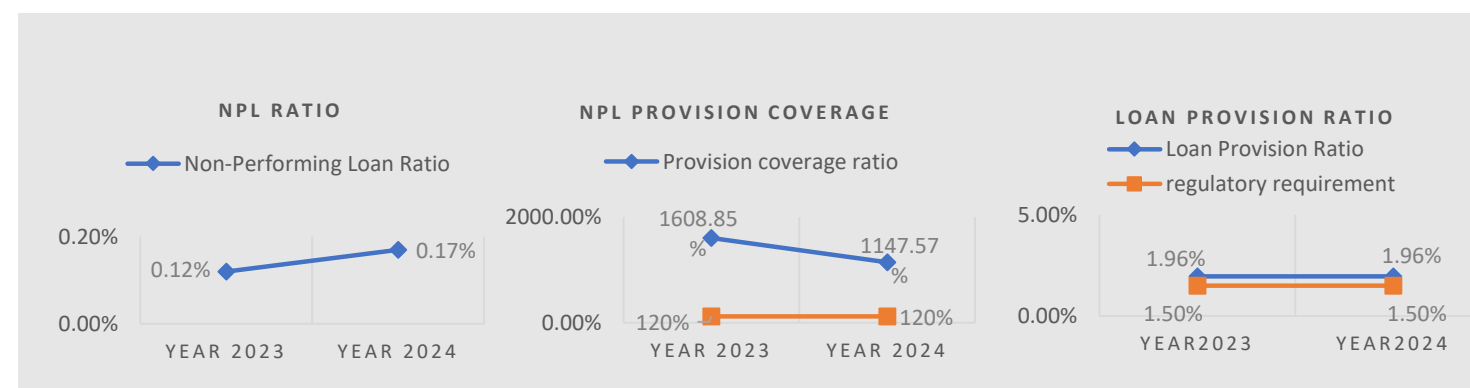


Credit Risk Management

Credit risk is the risk that the borrower or counterparty will not be able to meet its contractual obligations as they fall due or assume.

In accordance with the policies of facility authorization and credit risk management of the Bank, faces primarily exist in on-balance-sheet businesses and off-balance-sheet businesses such as loans, trade financing, acceptance bills, interbank transactions, fixed-income securities derivative financial instruments etc. In recent years, guided by New Basel Capital Accord and China Banking Regulatory Commission's risk policy, and learning from Metropolitan Bank and Trust Company's risk management system and risk management experience, Metrobank (China) has established credit risk management mechanism including risk exposure limit, facility approval limit, and management of mortgaged and pledged properties for various kinds of business. Meanwhile, Metrobank (China) continuously adjusts and improves its credit risk management system according to the macroeconomic financial environment and its business development goals.

In 2024, the Bank continued to strictly follow the regulatory authorities' regulatory guidance requirements on provision coverage ratio, loan provisioning ratio and non-performing loans, strengthen loan classification management and actively dispose of non-performing loans, so as to lay a solid foundation for the Bank's sound operation. As of the end of December, the non-performing ratio is 0.17 % (end of 2023: 0.12%); the provision coverage ratio decreased to 1147.57% (end of 2023: 1608.85%) and the loan provisioning ratio is 1.96 % (end of 2023: 1.96%).



The bank has made the procedure of pre-loan investigation and post-loan management, forming a series of complete system mechanism and operation procedures. The due diligence of Metrobank (China) shall conform with principles of authenticity, completeness and effectiveness. RMs shall perform duties of due diligence, conduct credit analysis according to the survey result and form written facility application. According to different business types, facility lines and risk mitigation measures, Metrobank (China) implements approval systems of different levels including President, Credit Committee and Executive Committee. Metrobank (China) has established post-loan inspection mechanism. Through regular investigation of the operation and financial status of credit customers, the Bank can timely master the repayment ability and willingness of the borrower, to ensure identifying "pre-warning signals" in the early stage so that the Bank can take actions as soon as possible after problems are found.

RISK MANAGEMENT

Market Risk Management

Market risk refers to the risk of losses in the Bank's on-balance sheet and off-balance sheet businesses due to adverse changes in market prices. The Bank's market risk mainly includes currency risk and interest rate risk.

The Bank manages market risk at a strategic, transactional and portfolio level respectively. The BD and senior management manage risk at strategic level by resolutions and each Division take action to improve risk management at the transactional and portfolio level.

The BD and the RMC have oversight on management of the Bank's market risk. The Bank has established a limit management system for market risk. The Bank also continues to enhance and standardize the management procedure and reporting system for market risk.

The Risk Management Division is responsible for implementing and monitoring risk controls to manage the Bank's overall market risk management, including:

- Identify, analyze and measure risks from every transactions of the Bank;
- Assist Risk-Taking Personnel (i.e., Treasury) to develop risk mitigation strategy;
- Analyze risk exposure and make recommendation of limits to the RMC;
- Set up limit standards for monitoring and compliance reporting;
- Provide a risk assessment for new products and operating processes;
- Communicate all of the above with Risk-Taking Personnel.

Value at risk (VaR) limit, which is a major tool in controlling market risk in trading activities, is the value of maximum limit of potential losses due to price fluctuation that the Bank could take. The limits are calculated using the Basel framework, which states that Banks must have enough capital to sustain 10-day losses from their market risk-taking activities.

The Delta Economic Value of Equity (ΔEVE) and The Earning at Risk (EaR) limit are the primary control tool for the market risk of bank account activities. Delta Economic Value of Equity (ΔEVE) measures changes in the net present value of the Banking Book given different interest rate shocks and stress scenarios. It reflects changes in the economic value of equity over the remaining life of the assets and liabilities, i.e. runoff assumption. The delta EVE limit is set at 15% of the Common Equity Tier 1 (CET1) Capital based on Basel definition of outlier bank. Risk-return (EaR) measures the potential decline in a bank's interest income which is a result of interest rate movement that is not conducive to the current repricing configuration. The risk-return limit is the difference between the target net interest income (NII) for the year and the actual net interest income (NII) on the books for the past year.

The market risk limits for banking book and trading book must be updated each year according to the annual budget, and the limits are set in accordance with a percentage of budgeted profit of each year in order to link the risks and expected income from trading activities to the overall capita and income of the Bank. Limits are approved by the Asset and Liability Committee and reviewed by the RMC before it is sent to the BOD for final approval.

Currency Risk

The foreign currency transactions of the Bank are mostly in USD and in lesser amounts in AUD, GBP, JPY, EUR, SGD, HKD and PHP. The Bank's loans and advances to customers are mainly in RMB. The Bank makes appropriate adjustments of foreign currency net position to prevent currency risk caused by market exchange rate fluctuation.

Interest Rate Risk

The Bank's interest rate risk mainly arises from the mismatch of contractual maturity date and re-pricing date of interest-generating assets and interest-bearing liabilities. Floating interest rate instruments expose the Bank to cash flow interest risk, whereas fixed interest rate instruments expose the Bank to fair value interest risk.

Interest rates of the Bank's loan and large amount deposits are primarily based on market. Interest rates of inter-bank placements and borrowings are determined by market. The Bank conducts regular assessment and monitoring on the macro-economic status during operation to reduce the risk caused by the interest rate fluctuation. It adjusts the structure and terms of relative assets and liabilities based on this assessment.

RISK MANAGEMENT

Liquidity Risk Management

Liquidity risk is the risk that no sufficient funds will be available to make debt repayment when falling due. Liquidity risk of the Bank mainly arises from early or concentrative withdrawal by depositors, delayed loan repayment by borrowers and amount or maturity mismatch of assets and liabilities.

In accordance with the Liquidity Risk Management Measures for Commercial Banks and relevant regulations, the Bank should continuously meet the minimum regulatory standards for the adequacy ratio, liquidity ratio and liquidity matching ratio of high-quality liquidity assets. At the same time, the Bank control the liquidity risk according to the different maturity of assets and liabilities

1. Governance Structure of Liquidity Risk Management

- ① The Board and senior management understand the liquidity risk inherent in the business the Bank engages in through the approval of policies, processes and limits. The Board and senior management impose liquidity risk limits and approve relevant guidelines on liquidity risk.
- ② For liquidity management, the risk approval process for MCO, assets and liabilities limit and other liquidity Limits is done at least annually. This is presented by the Bank's Risk Management Division and Financial Markets Division to its ALCO, for confirmation of the RMC and final approval of the Board.
- ③ The ALCO holds meetings every month, discussing strategy for market risk and liquidity risk management, investment portfolio management policy, structure optimization of assets and liabilities, and forecast of market risk trend. The balance sheet committee also holds weekly capital meetings to discuss bank liquidity and to determine the level of transfer pricing (FTP);
- ④ Financial Market Division closely monitors the position, term, limit and cost to maintain liquidity in RMB and foreign currencies. It controls daily liquidity by maintaining a minimum prescribed level of cash buffer, and reports cash flow forecasts to satisfy the funding and investing requirement of the Bank;
- ⑤ Accounting and Finance Division prepares daily liquidity ratio report including daily reserve funds and loan to deposit ratio, which is sent to Financial Market Division and Risk Management Division, to check if the Bank comply with the CBIRC's minimum liquidity compliance ratios.
- ⑥ Risk Management Division prepares the Maximum Cumulative Outflow (MCO) report. There is a MCO limit in terms of both absolute liquidity gap amount. These limits are set and approved by ALCO, RMC and BOD. Any breach against these limits is reported to the ALCO, Risk Management Committee and management is required to take corrective measures;
- ⑦ Financial Market Division ensures the internal and regulatory limits are complied with at any time.

2. Liquidity Risk Management Strategy and Policies

In the year of 2024, the limits and policies were reviewed and confirmed by the RMC and approved by the Board.

The Bank has a contingency funding plan that identifies 3 levels of potential illiquidity scenario, and performs liquidity stress test accordingly. The test scenarios are divided into light test, moderate test and severe test with different assumptions. Each scenario assumes increasing rates of deposit withdrawals influenced by internal and external factors to test funding issues and impact on liquidity and solvency. For each scenario, the Bank has relative actions to be taken. The contingency funding plan is approved by the BD and reviewed at least annually.

3. Major Liquidity Risk Identification, Measurement, Monitoring and Control Methods

(1) MCO limit

The MCO limit will vary depending on the remaining portion of the Bank's funding capacity. The funding capacity is the amount that Financial Market Division can generate on a Business-as-Usual (BAU) scenario to ensure that the Bank can comply with all its funding obligations within the specified amount of time.

(2) Management Action Triggers (MAT)

Funding Utilization Triggers are set as an early alert of an impending liquidity squeeze. Liquidity Ratio, Liquidity Matching Ratio and High Quality Liquid Assets Adequacy Ratio: This trigger is set as an early warning alert to ensure that the ratios will not fall below the regulatory requirement.

This trigger aims to provide an early warning alert on the potential funding concentration risk from a group of identified Large Fund Providers. The tolerance is set based on the capacity of the Bank to support a deposit run-off and considering also defined industry standards. Additional Trigger on interbank liabilities reliance ratio is set as an early warning alert to ensure that the ratio will not fall below the regulatory requirement.

(3) Product Cap

The Product Cap can take various forms: volume limit or limit on number of deals. As a tertiary limit, the product cap serves as a supplementary control. The Bank uses the product cap to minimize market liquidity risk.

(4) Qualitative Limits

Qualitative limits are set to ensure that the transactions entered into by the Financial Market Division adheres to regulatory and accounting standards and are in accordance to all internally set policies and guidelines.

RISK MANAGEMENT

4. Major liquidity risk and liability quality management indicators with summary analysis

The Bank's monitoring of Internal Risk Management Indicators and Limits in 2024 is summarized below:

(1) In the year of 2024, the Bank's actual levels of liquidity related ratios are all within the regulatory requirement.

Key indicators	12/2024	9/2024	6/2024	3/2024	Regulatory requirement
Liquidity Ratio	93.12%	112.15%	106.70%	116.58%	$\geq 25\%$
Liquidity Matching Ratio	174.29%	149.45%	177.74%	172.39%	$\geq 100\%$
High-Quality Liquid Assets Adequacy Ratio	269.55%	306.71%	323.82%	188.34%	$\geq 100\%$

(2) In the year of 2024, the Bank conducted regular monitoring of the internal MCO limits, Interbank Lending/Borrowing position Limit and Top 10/3/1 Depositors Concentration Risk Trigger. There is no breach on these limits/triggers in 2024

5. Major Factors impact Liquidity Risk

- ① The regulatory requirements High Quality Liquid Assets Adequacy Ratio was effective from June end 2019 but there is also an increasing trend in the asset size. The Bank shall maintain sufficient high quality liquid assets, if government bonds and policy bank bonds with comparatively lower risk and high liquidity. However, it may affect bank's overall return from assets.
- ② The level of assets extending one year is increasing as a proportion of total risk assets. However, the bank funding resources from deposit and interbank will be in shorter term.

6. Stress Test

In the year of 2024, the Bank conducted liquidity risk stress test on a quarterly basis and checked if the identified contingent funding sources can cover the liquidity requirement under these stressed scenarios. The stress test result shows that the current contingent funding sources are sufficient and can cover urgent liquidity emergency situations (i.e., within one month). In a prolonged liquidity crisis, liquidity support will be required from the parent bank.

Compliance Risk Management

The Board of Directors of the Bank approved and issued the Compliance Manual, which made it clear that compliance management is a core risk management activity of the Bank, and authorized the Risk Management Committee to guide and supervise the Bank's daily compliance risk management. The management paid high attention to compliance management, integrated the concept of compliance culture into the core value of the Bank, strengthened the compliance awareness of units and employees at all levels, established a whole process management mechanism for the identification, evaluation, monitoring, response and assessment of compliance risks, continued to strengthen the compliance management including internal control, case prevention and control, legal affairs, etc., and ensured the compliance of banking activities through compliance training, compliance inspection, internal control assessment and evaluation, tried to improve the efficiency of compliance management, prevented compliance risks and ensured sustainable development.

The Board of Directors of the Bank approved and issued the Money Laundering and Terrorist Financing Prevention Manual, which made it clear that money laundering and terrorist financing prevention, is important obligations of the Bank and all employees, and authorized the Audit Committee to guide and supervise the Bank's daily money laundering risk management. The management paid high attention to compliance management, established AML Committee to convene quarterly meetings, discussed anti money laundering work, improved anti money laundering internal control systems and operating procedures, established anti money laundering internal control systems and management processes such as customer due diligence, reporting of large-amount and suspicious transaction, training and publicity, evaluation and inspection, and developed the AML system which covered all businesses and clients with taking their characteristics into consideration and collected and recorded the information required for ML risk management in a timely, accurate and complete manner, strengthened the refined management of money laundering risks through digital means.



RISK MANAGEMENT

Operational Risk Management

Operational risk refers to the possibility of loss caused by imperfect or defective internal procedures, employees and information technology systems, as well as external events. Including legal risks, excluding strategic risks and reputational risks. There are seven main categories of operational risk losses that the Bank may face: internal Fraud; External fraud; Employment practices and Workplace safety; Clients, Products & Business Practices; Damage to Physical Assets; Execution, Delivery & Process Management; Business disruption and System Failures.

The Bank strictly follows the requirements of the "Operational Risk Management Guidelines for Commercial Banks" of the China Banking Regulatory Commission and implements the operational risk control model of "integrated management and classification control" under the leadership of the Board of Directors and senior management. The Bank's Operational Risk Management Policy provide detailed definitions of significant, important and general operational risk events, and specify the process of recording, reporting and collecting operational risk events according to the event level, and establish specific handling processes for operational risk identification, assessment, measurement, monitoring and control, offsetting, reporting, disclosure and acceptance. The Bank's operational risk management is mainly based on the notification of operational risks by each unit and the self-examination and review of key risk control processes as the main tools to reasonably determine the Bank's tolerance for these risks through the statistics and reporting of events. The Bank adopts the basic indicator method to measure the operational risk capital in accordance with the relevant requirements of the capital regulatory approach on the measurement of operational risk regulatory capital of commercial banks, taking into account the size and business of the Bank. In 2024, there was no significant operational risk events, undiscovered cases and case risk information.

IT Risk Management

IT risk is business risk – specifically, the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within the Bank; e.g., potential adverse outcome, damage, loss, violation, failure or disruption. IT-related risk events can potentially impact the business and occur with uncertain frequency and magnitude, which creates challenges in meeting strategic objectives.

MBCL conducts the whole process of IT risk closed-loop management from risk identification, risk assessment, risk response and mitigation to risk control monitoring and reporting.

MBCL has established relatively comprehensive information technology management guidelines and policies, and review them as needed, which included: Information Security Management Framework; Information Security Risk Management Framework; Information Technology Process Risk Control Self-assessment Guideline; Guidelines on System and Risk Control Self-assessment; System Security Risk Assessment Framework etc.

Country Risk Management

Country-specific risk covers all risks arising from the inability or unwillingness of a sovereign borrower or a specific country borrower to meet its foreign currency or local currency foreign debt repayment obligations as a result of regulation imposed by a country or a region due to possible or actual lack of foreign currency, regulations or political factors, which impose restrictions on foreign exchange transactions.

The Bank has formulated Internal Guidelines on Country Risk Management in accordance with the "Guidelines on Country Risk Management for Banking Financial Institutions" issued by the CBRC [2010] No.45, established relevant risk management systems and strengthened relevant management procedures to manage cross-border risk exposures and avoid excessive concentration of international credit or other businesses that generate cross-border risk exposures. Country risk limits are approved by the Board of Directors and reviewed annually.





Environmental Governance

Sustainable
Development

Image From: 2024 MBCL Photography Contest
Author: Luna Yan (Human Resource Division)

Guided by the “ Carbon Peaking and Carbon Neutrality” goals, China is undergoing a widespread and profound systemic economic and social transformation. As an important engine to drive this transformation, green finance will face greater development opportunities and challenges in the coming years. Based on the Bank’s solid foundation in green finance over the years, in 2025 we will continue to deepen our green finance strategy, fully support the country’s achievement of the “Dual Carbon” goals, and promote the green transformation of economic development models.

The includes increasing the proportion of green financial assets: by the end of 2025, further raise the proportion of green credit balance in the Bank's total corporate loan balance; **accelerate innovation in green financial products**, actively promote the innovation of our corporate and investment products in green finance and carbon finance; **accelerate the establishment of customer environmental risk management evaluation mechanisms**, embed environmental and social risk assessments into all credit business processes of the Bank, and achieve full-process management of green finance business.

Deepen strategic leadership, optimize organization structure, strengthen the leading role of the Green Finance Working Group, and coordinate the planning and implementation of green finance business across the Bank. Regularly track the development of the green finance industry, and vigorously promote green finance concepts and industry trends throughout the Bank.

Focus on green industries, enhance assessment-oriented support: continue to optimize industry strategies, prioritize support for clean energy, energy conservation and environmental protection, green transportation, ecological agriculture and other fields; implement differentiated pricing policies for green finance business; provide more favorable funding support, and guide the Bank’s resources to tilt toward green industries.

Strengthen environmental risk management: improve the environmental and social risk assessment system, actively promote its integration into customer rating and credit approval processes; implement dynamic monitoring according to regulatory requirements for customer lists in high-pollution industries; add green transition clauses to contracts to clarify customer’s environmental protection responsibilities.

Strengthen internal and external cooperation and advocacy: strengthen cooperation with green technology companies and environmental NGOs to jointly promote the implementation of green projects; conduct green finance training across the Bank to enhance employee’s professional capabilities in green finance; popularize green finance knowledge to customers and the public through online and offline channels, and enhance social awareness of green finance.

In summary, in 2025, the Bank will take the “Dual Carbon” goals as the guide, use green finance as the starting point, continuously promote business innovation and risk management upgrades, and assist in the green transformation of the economy and society. By deepening strategic layout, optimizing resource allocation, and strengthening technological empowerment, the Bank will strive to become a leading bank in green finance and contribute financial strength to achieving sustainable development.



Image From: 2024 MBCL Photography Contest
 Author: Lynn Lin (Credit Control Division)



Social Governance

Sustainable
Development

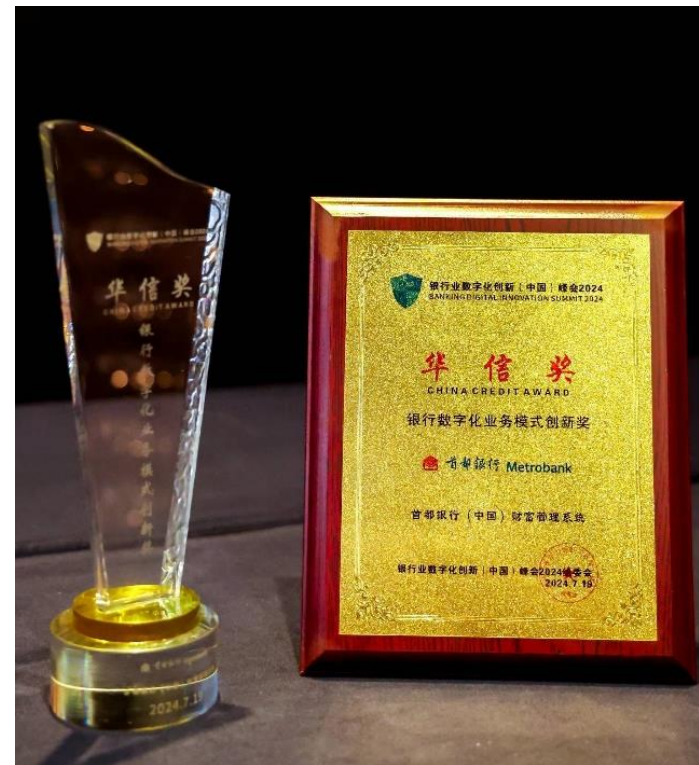
Image From: 2024 MBCL Photography Contest
Author: Josie Fan (Human Resource Division)

BRANDING BUILDING

In the blink of an eye, 2024 has become history. Looking back, this year marked the beginning of the Bank's new three-year strategic plan and it was also a crucial year for implementing our "diversification and structural adjustment" business policy in response to the need for high-quality development. During this year, the Bank's brand work, in line with the overall requirements of the new three-year strategic plan and business policy, leveraged deep empowerment of our business and various brand innovation activities. This not only brought sustained and stable exposure to the Bank both within and outside the industry but also contributed to the high-quality development of the Bank in 2024.

Take the initiative to empower the comprehensive development of our business. As the concept of "diversification" continues to penetrate within the Bank, the Bank made numerous new breakthroughs and progress in the business field in 2024. To better empower the diversified development of our business, our brand work is also built around the keyword of diversification. In terms of media promotion, the integration of brand and business has been continuously deepened. Through in-depth exploration of our brand has continued to make efforts in our eight major business areas, creating different types of promotional forms from multiple dimensions, which has steadily increased our external exposure and further established the professional brand image of Metrobank (China). At the same time, the Bank has always maintained a good cooperative relationship with the media. In 2024, our brand partnered with two mainstream and authoritative media outlets, China News Service and China Business Journal, to send out the voice of Metrobank (China), which also provided a strong endorsement for the high-quality development of the Bank. Moreover, with the increasingly stable and forward-looking development trend of the Bank in recent years, in 2024, our brand, authorized by the senior management of the Bank, refreshed the Bank's brand promotional video with more modern and bank-development-oriented materials and content, enabling our customer base to more intuitively understand the Bank's recent development and effectively support our high-quality development.

Meanwhile, as the inaugural year of our new three-year strategic plan, digital transformation has become an indispensable and crucial aspect of the Bank's strategy. To continuously enhance our digital transformation, our brand has conducted in-depth research and exploration into our digital transformation project, seeking various promotional highlights. In July and August last year, the Bank's self-developed and launched wealth management system was awarded the "Typical Practical Case of Digital Finance in the Banking Industry" by CBIMC and the "Bank Digital Business Model Innovation Award" by 5th Banking Digital Innovation (China) Summit 2024, respectively. Winning two awards in the field of digital transformation in one year not only earns us a good reputation, exposure and recognition, but also represents the best practice in the implementation of our new strategy.



In addition, our traditional offline activity, the touring forum, adheres to the hosting philosophy of "diversification and structural adjustment". At the event held in Quanzhou, Fujian Province in June 2024, we centered our planning around "adjusting the Bank's customer base", inviting Taiwanese and Filipino customers from the Fujian region to deeply explore their financial needs and preferences, create differentiated forum themes and promote the implementation of business and the comprehensive implementation of the Bank's operating policies. Furthermore, to promote business expansion, last year the Bank launched a new gift procurement program. Dozens of gift items with rich categories and diverse styles were sent to various branches and business units for free selection and matching, satisfying different scenarios and customer types, enhancing interaction between the Bank and customers and strengthening mutual stickiness.



STAFF DEVELOPMENT

Over the past year, we have closely aligned ourselves with market trends and the unique characteristics of the Bank, continuously deepening our employee development and training strategy. We are committed to comprehensively enhancing the overall capabilities and professional competencies of all our employees. Through the establishment of a diversified training system and curriculum innovation, we have provided solid talent support for the steady development of the Bank.

This year, based on the needs of the Bank's development and the career growth of all employees, we carefully launched 9 types of development programs and courses, with a total of 94 classes, 6395.9 hours of total teaching time, and an average of 21.12 hours completed per person, achieving 100% training coverage. The course content covers a comprehensive system from induction training to advanced management courses, ensuring that every employee can receive necessary support and improvement at different stages of their career development.

Innovative Projects Lead the New Trend of Learning

The "Better ME" project, as our flagship program for employee learning and development, combines team collaboration scenarios with sharing by industry experts on cutting-edge topics such as "technology" and "supply chain finance", helping employees solve current work problems with future-essential skills. Meanwhile, the "WING Program", a professional learning project, has been upgraded again this year. Based on continuing classic sections such as risk management theme sharing, product practical sharing, and cross-departmental exchanges, a new "Service Craftsmanship" section has been added to empower new businesses and help frontline employees better understand customer needs, enhance professional abilities, and optimize customer service experiences.

Digital learning projects have achieved remarkable results this year and have become an important tool for our employees' learning and development. We have collaborated deeply with the world's most influential and powerful online business schools, closely revolving around our bank's competency model, to launch a series of online learning courses that integrate forward-looking perspectives, interactivity, and practicality. This project was featured in the December issue of "Training" magazine as the only selected teaching practice case from a foreign bank, highlighting our outstanding performance and efforts in the field of digital training, as well as demonstrating our determination to focus on business and innovation.



In Terms of Leadership and Talent Pipeline Development

We have made new breakthroughs. In 2024, a total of 25 participants successfully graduated from the second Leadership Academy, and 5 diversified projects were implemented. Together, they completed a diversified learning and development journey lasting several months. The two sessions of the Leadership Academy have cultivated nearly 50 outstanding participants, with 11 of them successfully promoted to management positions. This marks a solid step forward in our efforts to cultivate and select talents that meet the development needs of the Bank.

Looking ahead, we will continue to adhere to the development concept of "Diversifying for a Sustainable Future", constantly optimizing our employee development and training system, and injecting continuous momentum into the sustainable development of Metrobank.

CORPORATE CULTURE

Metrobank Honor – Promote The High-Quality Sustainable Development of Metrobank (China)

2024 is the 2nd year of our Bank's high-quality development, and our Bank's development goals are highly aligned with the national economic strategy, with stable growth as the foundation, structural adjustment to promote transformation, and diversifying for a sustainable future. Metrobank Honor, held for 6 consecutive years, has become an indispensable and important part of our corporate culture construction. In 2024, we have received 75 application cases and finally selected the Excellent Contribution Team Award among HO divisions, the Excellent Contribution Team Award among business units, and Ultimate Service Star Award. We also presented the Long Service Awards to 7 dedicated colleagues who have been with Metrobank (China) for 10 years. All the Metrobankers will continue to pursue excellence and work together to promote the high-quality development of Metrobank (China).



We Care You and You Cared

The Bank is committed to the concept of “We care you and you cared.” people-oriented, with the greatest enthusiasm to care for the physical and mental health of each employee. In 2024, “M-Club” held a variety of activities, including Write Blessing in the New Year, Women’s Day flower offering, Photography competition, billiards, mid-autumn festival activity, porker game and other activities, the healthy concept of life through exercise were deeply rooted in our employees’ minds.



In 2024, the new launched birthday leave, Women’s Day leave and Child-care leave were highly appreciated by the employees. And carried out lunch break salon, graduation gift and care diamonds etc., to give employees diversified care, so let them enjoy work-life balance.



The 1st Metrobank Sports Meeting has been held successfully including traditional race competition and fun sports competition, and the 2024 “Meaningful Future in Good Hands” annual grand gala has been held successfully. There are also the final of the Metrobank poker competition and an outing to Tianmu Lake to enhance team cohesion and morale, and increase employees' sense of belonging.



In addition, all branches continue to expand various "staff privilege" merchants. In 2024, There're 31 new added staff privilege and the total number of cooperated merchants reached to 80, making a new record in recent years.

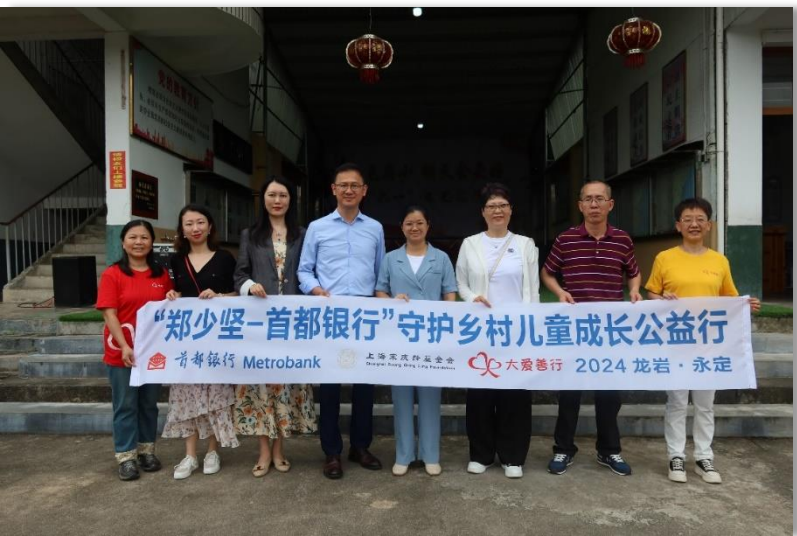
Care for Female Colleagues

Female colleagues are our important drivers of promoting high-quality development for the Bank. Women accounted 59% of our employees as the end of 2024. To support female colleagues in balancing their life and work, we are constantly improving our care and benefits for female employees.

CORPORATE SOCIAL RESPONSIBILITY

“Using the Bank’s performance to give back to the education of my hometown” is a phrase uttered by Dr. George Ty, the founder of the Bank, when he established the Metrobank Group in 1962. Over the past sixty years and more, and with the Bank’s stable operation in China for over a decade, while all members of Metrobank are pursuing high-quality career development with professionalism and innovation, this phrase has always been etched in everyone’s heart.

At the end of 2023, the Bank completed the first phase of “Metrobank” Rural Children Growth Protection Strategic Cooperation with the Shanghai Soong Ching Ling Foundation. Since the beginning of 2024, the Bank has been planning the second phase of charity strategic cooperation with the Shanghai Soong Ching Ling Foundation. In June, during the height of summer, President Thomas Huang, along with the Deputy Secretary-general of the Shanghai Soong Ching Ling Foundation and other relevant leaders and responsible persons, embarked on a return visit to two local primary schools in Fujian rural area after five years, bringing warmth to the local children. At the event site, witnessed by teachers and students from the two primary schools, the Bank and the Shanghai Soong Ching Ling Foundation officially kicked off the second phase of charity strategic cooperation. At the same time, both parties also agreed to officially rename the charity project as the “Dr. George Ty-Metrobank” Rural Children Growth Protection Project. As President Huang said in his speech, the rename is not just a simple literal change, but also a continuation and inheritance of Dr. George Ty’s entrepreneurial aspirations. It is hoped that with this rename, Metrobank (China) and the Shanghai Soong Ching Ling Foundation can bring more and better learning assistance and support to children in rural areas. This project also won the third “Xinhua Credit Jinlan Cup” Excellent Social Responsibility Case by Xinhua Press in 2024.



In 2024, in order to respond to and implement the regulatory requirements of financial knowledge popularization and anti-fraud publicity, MBCL became a financial knowledge propagator and organized the “Little Bankers” financial knowledge campaign on campus. Through the recruitment of the “ Metrobank Financial Instructors” issued to the whole bank and the full linkage with the internal trainer team of the Bank, a instructor team established the key personnel from various business units. The instructor team brought a vivid and interesting financial course to nearly 300 students from 5 schools in rural areas in a simple and easy way of combining animation pictures and cases. This financial charity activity not only received high recognition from the schools and local charity organizations but also won the title of “Excellent Case of Metrobank (China) and Service Innovation in 2023” from the CBIMC.

With the proposal of the Bank’s new three-year strategic plan and the group’s high attention to ESG, we have also placed ESG at the strategic level of the Bank operations. In order to better help our employees understand and recognize the relevant concepts of ESG, in 2024, the Bank organized an all-staff ESG charity activity-“A Simple Act: Re-shaping New ‘Clothing’”. This activity provides renewable school uniforms for schools that lack of uniforms by recycling PET plastic bottles in the office, helping to enhance students’ team cohesion and improve soft conditions for the campus. This activity also won the Golden Promise-China Financial Annual Excellent Social Responsibilities Project awarded by CBIMC, which is also the third consecutive year that the Bank has won this honor.



诚邀所有首行人一起参与 ESG 系列活动
为绿色环保尽一份力 马上来看看都有哪些 ESG 活动吧!

10 举手之劳 重塑“新衣”——春雨新生计划

2020 年中国宣布脱贫后, 但仍有 4000+ 学校属于“无校服”状态。校服的意义, 不仅是统一的着装, 更是学生们的凝聚力和归属感!

举手之劳 重塑“新衣”——春雨新生计划
回收 28 个 PET 塑料瓶, 便能使它们“重获新生”
通过回收处理制成统一、干净的校服
发放给真正需要的学生们

捐什么

- “瓶底部微凸有 1 或 PET 字样”的塑料瓶
- 瓶中的水倒出来并踩扁, 空瓶投入回收袋

发放原则

校服将以免费的形式发放, 由第三方合作基金会负责

回收周期

公益只有起点, 没有终点
即日起, 每季度进行一次统一整合, 寄送给处理机构进行回收利用

信守如一与您同行

CONSUMER RIGHTS PROTECTION

The Bank has always placed the “Financial Consumer Right Protection” in a great important position. We persist in the “customer-centered” service concept normally carrying out financial consumer rights education activities to effectively improve the financial literacy and knowledge level of financial consumer. We continuously strengthen their risk awareness and fully fulfill the main responsibility of protecting the legitimate rights and interests of financial consumers. We continuously and orderly promote the protection of the rights and interests of financial consumer and safeguard the legitimate rights and interests of financial consumer in accordance with the law. Creating a harmonious and healthy financial environment.

Focusing on the Publicity Theme, and Keeping on the Publicity and Education of Consumer Rights and Interests Protection

In 2024, the Bank organized and carried out themed promotional activities such as “3.15 Financial Consumer Rights and Interests Protection Education and Promotion”, “Popularizing Financial Education Promotion Month” in accordance with the unified deployment of regulatory authorities and the annual consumer protection work plan. These activities were in line with the promotional slogans of the event themes. Relying on various branch outlets, we displayed the unified slogans of the activities on the marquee screens of branch doors and television screens in the lobby. Promotional materials were placed in prominent locations such as the form-filling desks and counters in the business halls. We also organized employees to carry out consumer rights and interests protection education and promotion in the surrounding communities, corporate customers and buildings where the branches are located. We aim to popularize financial knowledge such as personal information protection, safeguarding personal legitimate rights and interests and preventing financial fraud among community members, customers and surrounding areas and to enhance risk prevention awareness. These activities were unanimously welcomed and praised by community residents and corporate customers.

Meanwhile, under the overall arrangement of the Foreign Bank Work Committee of Jiangsu Banking Association, the Bank actively cooperated and arranged for employees to participate in the 2024 Foreign Bank Financial Consumer Rights and Interests Protection Education and Promotion Campaign held on-site at the Pukou Campus of Nanjing Audit University. On the day of the event, the Bank prepared relevant promotional materials on financial consumer rights and interests protection and a variety of promotional gifts. During the event, we distributed and explained promotional materials to explain anti-money laundering, telecommunication fraud, illegal fundraising, personal credit information, personal information protection and other knowledge to college students so that they can effectively grasp financial knowledge, understand the seriousness and harmfulness of illegal finance and enhance their risk prevention awareness.

At the end of 2023, the Bank launched the “Little Bankers” financial knowledge campaign on campus , aiming to protect and enhance the anti-fraud awareness of young people, understand more basic financial knowledge and ensure the property safety of children in rural areas. Through internal training and opening recruitment, the Bank established a team of charity financial lectures”. The team consists of outstanding colleagues from the Bank’s Risk Management Division, Compliance Division, branches etc. The members used their spare time to compile financial knowledge courseware based on animation and vivid cases, incorporating financial knowledge such as understanding the RMB, establishing a correct financial management concept, understanding credit and preventing fraud. At the same time, in order to better promote hot topics such as “dual carbon” and “green finance”, the courseware also incorporates ESG-related content, enabling rural children to have a basic understanding of ESG through their actual life experiences and jointly build a sustainable future. The “Little Bankers” financial knowledge campaign on campus has been held in three schools including Hukeng Aoyao Primary school in Yongding District, Longyan City, Fujian Province, Pucheng School in Yongtai County, Fuzhou City, Fujian Province and Wengong Branch of Youxi County No.1 Middle School in Sanming City, Fujian Province. Nearly 200 students participated in the courses. It has been highly praised by the chairman of the Fujian Province Da Ai Charity Foundation and the principals of the participating school. They believe that the activity correctly guides children’ financial view, especially for children in rural areas. The financial knowledge imparted is closely related to life and very applicable to children. The activity has also received high recognition within the industry. In 2024, the “Little Bankers” financial knowledge campaign on campus was awarded the title of “Excellent Case of Annual Financial Consumer Rights and Interests Protection” by CBIMC. It was the first time of the Bank to win an award in the field of consumer rights and interests protection.

In 2024, the Bank complied over ten online promotional texts, including texts such as “How to protect your rights and interests in the face of financial disputes”, “Protect personal information and enhance risk prevention awareness”, “Strengthen the principle of appropriateness to protect consumer rights”, “Identify fraudulent schemes to safeguard the happiness of the elderly”, “Maintain financial order and reject illegal proxy rights protection”, “Understand the three principles of appropriateness to be a scientific and rational consumer”, “Understand treasury bond knowledge”, “Protect youth and build a solid anti-fraud safety wall for teenagers”, “Enhance risk prevention awareness and safeguard the financial security of new citizens” and other promotional texts and information security cases. We also simultaneously shared regulatory agencies ‘thematic promotional texts and ten typical telecommunication fraud cases, guiding financial consumer to acquire certain financial knowledge, enhancing the anti-fraud awareness and ability of teenagers and new citizens, popularizing risk prevention awareness and keeping them away from illegal financial activities. Online promotion can facilitate financial consumers’ access to financial knowledge, effectively filling the gap caused by the limited number of the Bank’s branches and enhancing the effectiveness of consumer protection promotion.

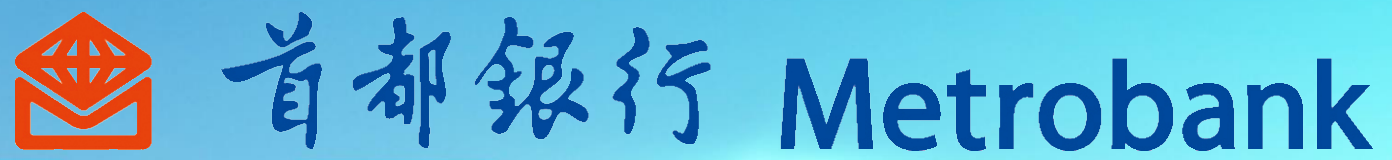
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CONSUMER RIGHTS PROTECTION

(Last Page)

Meanwhile, the Bank conducted two special training sessions on consumer protection knowledge for all employees. The training covered topics such as the interpretation of the “Regulations on the Implementation of the Consumer Rights Protection Law of China” and the need to be vigilant about virtual currency transactions and prevent illegal financial activities. Additionally, the Bank has made consumer protection training a mandatory course for newly recruited employees. The total number of participants in the training sessions in 2024 reached 613.

In summary, the Bank was able to carry out the Consumer Right and Interests Protection work in accordance with the requirements of Regulatory in 2024. This not only includes the publicity of social public financial knowledge to customers, but also includes enhancing the training and assessment on the Consumers Right Protection to internal staff. We took our responsibility to orderly promote the protection of the rights and interests of financial consumer.



ANNUAL FINANCIAL REPORT 2024



Metropolitan Bank (China) Ltd.
 Audited Financial Statements
 31 December 2024

Metropolitan Bank (China) Ltd.		
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Important Notice

The attached financial statements have been translated from the statutory financial statements prepared in accordance with accounting standard for business enterprises established in the People's Republic of China. In the event of any differences in interpreting the financial statements, the Chinese version shall prevail.

Auditors' Report

Ernst & Young Hua Ming (2025) Shen Zi No.70071684_B01
Metropolitan Bank (China) Ltd.

To the Board of Directors of Metropolitan Bank (China) Ltd.,

(I) Opinion

We have audited the financial statements of Metropolitan Bank (China) Ltd., which comprise the balance sheets as at 31 December 2024, and the income statements, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2024, and the financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of Metropolitan Bank (China) Ltd. in accordance with *China Code of Ethics for Certified Public Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Responsibilities of the management and those charged with governance for the financial statements

The management of Metropolitan Bank (China) Ltd. is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Metropolitan Bank (China) Ltd.'s financial reporting process.

Auditors' Report (continued)

Ernst & Young Hua Ming (2025) Shen Zi No.70071684_B01
Metropolitan Bank (China) Ltd.

(IV) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Metropolitan Bank (China) Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Metropolitan Bank (China) Ltd. to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosure), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditors’ Report (continued)

Ernst & Young Hua Ming (2025) Shen Zi No.70071684_B01
Metropolitan Bank (China) Ltd.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Hua Ming LLP
Shanghai Office

Chinese Certified Public Accountant:
Wang, Lijun

Chinese Certified Public Accountant:
Qin, Yili

Shanghai, the People’s Republic of China

7 April 2025

Important Notice

This illustrative auditor’s report is an English translation of the auditor’s report for the audit engagements which adopt CSAs. In case the English version does not conform to the Chinese version, the Chinese version prevails.

The Office has been authorized by Ernst & Young Hua Ming LLP to conduct business.

Metropolitan Bank (China) Ltd.
BALANCE SHEET
31 December 2024
Unit: RMB yuan

ASSETS	Note 5	31 December 2024	31 December 2023
Cash and balances with the central bank	1	1,769,177,333.94	2,117,213,939.21
Due from banks	2	513,989,719.42	502,776,202.41
Placements with banks	3	3,507,427,577.70	1,907,560,940.35
Derivative financial assets	4	10,992,100.60	713,134.80
Financial assets held under resale agreements	5	185,032,050.14	92,525,778.30
Loans and advances to customers	6	9,385,038,447.90	7,936,861,565.78
Financial investment			
-debt investments	7	21,080,425.48	21,213,891.49
-other debt investments	8	3,528,529,619.78	4,383,126,443.27
Fixed assets	9	6,659,293.95	5,558,073.73
Right-of-use assets	10	21,850,172.11	33,497,722.76
Deferred tax assets	11	15,356,202.89	17,094,843.15
Other assets	12	1,471,351,846.38	730,955,472.16
TOTAL ASSETS		20,436,484,790.29	17,749,098,007.41

The notes to financial statements form an integral part of these financial statements.

Metropolitan Bank (China) Ltd.
BALANCE SHEET (CONTINUED)
31 December 2024

Unit: RMB yuan

<u>LIABILITIES AND EQUITY</u>	<u>Note 5</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
LIABILITIES			
Due to banks and other financial institutions	13	38,038,563.52	84,061,944.65
Placements from banks	14	1,946,082,546.67	2,315,665,565.49
Financial assets sold for repurchase	15	-	294,044,462.46
Customer deposits	16	14,036,111,199.48	12,160,002,364.52
Derivative financial liabilities	4	11,015,855.49	975,147.20
Payroll payables	17	46,386,162.48	42,023,299.56
Tax payables	18	9,765,219.28	15,567,348.86
Provisions	19	9,537,181.07	10,352,142.50
Bonds payables	20	699,281,599.25	199,207,315.73
Lease liabilities	21	22,210,952.91	33,007,540.50
Other liabilities	22	1,460,701,247.14	720,865,296.41
TOTAL LIABILITIES		18,279,130,527.29	15,875,772,427.88
EQUITY			
Paid-up capital	23	1,700,000,000.00	1,500,000,000.00
Capital reserves	24	453,890.00	453,890.00
Other comprehensive income	25	36,736,127.62	15,219,091.44
Surplus reserves	26	40,458,895.78	34,207,731.05
General reserves	27	279,107,642.98	233,397,497.80
Retained earnings	28	100,597,706.62	90,047,369.24
TOTAL EQUITY		2,157,354,263.00	1,873,325,579.53
TOTAL LIABILITIES AND EQUITY		20,436,484,790.29	17,749,098,007.41

The notes to financial statements form an integral part of these financial statements.

Metropolitan Bank (China) Ltd.
INCOME STATEMENT
For the year ended 31 December 2024

Unit: RMB yuan

	<u>Note 5</u>	<u>2024</u>	<u>2023</u>
1. OPERATING INCOME			
Net interest income	29	251,802,429.21	273,757,715.50
Interest income	29	612,522,419.72	583,258,650.57
Interest expenses	29	(360,719,990.51)	(309,500,935.07)
Net fee and commission income	30	8,964,984.57	8,110,700.91
Fee and commission income	30	11,140,522.15	10,452,318.56
Fee and commission expenses	30	(2,175,537.58)	(2,341,617.65)
Investment income	31	38,747,570.20	16,905,522.31
Net loss from changes in fair value		185,883.79	(143,234.40)
Foreign exchange gain	32	17,491,029.07	13,986,546.26
TOTAL OPERATING INCOME		317,191,896.84	312,617,250.58
2. OPERATING EXPENSES			
Tax and surcharges		(3,909,092.52)	(3,934,631.55)
General and administrative expenses	33	(200,326,761.99)	(194,058,644.30)
Credit impairment losses	34	(28,012,373.80)	(34,392,707.75)
TOTAL OPERATING EXPENSES		(232,248,228.31)	(232,385,983.60)
3. OPERATING PROFIT		84,943,668.53	80,231,266.98
Add: Non-operating income	35	541,964.28	2,127,775.03
Less: Non-operating expenses		122,604.81	308,071.26
4. PROFIT BEFORE TAX		85,363,028.00	82,050,970.75
Less: Income tax expense	36	22,851,380.71	21,617,474.69
5. NET PROFIT		62,511,647.29	60,433,496.06
6. OTHER COMPREHENSIVE INCOME			
Item to be reclassified to profit or loss:			
Fair value changes of other debt investments		4,378,478.79	92,424,996.16
Fair value changes of loans and advances to customers at fair value through other comprehensive income		667,023.62	432,901.01
Impairment of other debt investments		502,730.86	(5,507,498.93)
Impairment of loans and advances to customers at fair value through other comprehensive income		15,968,802.91	(21,658.09)
7. TOTAL COMPREHENSIVE INCOME		84,028,683.47	147,762,236.21

The notes to financial statements form an integral part of these financial statements.



Metropolitan Bank (China) Ltd.
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

Unit: RMB yuan

For the year ended 31 December 2024

	Paid-up capital	Capital reserves	Other comprehensive income	Surplus reserves	General reserves	Retained earnings	Total
Balance as at 1 January 2024	1,500,000,000.00	453,890.00	15,219,091.44	34,207,731.05	233,397,497.80	90,047,369.24	1,873,325,579.53
Movements during the year	200,000,000.00	-	21,517,036.18	6,251,164.73	45,710,145.18	10,550,337.38	284,028,683.47
(i) Total comprehensive income	-	-	21,517,036.18	-	-	62,511,647.29	84,028,683.47
(ii) Capital contributions by owners	200,000,000.00	-	-	-	-	-	200,000,000.00
(iii) Profit appropriation							
1. Appropriation to surplus reserves	-	-	-	6,251,164.73	-	(6,251,164.73)	-
2. Appropriation to general reserves	-	-	-	-	45,710,145.18	(45,710,145.18)	-
Balance as at 31 December 2024	1,700,000,000.00	453,890.00	36,736,127.62	40,458,895.78	279,107,642.98	100,597,706.62	2,157,354,263.00

The notes to financial statements form an integral part of these financial statements.



Metropolitan Bank (China) Ltd.
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2024

Unit: RMB yuan

For the year ended 31 December 2023

	Paid-up capital	Capital reserves	Other comprehensive income	Surplus reserves	General reserves	Retained earnings	Total
Balance as at 31 December 2022	1,500,000,000.00	453,890.00	(72,109,648.71)	28,141,709.16	208,758,182.73	60,092,487.36	1,725,336,620.54
Add: Changes in accounting policies	-	-	-	22,672.28	-	204,050.50	226,722.78
Balance as at 1 January 2023	1,500,000,000.00	453,890.00	(72,109,648.71)	28,164,381.44	208,758,182.73	60,296,537.86	1,725,563,343.32
Movements during the year	-	-	87,328,740.15	6,043,349.61	24,639,315.07	29,750,831.38	147,762,236.21
(i) Total comprehensive income	-	-	87,328,740.15	-	-	60,433,496.06	147,762,236.21
(ii) Profit appropriation							
1. Appropriation to surplus reserves	-	-	-	6,043,349.61	-	(6,043,349.61)	-
2. Appropriation to general reserves	-	-	-	-	24,639,315.07	(24,639,315.07)	-
Balance as at 31 December 2023	1,500,000,000.00	453,890.00	15,219,091.44	34,207,731.05	233,397,497.80	90,047,369.24	1,873,325,579.53

The notes to financial statements form an integral part of these financial statements.

Metropolitan Bank (China) Ltd.
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

Unit: RMB yuan

	Note 5	2024	2023
1. Cash Flows From Operating Activities:			
Net decrease in balances with the central bank and due from banks		-	5,292,795.49
Net increase in placements from banks		-	128,807,620.51
Net increase in customer deposits and due to banks	1,844,331,081.88		1,178,662,564.42
Net increase in financial assets sold for repurchase	-		294,000,000.00
Cash received from interest, service fee and commission income	525,747,344.57		440,598,234.77
Net decrease in financial assets at fair value through profit or loss	-		10,182,691.78
Cash received from other operating activities	25,584,762.20		33,850,675.53
Subtotal of cash inflows from operating activities	2,395,663,188.65		2,091,394,582.50
Net increase in balances with the central bank and due from banks	(6,960,372.11)		-
Net increase in loans and advances to customers	(1,460,694,133.26)		(1,219,418,270.15)
Net increase in placements with banks	(278,593,000.00)		(84,743,000.00)
Net decrease in placements from banks	(371,818,605.12)		-
Net decrease in financial assets sold for repurchase	(294,000,000.00)		-
Cash paid for interest, service fee and commission expense	(381,261,065.05)		(280,696,424.98)
Cash paid to and on behalf of employees	(138,488,428.07)		(140,447,723.58)
Cash paid for taxes and surcharges	(62,071,795.12)		(58,806,176.51)
Cash paid for other operating activities	(60,350,584.72)		(54,985,949.17)
Subtotal of cash outflows from operating activities	(3,054,237,983.45)		(1,839,097,544.39)
Net cash flows (used in)/generated from operating activities	37 (658,574,794.80)		252,297,038.11

The notes to financial statements form an integral part of these financial statements

Metropolitan Bank (China) Ltd.
STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2024

Unit: RMB yuan

	Note 5	2024	2023
2. Cash Flows From Investing Activities:			
Proceeds from disposal/maturity of investments	10,078,854,975.25		7,034,137,765.44
Cash received from investment income	172,095,887.80		165,961,879.89
Net cash received from disposal of fixed assets and intangible assets	156,189.65		277,931.38
Subtotal of cash inflows from investing activities	10,251,107,052.70		7,200,377,576.71
Cash paid for investments	(9,199,564,561.56)		(6,533,186,119.43)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(8,337,411.36)		(2,674,576.38)
Subtotal of cash outflows from investing activities	(9,207,901,972.92)		(6,535,860,695.81)
Net cash flows generated from investing activities	1,043,205,079.78		664,516,880.90
3. Cash Flows From Financing Activities:			
Cash proceeds from investments	200,000,000.00		-
Cash received from bond issuance	743,948,750.00		396,125,500.00
Subtotal of cash inflows from financing activities	943,948,750.00		396,125,500.00
Cash paid from bond repayment	(250,000,000.00)		(350,000,000.00)
Cash paid to other financing activities	(14,212,998.04)		(15,688,065.68)
Subtotal of cash outflows from financing activities	(264,212,998.04)		(365,688,065.68)
Net cash flows generated from financing activities	679,735,751.96		30,437,434.32
4. Effect of Exchange Rate Changes on Cash and Cash Equivalents	11,782,840.95		20,317,886.76
5. Net Increase in Cash and Cash Equivalents	1,076,148,877.89		967,569,240.09
Add: Opening Balances of Cash and Cash Equivalents	2,900,667,018.51		1,933,097,778.42
6. Closing Balances of Cash and Cash Equivalents	38 3,976,815,896.40		2,900,667,018.51

The notes to financial statements form an integral part of these financial statements.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2024

Unit: RMB yuan

1. Corporate Information

Metropolitan Bank (China) Ltd. (the "Bank") was established by Metropolitan Bank & Trust Company ("Metrobank") as a wholly foreign invested bank in Nanjing, China.

On 4 May 2009, Metrobank was approved by China Banking and Insurance Regulatory Commission (the "CBIRC") to convert Metropolitan Bank & Trust Company Shanghai Branch (the "Former Shanghai Branch") to Metropolitan Bank (China) Ltd., a wholly owned foreign bank invested by Metrobank, in accordance with the "Administrative Regulations of the People's Republic of China on Foreign-invested Banks", the "Implementing Rules of the Administrative Regulations of the People's Republic of China on Foreign-invested Banks" and other relevant regulations.

The Bank obtained its Financial License (No. 00386154) on 7 January 2010 upon approval from the CBIRC. On 14 January 2010, the Bank obtained Business License (No.0098690) issued by State Administration for Industry and Commerce. The registered capital is RMB 1.3 billion, which has been verified by capital verification report De Shi Bao Yan Zi (10) No. 0039 issued by Deloitte Touche Tohmatsu Hua Yong CPA Ltd. Upon approval by the CBIRC, Metrobank further injected RMB 0.2 billion of capital to the Bank in 2014, which has been verified by capital verification report De Shi Bao Yan Zi (14) No. 0822 issued by Deloitte Touche Tohmatsu Hua Yong CPA Ltd. In 2024, approved by the Jiangsu Supervision Bureau of the National Financial Regulatory Administration, Metrobank injected an additional capital contribution of RMB 0.2 billion into the Bank, which has been verified by capital verification report Ernst & Young Hua Ming (2024) Yan Zi No. 70071684_B01 issued by Ernst & Young Hua Ming LLP Shanghai Office. The registered capital of the Bank was thus increased to 1.7 billion and a new Business License was obtained with the unified social credit code as 91320000717826301G.

The date of business conversion between the Bank and the Former Shanghai Branch was 27 February 2010 ("Conversion date"). Total assets, rights and obligations of the Former Shanghai Branch were transferred to the Bank on the Conversion date. The Bank commenced its business on 2 March 2010.

The business scope of the Bank is all of the following foreign exchange services and Renminbi services to customers other than Chinese citizens as follows: (1) taking public deposits; (2) issuing short-term, medium-term and long-term loans; (3) handling the acceptance and discount of bills; (4) purchasing and selling government bonds, financial bonds, and securities denominated in foreign currency other than stocks; (5) providing L/C service and guarantee; (6) handling domestic and foreign settlements; (7) purchasing and selling foreign exchanges by itself or as agent; (8) insurance agent service; (9) inter-bank placement; (10) providing safe-deposit box service; (11) providing credit investigation and consulting service; and (12) other business approved by the CBIRC.

As of 31 December 2024, besides Head Office incorporated in Nanjing, the Bank has set up 7 branches respectively in Shanghai, Nanjing, Changzhou, Quanzhou, Xiamen, Suzhou and Ningbo.

2. Basis of preparation

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standard and the specific standards, the implementation guidance, interpretations and other relevant provisions issued and revised subsequently by the Ministry of Finance of People's Republic of China (MOF) (collectively referred to as "Accounting Standards for Business Enterprises").

The financial statements are presented on a going concern basis.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

2. Basis of preparation (continued)

Statement of Compliance

The financial statements of the Bank have been prepared in accordance with the Accounting Standards for Business Enterprises, and present fairly and fully, the financial position of the Bank as at 31 December 2024 and the results of the operations and the cash flows for the year then ended.

3. Significant accounting policies and estimates

The financial information in the financial statements is prepared in according with the following significant accounting policies and estimates.

(1) Accounting year

The accounting year of the Bank is from 1 January to 31 December of each calendar year.

(2) Functional currency

Both the reporting currency and the presentation currency for financial statements are the Renminbi ("RMB"). All amounts are stated in RMB, unless otherwise stated.

(3) Cash and cash equivalents

Cash refers to the cash on hand of the Bank. Cash equivalents refer to short term highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash equivalents comprise unrestricted balances with the central bank, due from and placements with banks and other financial institutions and reverse repurchase agreements with original maturity of less than three months.

(4) Foreign currency transactions and translations

Transactions in foreign currencies are translated into the reporting currency accordingly.

Foreign currency transactions are recorded in the respective functional currency at the exchange rates ruling at the transaction date. Monetary items denominated in foreign currencies are translated into the functional currency at the applicable exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items measured at historical cost in a foreign currency are translated using exchange rates on initial recognition, so their amounts in reporting currency are stable. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined, the exchange difference thus resulted should be recognized in the income statement or other comprehensive income of the current period.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(4) Foreign currency transactions and translations (continued)

Cash flows arising from transactions in foreign currencies are translated using the weighted average exchange rates for the year (unless the exchange rate fluctuation makes it inappropriate to adopt these exchange rate, and the exchange rates on the transaction date shall be adopted). The effect of exchange rate movements on cash is presented separately in statement of cash flows as a reconciling item.

(5) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

The Bank recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- (i) the rights to receive cash flows from the financial assets have expired; or
- (ii) the Bank transferred the rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

The financial liabilities are derecognized when the obligation over them has been discharged, or cancelled, or has expired. If the original financial liabilities are replaced with substantively different terms in essence by the same creditor, or the provisions of the contract are substantively modified in its nature, such replacement or modifications are treated as derecognition of original liabilities and recognition of new liabilities, with the difference recorded in profit or loss.

All financial assets and liabilities in "regular way trades" are initially recognized and derecognized on the trade date. Regular way purchases or sales are purchases or sales of financial assets under contracts whose terms require delivery within the time frame generally established by regulation or convention in the marketplace concerned. Trade date is the date when the Bank is obliged to purchase or sell financial assets.

Classification and measurement of financial assets

Financial assets of the Bank are initially classified into three categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss based on the Bank's business model for managing the financial assets and their contractual cash flow characteristics.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Classification and measurement of financial assets (continued)

Underlying fees of financial liabilities at fair value through profit or loss are directly recognised in profit or loss, while those of other financial liabilities are attributed to the acquisition of financial liabilities.

Subsequent measurements of financial assets are based on their classification:

Debt investments at amortised cost

The Bank measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held with the business model with the objective to hold financial assets in order to collect the contractual cash flows; The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Debt investments at fair value through other comprehensive income

The Bank measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held with the business model with the objective to hold financial assets in order to collect both the contractual cash flows and cash flows arising from the sale of assets; The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method. A gain or loss arising from a change in the fair value is recognised as other comprehensive income, except for interest come, credit impairment losses and foreign exchange gains or losses, which are recognised in profit or loss. The gain or loss recognised in other comprehensive income will be reversed and recognised in profit or loss when the financial assets are derecognised.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

The financial liabilities of the Bank are, on initial recognition, classified into financial liabilities at fair value through profit or loss, financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to financial liabilities measured at amortised cost are included in the initial recognition amounts.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Classification and measurement of financial liabilities (continued)

Subsequent measurement of financial liabilities is based on their classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives instruments attributable to financial liabilities) and those designated as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value and the gain or loss arising from a change in the fair value will be recognised in profit or loss.

Financial liabilities measured at amortised cost

Such financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial instruments

Based on the expected credit losses (ECL), the Bank recognises an allowance for ECL for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, credit commitment and financial guarantee contracts.

The Bank assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition, classified as stage 1, the loss allowance is measured at an amount equal to 12-month ECL by the Bank and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets, classified as stage 2, the loss allowance is measured at an amount equal to lifetime ECL by the Bank and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition, classified as stage 3, the loss allowance is measured at an amount equal to lifetime ECL by the Bank and the interest income is calculated according to the amortised costs and the effective interest rate.

At each balance sheet date, the Bank assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition. The Bank determines changes in the probability of default of financial instruments within the expected lifetime by comparing the probability of default of financial instruments as at the balance sheet date with that as at the date of initial recognition. If the credit risk of financial instruments is low on the balance sheet date, the Bank assumes that the credit risk has not increased significantly since the initial recognition.

The Bank's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance date.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Impairment of financial instruments (continued)

When there are one or more events that have adverse effects on the expected future cash flows of financial assets, the financial assets are credit-impaired.

When the Bank no longer reasonably expects to collect part or all of the contractual cash flows, the Bank writes down the carrying amount of the financial assets.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when the Bank currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for ECL at the balance sheet date, and (ii) the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Derivatives financial instruments

The Bank uses derivative financial instruments and derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any profit or loss arising from changes in fair value of derivatives are taken directly in profit or loss, except for those related to the hedge accounting.

Transfer of financial assets

A financial asset is derecognised when the bank has transferred substantially all the risks and rewards of the financial asset to the transferee. A financial asset is not derecognised when the Bank retains substantially all the risks and rewards of the financial asset.

When the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the following treatment shall be used: (i) if the Bank has not retained control, it derecognises the financial asset and recognises assets or liabilities incurred separately; (ii) if the Bank has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Transfer of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the carrying amount of the asset and the amount of financial guarantee. The amount of financial guarantee is the maximum amount of consideration that an entity could be required to repay.

(6) Fixed assets

Fixed assets can be recognized only when the economic benefits related to fixed assets are likely to flow into the Bank, and the cost of fixed assets can be measured reliably. Subsequent expenditure can be recognized in the cost of fixed assets when the recognition criteria set above is met, and the replaced carrying amount should be derecognized. Otherwise, such expenditure is normally charged to the income statement in the period when it is incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any other directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation is calculated using the straight-line method. The useful lives, percentages of estimated residual value and annual depreciation rates are as follows:

	Estimated Useful Life	Estimated Residual Value	Annual Depreciation Rate
Motor vehicles	5 years	10%	18%
Computers	5 years	10%	18%
Office equipment	5 years	10%	18%

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each year end.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(7) Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary expenditure incurred during the construction period.

The costs are transferred out when the asset is ready for its intended use.

(8) Intangible assets

An intangible asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Bank and the cost of the asset can be measured reliably.

The useful life is determined according to the economic useful lives. The useful life of the intangible assets as shown below:

	Useful life
Software	10 years

An intangible asset with a finite useful life is amortised over its useful life with the straight-line method. The useful life and amortization method of intangible assets with finite useful lives are reviewed at each balance sheet date.

(9) Long-term deferred assets

Long-term deferred assets are amortised using the straight-line method. Amortization period is as follow:

	Amortization period
Leasehold improvements	5 – 10 years

(10) Repurchase and reverse repurchase agreements

Assets sold under agreements to repurchase at a specified future date ("repos") are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized on the statement of financial position as a "repurchase agreement". The difference between the sale and repurchase prices is treated as an interest expense and is accrued over the life of the agreement using the effective interest rate method.

Conversely, assets purchased under agreements to resell at a specified future date ("reverse repos") are not recognized on the statement of financial position. The corresponding cash paid, including accrued interest, is recognized on the statement of financial position as a "reverse repurchase agreement". The difference between the purchase and resale prices is treated as an interest income and is accrued over the life of the agreement using the effective interest rate method.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(11) Impairment of asset

Impairment losses on assets except for deferred tax assets and financial assets are determined in the following way:

The Bank assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Bank estimates the recoverable amount of the asset and performs impairment testing; goodwill arising from a business combination, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow expected to be derived from the asset. The Bank estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Bank determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash flows generated by the asset group are largely independent of the cash flows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The impairment of asset is provided for and the impairment loss is recognized in the income statement for the current period.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

(12) Employee Benefits

Employee benefits are all forms of consideration given by the Bank in exchange for service rendered by employees or for the termination of employment, including short-term employee benefits, post-employment benefits, and other long-term benefits.

Short-term employee benefits

Short-term employee benefits are accrued in the period in which services have been rendered by the employees of the Bank, and recognized in the income statement or cost of an asset.

Post-employment benefits (defined contribution plan)

Employees of the Bank participate in the retirement insurance and unemployment insurance plans administered by the local government and enterprise annuity, and the contribution is recognized to income statement of that period.

Other long-term benefits

For other long-term employee benefits provided to employees, the relevant requirements on post-employment benefits are applied in recognising and measuring the net liabilities or net assets of other long-term employee benefits, with the changes included in profit or loss, or the cost of related assets.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(13) Provisions

An obligation related to a contingency is recognised by the Bank as provisions when the obligation is a present obligation of the Bank and it is probable that an outflow of economic benefits from the Bank will be required to settle the obligation, together with a reliable estimate can be made of the amount of the obligation, except for contingent considerations and contingent liabilities assumed in a business combination not under common control.

The provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Provisions are reviewed and adjusted appropriately at each balance sheet date to reflect the current best estimate.

Financial guarantee contracts subsequently measured at an amount equal to expected credit losses are presented in provisions.

(14) Revenue and expense recognition

Interest income and interest expense

"Interest income" and "interest expense" item in the income statement of the Bank are the interest income and expense calculated by using the effective interest method on financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial liabilities at amortised cost.

The effective interest method is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is that exactly discounts estimated future cash flows through the expected life of a financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. When calculating the effective interest rate, the Bank estimates the expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all amounts paid or received by the Bank that are an integral part of the effective interest rate, transaction costs and all premiums or discounts.

For those purchased or originated credit-impaired financial assets, the Bank calculates the interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition the credit-adjusted effective interest rate is that exactly discounts the estimated future cash flows through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset.

For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, the Bank calculates the interest income by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(14) Revenue and expense recognition (continued)

Fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its customers. For those services that are provided over a period of time, fee and commission income is accrued in accordance with the terms and conditions of the service agreement. For other services, fee and commission income is recognised when the transactions are completed.

(15) Government subsidies

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount. A government grant related to income is accounted for as follows: (1) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; (2) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses. A government grant related to assets shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). When the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(16) Deferred tax

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their book values, and temporary differences between the book values and the tax bases of items which have not been recognized as assets and liabilities but the tax bases of which can be determined for tax purposes, deferred taxes are provided using the liability method.

A deferred tax liability is recognized for all taxable temporary differences, except that the transaction which the deferred tax liability arises from neither is an initial recognition of goodwill nor is a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss and the initially recognized assets and liabilities did not result in equal taxable and deductible temporary differences.

A deferred tax asset is recognized for deductible temporary differences carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except that the deferred tax asset relating to the deductible temporary differences arises from a transaction which neither a business combination nor affects the accounting profit or taxable profit or loss and the initially recognized assets and liabilities did not result in equal taxable and deductible temporary differences.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Bank expects at the balance sheet date, to recover the assets or settle the liabilities.

At the balance sheet date, the Bank reviews the book value of deferred tax assets. If it is probable that sufficient taxable income cannot be generated to use the tax benefits of deferred tax assets, the book value of deferred tax assets should be reduced. Conversely, at the balance sheet date, the Bank reviews previously unrecognized deferred tax assets. Deferred tax assets are recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and deferred tax liabilities are offset and the net amount is reported in the statement of financial position if, and only if, the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority, or although the deferred taxes are related to different taxable entities, related entities intend to counteract those deferred taxes and report them in net value while acquire the asset and pay off the liabilities at the same time in every significant period to switch back.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(17) Leases

At inception of a contract, the Bank assesses whether the contract is, or contains, a lease. If a party of the contract conveys the right to control the use of an identified asset or identified assets for a period of time in exchange for consideration, the contract shall be a lease contract or contains lease.

As lessee

The Bank recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Bank recognises a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Bank remeasures the lease liability for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Bank. If the Bank is reasonably certain that the ownership of the underlying asset will be transferred to the Bank at the end of the lease term, the Bank depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Bank depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

At the commencement date of the lease the Bank measures the lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for termination of a lease, if the lease term reflects the Bank exercising the option to terminate the lease.

Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(17) Leases (continued)

As lessee (continued)

The Bank remeasures the lease liability at the present value of revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

The Bank considers a lease that at the commencement date of the lease, has a lease term of 12 months or less and does not contain any purchase option as a short-term lease: and a lease for which the value of the individual underlying asset with low value when it is new as a lease of low-value assets. The Bank chooses not to recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the rental expenses are amortised on a straight-line basis over each period of the lease term.

(18) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably estimated, it will then be recognized as a provision.

(19) Dividends

Dividends are recognized as a liability and deducted from equity when they are approved by the Bank's shareholder and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. Dividend for the year that is approved after the balance sheet date is disclosed as an event after the balance sheet date.

(20) Fiduciary activities

Where the Bank acts in a fiduciary capacity such as custodian or agent, assets arising thereon together with related undertakings to return such assets to customers are excluded from the balance sheet statement.

The Bank grants entrusted loans on behalf of trustors, which are recorded off-balance sheet. The Bank, as a trustee, grants such entrusted loans to borrowers under the direction of those trustors who fund these loans. The Bank has been contracted by those trustors to manage the administration and collection of these loans on their behalf. Those trustors determine both of the underwriting criteria for and the terms of all entrusted loans including their purposes, amounts, interest rates, and repayment schedules. The Bank charges a commission related to its activities in connection with entrusted loans which are recognized on a straight-line basis over the period in which the service is provided. The risk of loss is borne by those trustors.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(21) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; Level 3 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at each balance sheet date.

(22) Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

During the process of applying the Bank's accounting policies, management has made the following judgements which have significant effects on the amounts recognized in financial statements:

Business model

The classification of financial assets at initial recognition is dependent on the Bank's business model for managing financial assets. When determining the business model, the Bank considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Bank needs to analyse and assess the reasons, timing, frequency and value of the sale before the maturity date of the financial assets.

Characteristics of the contractual cash flows

Financial assets are initially classified based on their contractual cash flow characteristics. When judging whether the contractual cash flow are solely payments of principal and interest on the principal amount outstanding, the considerations contain: (i) judging whether there exists significant difference compared with the benchmark cashflow, when evaluating the modification of the time value of the money, (ii) judging whether fair value of the early repayment characteristics is immaterial for financial assets with early repayment characteristics.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(22) Significant accounting judgements and estimates (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are listed below.

Impairment of financial instruments

The Bank uses the expected credit losses model to evaluate the impairment of financial instruments. The Bank is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgments and estimates, the Bank estimates the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the impairment provision and the provision for credit impairment may not be equal to actual credit losses in the future.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Lessee's incremental borrowing rate

The Bank measures the lease liability at the present value of the lease payments discounted using its incremental borrowing rate. According to the economic environment, the Bank takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

Fair value of financial instruments

If the market for a financial instrument is not active, the Bank establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analysis. To the extent practicable, valuation technique makes maximum use of market inputs. However, where market inputs are not available, management needs to make estimates on such unobservable market inputs.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

4. Taxes

The major categories of taxes applicable to the Bank and the related tax rates for the current accounting year are listed as follows:

Value Added Tax	-	Taxable income is subjected to a 6% output VAT tax less deductible input tax
City Maintenance and Construction Tax	-	7% of amount of paid-up turnover tax
Education Surcharge	-	3% of amount of paid-up turnover tax
Local Education Surcharge	-	2% of amount of paid-up turnover tax
Corporate Income Tax	-	Corporate taxable income is subjected to a tax rate of 25%.

5. Notes to financial statements

(1) Cash and balances with the central bank

	2024	2023
Cash on hand	471,178.86	330,381.18
Balances with the central bank		
Statutory reserve fund		
- RMB	678,418,096.54	719,792,250.51
- foreign currency	106,806,945.82	58,472,419.74
Excess reserves	983,117,392.49	1,338,242,355.35
Subtotal	1,768,342,434.85	2,116,507,025.60
Interest receivables	363,720.23	376,532.43
Total	1,769,177,333.94	2,117,213,939.21

In accordance with relevant regulations issued by the People's Bank of China ("PBOC"), the Bank should place with the PBOC a reserve fund, which could not be used for daily operations.

For customer deposits denominated in foreign currencies, the statutory reserve fund is calculated at 4% (31 December 2023: 4%) of the balance of foreign customer deposits at the end of the last month. For customer deposits denominated in RMB, the statutory reserve fund is calculated at 6% (31 December 2023: 7%) of the average balance of RMB customer deposits at the last ten-day period. For forward foreign exchange sales, a foreign exchange risk reserve is calculated at 20% (December 31, 2023: 20%) of the contracted amount for forward foreign exchange sales.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(2) Due from banks

	2024	2023
Domestic banks	413,899,937.01	238,687,578.18
Overseas banks	100,472,988.04	265,614,803.80
Subtotal	514,372,925.05	504,302,381.98
Interest receivables	210,131.33	222,834.02
Less: provisions	593,336.96	1,749,013.59
Total	513,989,719.42	502,776,202.41

(3) Placements with banks

	2024	2023
Domestic banks	1,467,550,400.00	594,540,900.00
Other domestic financial institutions	1,900,724,000.00	1,241,654,000.00
Overseas banks	125,000,000.00	50,000,000.00
Subtotal	3,493,274,400.00	1,886,194,900.00
Interest receivables	15,051,674.21	21,759,880.71
Less: provisions	898,496.51	393,840.36
Total	3,507,427,577.70	1,907,560,940.35

(4) Derivative financial instruments

Derivative financial instruments refer to a financial product whose value depends on the value of another "basic" financial product index or other variables on which it is attached. Usually these "basic" products include stocks, commodities, bond market prices, index market prices or exchange rates, and interest rates.

The nominal amount of derivative financial instruments refers to the contract value of the "basic" assets on which they are attached, and reflects the unsettled part of the balance sheet date. The contract value reflects the risk exposure of the Bank's derivative financial instruments at the end of the accounting period rather than the fair value.

Fair value refers to the price that market participants can receive for the sale of an asset or pay for the transfer of a liability in an orderly transaction that occurs on the measurement date.

The Bank has no derivative financial instruments designated as hedging instruments for hedging purposes.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(4) Derivative financial instruments (continued)

The derivative financial instruments held on 31 December 2024 and 2023 are as follows:

	2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Foreign exchange derivatives			
Swap contract	2,897,291,875.00	10,899,626.96	10,827,415.91
Subtotal	2,897,291,875.00	10,899,626.96	10,827,415.91
Interest rate derivatives			
Option contract	1,135,000,000.00	92,473.64	158,003.27
Interest rate swap	319,650,000.00	-	30,436.31
Subtotal	1,454,650,000.00	92,473.64	188,439.58
Total	4,351,941,875.00	10,992,100.60	11,015,855.49

	2023		
	Nominal amount	Fair value	
		Assets	Liabilities
Foreign exchange derivatives			
Swap contract	1,417,496,660.00	524,520.14	504,682.81
Subtotal	1,417,496,660.00	524,520.14	504,682.81
Interest rate derivatives			
Option contract	969,160,000.00	188,614.66	194,072.87
Interest rate swap	1,043,380,000.00	-	276,391.52
Subtotal	2,012,540,000.00	188,614.66	470,464.39
Total	3,430,036,660.00	713,134.80	975,147.20

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(5) Financial assets held under resale agreements

	2024	2023
Bonds	185,000,000.00	92,424,000.00
Interest payables	33,493.14	101,778.30
Less: provisions	1,443.00	-
Total	185,032,050.14	92,525,778.30

(6) Loans and advances to customers

(6.1) By types of loans

	2024	2023
Measured at amortised cost		
Loans	8,685,702,034.49	7,572,691,827.06
Measured at fair value through other comprehensive income		
Discounted bills	158,952,722.78	29,710,918.58
Trade finance	700,711,735.83	481,265,966.95
Subtotal	9,545,366,493.10	8,083,668,712.59
Interest receivables	11,360,591.17	12,055,593.77
Total	9,556,727,084.27	8,095,724,306.36
Less: provisions of loans (Notes5. (6.4))	171,688,636.37	158,862,740.58
Net value	9,385,038,447.90	7,936,861,565.78

(6.2) By types of collateral or guarantee

	2024	2023
Unsecured loans	619,527,741.50	331,009,295.23
Guaranteed loans	6,811,377,698.68	5,850,750,000.00
Secured by mortgages	84,120,548.94	133,759,554.40
Secured by pledges	2,030,340,503.98	1,768,149,862.96
Subtotal	9,545,366,493.10	8,083,668,712.59
Interest receivables	11,360,591.17	12,055,593.77
Total	9,556,727,084.27	8,095,724,306.36

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(6) Loans and advances to customers (continued)

(6.3) Overdue Loans by types of collateral or guarantee

Overdue loans are loans of which the principals or related interests are overdue for one day or above.

As of 31 December 2024, the overdue loans of the Bank analyzed by types of collateral or guarantee are as follows:

	Overdue 1 day to 90 days (included)	Overdue 90 days to 1 year (included)	2024 Overdue 1 year to 3 years (included)	Overdue 3 years above	Total
Secured by pledges	-	16,333,333.35	-	-	16,333,333.35

As of 31 December 2023, there is no overdue loans of the Bank.

(6.4) Provisions of loans

The allowance for loans and advances measured at amortised cost are measured according to the 12-month expected credit losses and lifetime expected credit losses respectively.

The movement of impairment provisions during 2024 is as follows:

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses	Stage 3 Credit-impaired financial assets (Lifetime expected credit losses)	Total
At 1 January 2024	150,027,449.55	-	8,835,291.03	158,862,740.58
Accrual/(reversal)	13,404,926.70	1,798,200.37	(2,353,281.57)	12,849,845.50
Exchange difference	(23,949.71)	-	-	(23,949.71)
Closing balance	163,408,426.54	1,798,200.37	6,482,009.46	171,688,636.37

The movement of impairment provisions during 2023 is as follows:

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses	Stage 3 Credit-impaired financial assets (Lifetime expected credit losses)	Total
At 1 January 2023	124,811,076.22	-	9,144,263.45	133,955,339.67
Accrual/(reversal)	25,192,364.07	-	(308,972.42)	24,883,391.65
Exchange difference	24,009.26	-	-	24,009.26
Closing balance	150,027,449.55	-	8,835,291.03	158,862,740.58

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(7) Debt investments

	2024	2023
Bonds investments issued by Policy banks	20,482,050.12	20,616,962.55
Subtotal	20,482,050.12	20,616,962.55
Interest receivables	598,767.12	597,131.15
Less: provision	391.76	202.21
Net Value	21,080,425.48	21,213,891.49

As at 31 December 2024 and 31 December 2023, the Bank recorded all debt investments in Stage 1, and measured the provision based on expected credit losses for the next 12 months.

(8) Other debt investments

	2024	2023
Bonds investments issued by Government	156,286,317.75	19,984,860.00
Policy banks	1,131,907,990.00	1,432,051,060.00
Business enterprises	1,779,265,554.09	2,662,362,066.31
Interbank negotiable certificates of deposit issued by Commercial banks	399,094,000.00	169,815,480.00
Subtotal	3,466,553,861.84	4,284,213,466.31
Interest receivables	61,975,757.94	98,912,976.96
Net Value	3,528,529,619.78	4,383,126,443.27

As at 31 December 2024 and 31 December 2023, the Bank recorded all other debt investments in stage 1, and measured the provision based on expected credit losses for the next 12 months..

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(9) Fixed assets

2024	Motor vehicles	Computers	Office equipment	Total
Cost				
Opening balance	1,224,634.49	31,455,971.85	4,642,208.78	37,322,815.12
Additions	1,136,417.06	1,022,132.09	414,403.11	2,572,952.26
Transfer from construction in progress	-	-	28,500.00	28,500.00
Disposals	(784,265.67)	(281,211.80)	(491,086.50)	(1,556,563.97)
Closing balance	1,576,785.88	32,196,892.14	4,594,025.39	38,367,703.41
Accumulated depreciation				
Opening balance	1,102,171.30	26,989,324.06	3,673,246.03	31,764,741.39
Additions	114,842.25	906,909.43	322,290.71	1,344,042.39
Disposals	(705,839.20)	(252,583.92)	(441,951.20)	(1,400,374.32)
Closing balance	511,174.35	27,643,649.57	3,553,585.54	31,708,409.46
Net book value				
Opening balance	122,463.19	4,466,647.79	968,962.75	5,558,073.73
Closing balance	1,065,611.53	4,553,242.57	1,040,439.85	6,659,293.95
2023	Motor vehicles	Computers	Office equipment	Total
Cost				
Opening balance	1,704,384.23	33,446,766.87	4,794,281.68	39,945,432.78
Additions	-	128,056.88	11,154.35	139,211.23
Disposals	(479,749.74)	(2,118,851.90)	(163,227.25)	(2,761,828.89)
Closing balance	1,224,634.49	31,455,971.85	4,642,208.78	37,322,815.12
Accumulated depreciation				
Opening balance	1,533,946.03	27,797,046.14	3,459,395.40	32,790,387.57
Additions	-	1,098,371.73	359,879.60	1,458,251.33
Disposals	(431,774.73)	(1,906,093.81)	(146,028.97)	(2,483,897.51)
Closing balance	1,102,171.30	26,989,324.06	3,673,246.03	31,764,741.39
Net book value				
Opening balance	170,438.20	5,649,720.73	1,334,886.28	7,155,045.21
Closing balance	122,463.19	4,466,647.79	968,962.75	5,558,073.73

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(10) Right-of-use assets

2024	Buildings	Motor vehicles	Total
Cost			
Opening balance	70,403,126.63	962,250.06	71,365,376.69
Additions	1,951,679.59	-	1,951,679.59
Closing balance	72,354,806.22	962,250.06	73,317,056.28
Accumulated depreciation			
Opening balance	37,417,431.42	450,222.51	37,867,653.93
Additions	13,405,884.62	193,345.62	13,599,230.24
Closing balance	50,823,316.04	643,568.13	51,466,884.17
Net book value			
Opening balance	32,985,695.21	512,027.55	33,497,722.76
Closing balance	21,531,490.18	318,681.93	21,850,172.11
2023	Buildings	Motor vehicles	Total
Cost			
Opening balance	53,199,092.07	415,938.18	53,615,030.25
Additions	19,351,163.77	546,311.88	19,897,475.65
Disposals	(2,147,129.21)	-	(2,147,129.21)
Closing balance	70,403,126.63	962,250.06	71,365,376.69
Accumulated depreciation			
Opening balance	24,999,047.42	269,797.68	25,268,845.10
Additions	13,214,899.76	180,424.83	13,395,324.59
Disposals	(796,515.76)	-	(796,515.76)
Closing balance	37,417,431.42	450,222.51	37,867,653.93
Net book value			
Opening balance	28,200,044.65	146,140.50	28,346,185.15
Closing balance	32,985,695.21	512,027.55	33,497,722.76

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(11) Deferred tax assets/(liabilities)

2024	As at 31 December 2023	Charged to profit or loss	Charged to equity	As at 31 December 2024
Impairment losses	15,898,228.33	(715,973.30)	-	15,182,255.03
Changes in fair value of other debt investments	(3,609,038.93)	-	(1,459,492.93)	(5,068,531.86)
Changes in fair value of derivative financial instruments	70,462.47	(46,470.98)	-	23,991.49
Changes in fair value of forfeiting and discounted bills	(1,093,947.00)	-	(222,341.21)	(1,316,288.21)
Payroll payables	3,981,926.65	1,050,405.72	-	5,032,332.37
Accounting-tax difference of fixed assets	(618,278.42)	(353,767.98)	-	(972,046.40)
Provisions	2,588,035.61	(203,740.34)	-	2,384,295.27
Right-of-use assets	(8,374,430.69)	2,911,887.66	-	(5,462,543.03)
Lease liabilities	8,251,885.13	(2,699,146.90)	-	5,552,738.23
Total	17,094,843.15	(56,806.12)	(1,681,834.14)	15,356,202.89

2023	As at 31 December 2022	Changes in accounting policies	As at 1 January 2023	Charged to profit or loss	Charged to equity	As at 31 December 2023
Impairment losses	11,742,648.74	-	11,742,648.74	4,155,579.59	-	15,898,228.33
Changes in fair value of other debt investments	27,199,337.00	-	27,199,337.00	-	(30,808,375.93)	(3,609,038.93)
Changes in fair value of held-for-trading financial assets	(52,113.10)	-	(52,113.10)	52,113.10	-	-
Changes in fair value of derivative financial instruments	37,059.68	-	37,059.68	33,402.79	-	70,462.47
Changes in fair value of forfeiting and discounted bills	(949,646.66)	-	(949,646.66)	-	(144,300.34)	(1,093,947.00)
Payroll payables	4,215,742.12	-	4,215,742.12	(233,815.47)	-	3,981,926.65
Accounting-tax difference of fixed assets	(883,663.11)	-	(883,663.11)	265,384.69	-	(618,278.42)
Provisions	2,882,655.13	-	2,882,655.13	(294,619.52)	-	2,588,035.61
Right-of-use assets	-	(7,086,546.29)	(7,086,546.29)	(1,287,884.40)	-	(8,374,430.69)
Lease liabilities	-	7,313,269.07	7,313,269.07	938,616.06	-	8,251,885.13
Total	44,192,019.80	226,722.78	44,418,742.58	3,628,776.84	(30,952,676.27)	17,094,843.15

(12) Other assets

		2024	2023
Receivable upon settlement of spot foreign exchange transactions	12.1	1,448,657,875.00	709,483,980.00
Other receivables	12.2	6,446,561.30	6,440,262.50
Long-term deferred expenses	12.3	3,598,549.56	4,297,192.09
Intangible assets	12.4	8,919,576.75	10,445,278.36
Construction in progress	12.5	3,747,462.52	1,157,771.29
Subtotal		1,471,370,025.13	731,824,484.24
Less: Provision		18,178.75	869,012.08
Net Value		1,471,351,846.38	730,955,472.16

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(12) Other assets (continued)

(12.1) Receivable upon settlement of spot foreign exchange transactions

	2024	2023
Foreign exchange transactions	1,448,657,875.00	709,483,980.00
Total	1,448,657,875.00	709,483,980.00

Receivable upon settlement of spot foreign exchange transactions arised from foreign exchange swap transactions, which would be received on the settlement date as agreed.

(12.2) Other receivables

(i) By Aging

	2024			
	Book value	%	Provision	Net value
Within 1 year	2,089,714.08	32%	-	2,089,714.08
1-2 years	1,045,139.93	16%	-	1,045,139.93
2-3 years	448,325.49	7%	-	448,325.49
Over 3 years	2,863,381.80	45%	(18,178.75)	2,845,203.05
Total	6,446,561.30	100%	(18,178.75)	6,428,382.55

	2023			
	Book value	%	Provision	Net value
Within 1 year	2,236,521.88	35%	-	2,236,521.88
1-2 years	448,325.49	7%	-	448,325.49
2-3 years	409,553.76	6%	-	409,553.76
Over 3 years	3,345,861.37	52%	(869,012.08)	2,476,849.29
Total	6,440,262.50	100%	(869,012.08)	5,571,250.42

(ii) By nature

	2024	2023
Rental deposits	3,760,716.77	3,655,304.77
Prepayments	2,455,270.49	1,910,643.60
Others	230,574.04	874,314.13
Total	6,446,561.30	6,440,262.50

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(12) Other assets (continued)

(12.3) Long-term deferred expenses

2024	Opening balance	Additions	Disposal	Amortizations	Closing balance
Leasehold improvements	4,297,192.09	2,169,841.44	-	(2,868,483.97)	3,598,549.56
2023	Opening balance	Additions	Disposal	Amortizations	Closing balance
Leasehold improvements	7,665,233.71	-	(39,196.79)	(3,328,844.83)	4,297,192.09

(12.4) Intangible assets

	2024	2023
Cost		
Opening balance	25,938,178.06	23,975,557.96
Additions	281,991.21	857,525.38
Transfer from construction in progress	52,594.34	1,105,094.72
Closing balance	26,272,763.61	25,938,178.06
Amortizing		
Opening balance	15,492,899.70	13,283,640.61
Additions	1,860,287.16	2,209,259.09
Closing balance	17,353,186.86	15,492,899.70
Net carrying amount		
Opening balance	10,445,278.36	10,691,917.35
Closing balance	8,919,576.75	10,445,278.36

(12.5) Construction in progress

	2024	2023
Opening balance	1,157,771.29	708,632.45
Additions	4,480,499.69	1,554,233.56
Transfers	(1,890,808.46)	(1,105,094.72)
Closing balance	3,747,462.52	1,157,771.29

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(13) Due to banks and other financial institutions

	2024	2023
Overseas banks	38,038,563.52	84,061,944.65
Total	38,038,563.52	84,061,944.65

(14) Placements from banks

	2024	2023
Domestic banks	1,372,724,400.00	1,065,405,900.00
Overseas banks	563,577,100.00	1,239,952,100.00
Interest payables	9,781,046.67	10,307,565.49
Total	1,946,082,546.67	2,315,665,565.49

(15) Financial assets sold for repurchase

	2024	2023
Bonds	-	294,000,000.00
Interest payables	-	44,462.46
Total	-	294,044,462.46

(16) Customer deposits

	2024	2023
Demand deposits		
Corporate customers	3,681,811,788.33	3,493,719,663.55
Personal customers	15,565,348.89	9,411,918.70
Time deposits		
Corporate customers	8,989,203,939.51	8,228,999,174.63
Personal customers	1,272,652,013.18	326,451,160.83
Interest payables	76,878,109.57	101,420,446.81
Total	14,036,111,199.48	12,160,002,364.52

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(17) Payroll payables

	2024	2023
Amount unpaid		
Salary, bonus, subsidy and allowance	46,386,162.48	42,023,299.56
Amount payable	2024	2023
Salary, bonus, subsidy and allowance	111,684,937.20	109,548,990.30
Employee benefits	1,056,474.65	934,390.53
Social insurance	6,106,927.23	5,808,811.64
Including: Medical insurance	5,605,781.49	5,303,581.12
Injury insurance	185,816.77	183,427.08
Maternity insurance	315,328.97	321,803.44
Housing fund	9,128,589.34	8,557,245.92
Defined contribution plan	14,931,323.15	14,109,546.20
Including: Retirement insurance	11,333,017.94	10,690,613.04
Enterprise annuity	3,241,704.00	3,083,781.00
Unemployment insurance	356,601.21	335,152.16
Total	142,908,251.57	138,958,984.59

(18) Tax payables

	2024	2023
Value-added Tax	6,655,148.72	6,588,697.37
Corporate Income Tax	2,306,384.82	7,932,738.28
Others	803,685.74	1,045,913.21
Total	9,765,219.28	15,567,348.86

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(19) Provisions

	Opening balance	Increase	Decrease	Closing balance
2024				
Provision for credit commitment and financial guarantee	10,352,142.50	-	(814,961.43)	9,537,181.07
2023				
Provision for credit commitment and financial guarantee	11,530,620.49	-	(1,178,477.99)	10,352,142.50

The provisions for credit commitment and financial guarantee are measured according to the 12-month expected credit losses and lifetime expected credit losses. The movement of credit impairment provisions is as follows:

	2024			Total
	Stage 1	Stage 2	Stage 3 Credit-impaired financial assets (Lifetime expected credit losses)	
12-month expected credit losses				
Opening balance	10,352,142.50	-	-	10,352,142.50
Reversals	(814,454.09)	-	-	(814,454.09)
Exchange differences	(507.34)	-	-	(507.34)
Closing balance	9,537,181.07	-	-	9,537,181.07
	2023			Total
	Stage 1	Stage 2	Stage 3 Credit-impaired financial assets (Lifetime expected credit losses)	
12-month expected credit losses				
Opening balance	11,530,620.49	-	-	11,530,620.49
Reversals	(1,178,449.67)	-	-	(1,178,449.67)
Exchange differences	(28.32)	-	-	(28.32)
Closing balance	10,352,142.50	-	-	10,352,142.50

(20) Bonds payables

	2024	2023
Interbank negotiable certificates of deposit	395,275,041.87	199,207,315.73
Financial bonds	304,006,557.38	-
Total	699,281,599.25	199,207,315.73

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)
(20) Bonds payables (continued)

As at 31 December 2024 and 31 December 2023, the balances of interbank negotiable certificates of deposit are as follows:

				2023					2024				
Date of issuance	Duration	Amount	Currency	Opening balance	Issuance	Amortization of discount/premium	Reimbursement	Closing balance	Issuance	Amortization of discount/premium	Reimbursement	Closing balance	
2024/9/9	1 year	100,000,000.00	RMB	-	-	-	-	-	97,828,200.00	686,225.89	-	98,514,425.89	
2024/10/24	1 year	50,000,000.00	RMB	-	-	-	-	-	48,923,700.00	204,927.43	-	49,128,627.43	
2024/11/20	3 months	50,000,000.00	RMB	-	-	-	-	-	49,742,950.00	115,136.99	-	49,858,086.99	
2024/12/4	1 year	50,000,000.00	RMB	-	-	-	-	-	48,923,700.00	81,368.25	-	49,005,068.25	
2024/12/4	1 year	50,000,000.00	RMB	-	-	-	-	-	48,923,700.00	81,368.25	-	49,005,068.25	
2024/12/5	2 months	50,000,000.00	RMB	-	-	-	-	-	49,760,750.00	69,452.05	-	49,830,202.05	
2024/12/27	1 month	50,000,000.00	RMB	-	-	-	-	-	49,923,700.00	9,863.01	-	49,933,563.01	
2023/7/17	1 year	50,000,000.00	RMB	-	48,685,500.00	609,229.88	-	49,294,729.88	-	705,270.12	50,000,000.00	-	
2023/12/8	1 month	50,000,000.00	RMB	-	49,879,600.00	91,261.95	-	49,970,861.95	-	29,138.05	50,000,000.00	-	
2023/12/8	1 month	100,000,000.00	RMB	-	99,759,200.00	182,523.90	-	99,941,723.90	-	58,276.10	100,000,000.00	-	

As at 31 December 2024, the balance of financial bond is as follows:

				2024				
Date of issuance	Duration	Amount	Currency	Opening balance	Issuance	Amortization of discount/premium	Reimbursement	Closing balance
2024/6/27	3 years	300,000,000.00	RMB	-	300,000,000.00	4,006,557.38	-	304,006,557.38

In 2024 and 2023, the Bank issued RMB interbank negotiable certificates of deposit in the national interbank market, with a face value of RMB100 and discount interest. In 2024, the Bank issued RMB financial bond at par, with a face value of RMB100.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(21) Lease liabilities

	2024	2023
Within 1 year	12,841,759.40	14,532,500.06
1-5 years	10,061,393.52	19,845,124.63
Total undiscounted lease liabilities	22,903,152.92	34,377,624.69
Total	22,210,952.91	33,007,540.50

(22) Other liabilities

	2024	2023
Payable upon settlement of spot foreign exchange transactions	22.1 1,448,730,750.00	709,503,270.00
Accounts payable	237,162.70	342,476.32
Payables from unsettled	687,637.41	699,433.65
Accrued expenses	4,725,171.95	5,292,892.79
Deferred income	6,302,514.14	4,977,223.65
Others	18,010.94	50,000.00
Total	1,460,701,247.14	720,865,296.41

(22.1) Payable upon settlement of spot foreign exchange transactions

	2024	2023
Foreign exchange transactions	1,448,730,750.00	709,503,270.00
Total	1,448,730,750.00	709,503,270.00

Payable upon settlement of spot foreign exchange transactions arised from foreign exchange swap transactions, which would be paid on the settlement date as agreed.

(23) Paid-up capital

	2024		2023	
	RMB equivalent	%	RMB equivalent	%
Metrobank	1,700,000,000.00	100%	1,500,000,000.00	100%

Pursuant to the board resolution dated February 26, 2024, and the Approval on the Capital Increase of Metropolitan Bank (China) Ltd. (Su Jin Fu [2024] No.134) issued by the Jiangsu Supervision Bureau of the National Financial Regulatory Administration on April 28, 2024, the Bank proposed to increase its registered capital from RMB1,500,000,000.00 to RMB1,700,000,000.00. As of May 21, 2024, the Bank had received the additional capital contribution of RMB200,000,000.00 paid by Metrobank, which has been verified by Ernst & Yong Hua Ming LLP Shanghai Office by issuing capital verification report Ernst & Young Hua Ming (2024) Yan Zi No. 70071684_B01.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(24) Capital reserves

2024	Opening balance	Additions	Closing balance
Excess of contributed capital	453,890.00	-	453,890.00
2023	Opening balance	Additions	Closing balance
Excess of contributed capital	453,890.00	-	453,890.00

(25) Other comprehensive income

Accumulated balance of other comprehensive income in the balance sheet:

2024	Opening balance	Changes during the year	Closing balance
Fair value changes of other debt investments	10,827,116.79	4,378,478.79	15,205,595.58
Fair value changes of loans and advances to customers at fair value through other comprehensive income	3,281,840.98	667,023.62	3,948,864.60
Provisions for other debt investments	1,108,703.58	502,730.86	1,611,434.44
Provisions for loans and advances to customers at fair value through other comprehensive income	1,430.09	15,968,802.91	15,970,233.00
Total	15,219,091.44	21,517,036.18	36,736,127.62
2023	Opening balance	Changes during the year	Closing balance
Fair value changes of other debt investments	(81,597,879.37)	92,424,996.16	10,827,116.79
Fair value changes of loans and advances to customers at fair value through other comprehensive income	2,848,939.97	432,901.01	3,281,840.98
Provisions for other debt investments	6,616,202.51	(5,507,498.93)	1,108,703.58
Provisions for loans and advances to customers at fair value through other comprehensive income	23,088.18	(21,658.09)	1,430.09
Total	(72,109,648.71)	87,328,740.15	15,219,091.44



Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(25) Other comprehensive income (continued)

Other comprehensive income in the income statement:

2024	Before tax	Less: Previously accrued OCI transfer to the income statement	Less: tax	After tax
Items that will be reclassified to the income statement:				
Fair value changes of other debt investments	23,515,315.11	17,677,343.39	1,459,492.93	4,378,478.79
Fair value changes of loans and advances to customers at fair value through other comprehensive income	5,265,152.82	4,375,787.99	222,341.21	667,023.62
Impairment provision for other debt investments	670,307.81	-	167,576.95	502,730.86
Impairment provision for loans and advances to customers at fair value through other comprehensive income	15,968,802.91	-	-	15,968,802.91
Total	45,419,578.65	22,053,131.38	1,849,411.09	21,517,036.18



Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(26) Other comprehensive income (continued)

Other comprehensive income in the income statement (continued):

2023	Before tax	Less: Previously accrued OCI transfer to the income statement	Less: tax	After tax
Items that will be reclassified to the income statement:				
Fair value changes of other debt investments	119,326,551.95	(3,906,820.14)	30,808,375.93	92,424,996.16
Fair value changes of loans and advances to customers at fair value through other comprehensive income	(3,852,203.57)	(4,429,404.92)	144,300.34	432,901.01
Impairment provision for other debt investments	4,156,668.08	11,500,000.00	(1,835,832.99)	(5,507,498.93)
Impairment provision for loans and advances to customers at fair value through other comprehensive income	(28,877.46)	-	(7,219.37)	(21,658.09)
Total	119,602,139.00	3,163,774.94	29,109,623.91	87,328,740.15

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(26) Surplus reserves

2024	Opening balance		Additions		Closing balance
Statutory surplus reserves	34,207,731.05		6,251,164.73		40,458,895.78
2023	Closing balance of prior year	Changes in accounting policies	Adjusted opening balance	Additions	Closing balance
Statutory surplus reserves	28,141,709.16	22,672.28	28,164,381.44	6,043,349.61	34,207,731.05

In accordance with the Company Law and Articles of Association of the Bank, the Bank has appropriated 10% of its net profit to the statutory surplus reserves. Statutory surplus reserves should be appropriated until its balance reaches 50% of the Bank's registered capital.

(27) General reserves

2024	Opening balance	Additions	Closing balance
General reserves	233,397,497.80	45,710,145.18	279,107,642.98
2023	Opening balance	Additions	Closing balance
General reserves	208,758,182.73	24,639,315.07	233,397,497.80

In accordance with Cai Jin [2012] No. 20 "Impairment Loss on Loans for Financial Institutions", the Bank is required to set aside general reserves from net profit as profit appropriation. The balance of general reserves should be no less than 1.5% of the balance of risk-bearing assets as at year-end.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(28) Retained earnings

	2024	2023
Closing balance of prior year	90,047,369.24	60,092,487.36
Changes in accounting policies	-	204,050.50
Opening balance after adjustment	90,047,369.24	60,296,537.86
Net profit	62,511,647.29	60,433,496.06
Less: Appropriations to		
- statutory surplus reserves	6,251,164.73	6,043,349.61
- general reserves	45,710,145.18	24,639,315.07
Closing balance	100,597,706.62	90,047,369.24

(29) Net interest income

	2024	2023
Interest income		
Balances with the central bank	12,432,453.47	12,215,520.07
Due from banks and placements with banks	97,196,156.10	68,692,703.96
Financial assets held under resale agreements	1,453,757.24	951,805.17
Debt investments	800,338.29	800,258.62
Other debt investments	127,864,341.09	168,107,048.63
Loans and advances	372,775,373.53	332,491,314.12
Including:		
Corporate loans	357,674,005.81	322,750,234.08
Discounted bills	2,229,538.20	552,104.57
Trade finance	12,871,829.52	9,188,975.47
Subtotal	612,522,419.72	583,258,650.57
Interest expenses		
Due to banks and placements from banks	(45,575,456.06)	(59,597,463.82)
Customer deposits	(305,290,030.92)	(240,647,593.40)
Financial assets sold for repurchase	(2,944,200.66)	(2,792,156.26)
Interbank certificates of Deposit	(2,118,976.14)	(5,568,053.87)
Lease liabilities	(784,769.35)	(895,667.72)
Financial bond	(4,006,557.38)	-
Subtotal	(360,719,990.51)	(309,500,935.07)
Net interest income	251,802,429.21	273,757,715.50

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(30) Net fee and commission income

	2024	2023
Fee and commission income		
Settlement and clearing fees	4,315,752.85	4,760,364.93
Commitment and agency fees	4,258,599.91	3,951,701.86
Others	2,566,169.39	1,740,251.77
Subtotal	11,140,522.15	10,452,318.56
Fee and commission expenses		
Service charge expenses	(2,175,537.58)	(2,341,617.65)
Net fee and commission income	8,964,984.57	8,110,700.91

(31) Investment income

	2024	2023
Net gain on disposal of other debt investments	19,813,739.72	8,507,807.72
Net gain/(loss) on disposal of financial assets held-for-trading	1,952.83	(2,726,139.20)
Net gain on disposal of trade finance	15,732,336.75	10,396,083.29
Net gain on disposal of discount and rediscount business	3,391,079.80	1,050,626.35
Others	(191,538.90)	(322,855.85)
Total	38,747,570.20	16,905,522.31

(32) Foreign exchange (loss)/gain

Foreign exchange gain or loss includes exchange gain from spot foreign exchanges dealing with customers and for proprietary trading, exchange gain or loss from foreign exchange forward, foreign exchange swap transactions, and exchange gain or loss from translation of monetary assets and liabilities denominated in foreign currencies.

(33) General and administrative expenses

	2024	2023
Staff costs	142,908,251.57	138,958,984.59
Depreciation	14,943,272.63	14,853,575.92
Amortization	4,728,771.13	5,538,103.92
Other operating expenses	37,746,466.66	34,707,979.87
Total	200,326,761.99	194,058,644.30

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(34) Credit Impairment losses

	2024	2023
Credit impairment (reversals)/losses for due from banks	(1,169,229.31)	1,220,317.01
Credit impairment losses/(reversals) for placements with banks	505,468.45	(137,503.39)
Credit impairment losses for loans and advances	28,818,648.39	24,854,514.18
Credit impairment losses/(reversals) for other debt investments	670,307.81	(7,343,331.92)
Credit impairment losses/(reversals) for debt investments	189.55	(893.56)
Credit impairment losses on other receivables	-	16,978,055.10
Credit impairment loss on financial assets held under resale agreements	1,443.00	-
Credit impairment reversals for loan commitments and financial guarantee contracts	(814,454.09)	(1,178,449.67)
Total	28,012,373.80	34,392,707.75

(35) Non-operating income

	2024	2023
Subsidy for opening new branch	-	1,666,000.00
Others	541,964.28	461,775.03
Total	541,964.28	2,127,775.03

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(36) Income tax expense

	2024	2023
Current income tax expenses	22,962,151.54	23,403,199.17
Deferred income tax expenses	(110,770.83)	(1,785,724.48)
Total	22,851,380.71	21,617,474.69

The reconciliation of income tax expense to profit before tax is as follows:

	2024	2023
Profit before tax	85,363,028.00	82,050,970.75
Tax charge at the statutory tax rate of 25%	21,340,757.00	20,512,742.69
Adjustments in respect of income tax of previous year	-	(72,948.04)
Tax exempted income	(32,632.00)	(25,598.74)
Non-deductible items	1,577,478.12	1,344,164.08
Additional deduction of wages payment for placements of disabled person	(34,222.41)	(49,041.42)
Research and development expenditures additional deduction	-	(91,843.88)
Income tax expense	22,851,380.71	21,617,474.69

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

5. Notes to financial statements (continued)

(37) Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

	2024	2023
Net Profit	62,511,647.29	60,433,496.06
Add: Impairment losses	27,844,796.85	36,235,760.11
Depreciation for fixed assets	1,344,042.39	1,458,251.33
Depreciation for right-of-use assets	13,599,230.24	13,395,324.59
Amortization for intangible assets	1,860,287.16	2,209,259.09
Amortization for long-term deferred expenses	2,868,483.97	3,328,844.83
Exchange gain (Gains)/Losses from changes in fair value	(13,622,828.59)	(36,594,384.78)
Interest on NCD	(185,883.79)	143,234.40
Interest on financial bond	2,118,976.14	5,568,053.87
Interest on lease liabilities	4,006,557.38	-
Investment income and interest income	784,769.35	895,667.72
Decrease/(Increase) in deferred tax assets	(167,412,249.58)	(185,812,829.56)
Increase in operating receivables	56,806.12	(3,628,776.84)
Increase in operating payables	(2,478,883,285.58)	(2,029,836,544.49)
Net cash flows (used in)/generated from operating activities	1,884,533,855.85	2,384,501,681.78
	(658,574,794.80)	252,297,038.11

(38) Cash and Cash Equivalents

	2024	2023
Cash	471,178.86	330,381.18
Cash equivalents		
Non-restricted deposits with the central bank	983,117,392.49	1,338,242,355.35
With original maturity less than three months		
- Due from banks	514,372,925.05	504,302,381.98
- Placements with banks	2,293,854,400.00	965,367,900.00
- Financial assets held under resale agreements	185,000,000.00	92,424,000.00
Subtotal	3,976,344,717.54	2,900,336,637.33
Total	3,976,815,896.40	2,900,667,018.51

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

6. Segment report

Based on the internal structure, management requirement and internal reporting system, the Bank divides its business lines into two reporting segments. The management of the Bank assesses the financial performance of these reporting segments periodically to decide the allocation of resources and make performance appraisal. The services provided by the Bank's two reporting segments are mainly credit and deposit business and financial markets business.

The segment of credit and deposit business covers services of corporate and personal deposits and loans, remittances, and trade finance, etc.

The segment of financial markets business covers placements with and from banks in inter-bank market, fixed income investment, and service of purchasing and selling foreign exchanges, etc.

The disclosure of the segments is based on the accounting policy and basis of preparation which individual segment adopts to report to the management. The basis of preparation is consistent with that adopted by the Bank when preparing the financial statements.

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income taxes are managed on a group basis and are not allocated to operating segments.

2024	Credit and deposit	Financial Markets	Total
Net interest income	67,485,342.61	184,317,086.60	251,802,429.21
Net fee and commission income	8,964,984.57	-	8,964,984.57
Other income, net (i)	(9,991,427.51)	66,957,874.85	56,966,447.34
General and administrative expenses and non-operating expenses	(121,991,596.02)	(78,457,770.78)	(200,449,366.80)
Including: Depreciation and amortization	(11,972,220.48)	(7,699,823.28)	(19,672,043.76)
Tax and surcharges	(2,733,263.53)	(1,175,828.99)	(3,909,092.52)
Credit impairment losses	(28,020,068.07)	7,694.27	(28,012,373.80)
Profit before tax of segment	(86,286,027.95)	171,649,055.95	85,363,028.00
Less: Income tax expense			22,851,380.71
Net Profit			62,511,647.29

2024	Credit and deposit	Financial Markets	Total
Segment assets	10,315,033,040.77	10,121,451,749.52	20,436,484,790.29
Segment liabilities	14,982,911,039.08	3,296,219,488.21	18,279,130,527.29
Credit commitments	3,801,913,440.59	-	3,801,913,440.59

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

6. Segment report(continued)

2023	Credit and deposit	Financial Markets	Total
Net interest income	91,843,720.72	181,913,994.78	273,757,715.50
Net fee and commission income	8,110,700.91	-	8,110,700.91
Other income, net (i)	(60,151.39)	32,936,760.59	32,876,609.20
General and administrative expenses and non-operating expenses	(110,800,319.23)	(83,566,396.33)	(194,366,715.56)
Including: Depreciation and amortization	(11,624,442.12)	(8,767,237.72)	(20,391,679.84)
Tax and surcharges	(2,658,736.97)	(1,275,894.58)	(3,934,631.55)
Credit impairment losses	(40,654,119.61)	6,261,411.86	(34,392,707.75)
Profit before tax of segment	(54,218,905.57)	136,269,876.32	82,050,970.75
Less: Income tax expense			21,617,474.69
Net Profit			60,433,496.06

2023	Credit and deposit	Financial Markets	Total
Segment assets	8,393,763,213.50	9,355,334,793.91	17,749,098,007.41
Segment liabilities	12,633,632,054.85	3,242,140,373.03	15,875,772,427.88
Credit commitments	4,149,147,392.79	-	4,149,147,392.79

(i) Included investment income, gain or loss from changes in fair value, foreign exchange gain or loss, other operating expenses and non-operating income.

Geographical information

The Bank's external operating income is mainly attributable to China for the year 2024 and year 2023. Non-current assets are all located in China.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management

(1) Overview of risk management

(1.1) Overview of risks

The Bank is exposed to various types of risks in business operations. The key risks currently faced by the Bank include credit risk, liquidity risk, market risk and operational risk. Market risk includes foreign exchange risk and interest rate risk.

The Bank's risk management objective is to minimize the negative risk impact while maximizing the benefits or return to the Bank. To control risk, the fundamental risk management strategy of the Bank is to identify and analyze the Bank's exposure to various risks, to establish appropriate risk tolerance limits, and to monitor these risks in a timely and effective manner.

(1.2) Risk management structure

The Board of Directors of the Bank is responsible for establishing Bank's overall risk management strategies given business objectives. The Board of Directors supervise and control the overall business activities and business risks through the functions of its subcommittees. These include the Executive Committee, Risk Management Committee, Audit Committee, Related Party Transactions Control Committee and Nomination and Remuneration Committee. Management committees include Credit Committee, Assets and Liabilities Committee, Information Technology Committee, Anti Money Laundry Committee, Reward and Discipline Committee and Emergency Management Committee.

(2) Credit Risk

(2.1) Credit Risk Management

Credit risk refers to the potential loss born by the Bank when its borrowers or counterparties fail to meet their contractual obligations on due date. The Bank's on-balance sheet credit risk mainly arises from loan and other credit businesses. The Bank's off-balance sheet credit risk mainly arise from bank accepted draft and letters of credit issued. The management of the Bank closely monitors and manages the credit risk from these types of exposures.

The Bank manages credit risk by establishing credit risk management system, which includes:

- (i) Credit policy covers mortgage and pledge requirements, credit and financial analysis, risk rating and reporting, and regulatory requirements;
- (ii) The limit of credit authorization and review;
- (iii) The exposure limit for loan applicants, certain industries and countries, and bond issuers (bond investments);
- (iv) Supervise and control the compliance status of those approved exposure limit.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.1) Credit Risk Management (continued)

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Bank measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Bank takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relative definitions are listed as below:

•PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Bank's PD is adjusted based on the results of the ECL model, taking into account the forward-looking information to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment;

•LGD refers to the Bank's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;

•EAD is the amount that the Bank should be reimbursed in the next 12 months or throughout the remaining lifetime when the default occurs.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Bank identifies the key economic indicators that affect the credit risk and ECL of various business sectors.

The impact of these economic indicators on the PD and the LGD varies according to different business sectors. The Bank applies experts' judgement in this process. According to the result of the judgement, the Bank predicts these economic indicators annually and determines the impact of these economic indicators on the PD and the LGD.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.2) Maximum credit risk exposure without consideration of any collateral and other credit enhancements

Concentration of credit risk arises when a number of the Bank's customers perform similar operating activities or locate in the same geographical region, or have similar economic characteristics, and their ability to fulfill contractual obligation will be affected by similar economic events. Concentration of credit risk reflects the sensitivity of the Bank's business performance towards certain industries or regions.

As of balance sheet date, the maximum credit risk exposure of the Bank without taking into consideration of collaterals and other credit enhancements is as follows:

	2024	2023
Balances with the central bank	1,768,706,155.08	2,116,883,558.03
Due from banks	513,989,719.42	502,776,202.41
Placements with banks	3,507,427,577.70	1,907,560,940.35
Derivative financial assets	10,992,100.60	713,134.80
Financial assets held under resale agreements	185,032,050.14	92,525,778.30
Loans and advances to customers	9,385,038,447.90	7,936,861,565.78
Financial investments		
-debt investments	21,080,425.48	21,213,891.49
-other debt investments	3,528,529,619.78	4,383,126,443.27
Other financial assets	1,452,418,591.77	713,139,284.77
Total	20,373,214,687.87	17,674,800,799.20
Credit commitments	3,801,913,440.59	4,149,147,392.79
Maximum credit risk exposure	24,175,128,128.46	21,823,948,191.99

(2.3) Risk concentration

The concentration of counterparties in the same industry sector, geographical location or having similar economic characteristics would expose the Bank to higher credit risk. Credit risk may vary from different industries or geographical regions due to their unique economic development characteristics.

The Bank mainly provides loans and other credit facilities to domestic customers.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.3) Risk concentration (continued)

Loans and advances distributed by industries are listed below:

	2024		2023	
	Book Value	%	Book Value	%
Manufacturing	502,214,409.16	5%	242,199,229.52	2%
Wholesale and retail	1,209,999,922.92	14%	1,192,248,031.78	15%
Construction	2,192,473,339.67	23%	1,829,542,371.99	23%
Agriculture, forestry, farming and fishing	-	0%	60,000,000.00	1%
Transportation	138,000,000.00	1%	160,000,000.00	2%
Leasing and business services	2,883,926,815.70	30%	2,437,929,079.30	30%
Water conservancy, environment and public facilities management	2,618,752,005.65	27%	2,161,750,000.00	27%
Subtotal	9,545,366,493.10	100%	8,083,668,712.59	100%
Interest receivables	11,360,591.17		12,055,593.77	
Total	9,556,727,084.27		8,095,724,306.36	
Less: provision	171,688,636.37		158,862,740.58	
Net value	9,385,038,447.90		7,936,861,565.78	

Loans and advances distributed by regions are shown below:

	2024	2023
Shanghai	1,872,946,191.84	1,588,072,078.08
Jiangsu	6,610,921,269.26	5,511,013,934.51
Zhejiang	366,200,000.00	450,000,000.00
Fujian	695,299,032.00	534,582,700.00
Subtotal	9,545,366,493.10	8,083,668,712.59
Interest receivables	11,360,591.17	12,055,593.77
Total	9,556,727,084.27	8,095,724,306.36
Less: provision	171,688,636.37	158,862,740.58
Net amount	9,385,038,447.90	7,936,861,565.78

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.4) Collateral

The amount and types of collateral that the Bank needs to acquire depends on its credit risk evaluation of its counterparties. The Bank establishes related guidelines on the types of collateral and evaluation criteria.

The management will monitor the market value of collateral periodically and may require borrowers to increase collateral based on the related contracts. When reviewing the adequacy of loss provision, the change in the collateral's market value will be monitored and carefully considered.

For commercial loans, collateral mainly includes certificates of deposits, receivables, real estates, etc.

(2.5) Credit quality

The credit quality of financial assets of the Bank (excluding impairment provision) is analyzed as follows:

	Neither overdue nor impaired	Overdue but not impaired	Impaired	Total
2024				
Balances with the central bank	1,768,706,155.08	-	-	1,768,706,155.08
Due from banks	514,583,056.38	-	-	514,583,056.38
Placements with banks	3,508,326,074.21	-	-	3,508,326,074.21
Derivative financial assets	10,992,100.60	-	-	10,992,100.60
Financial assets held under resale agreements	185,033,493.14	-	-	185,033,493.14
Loans and advances to customers	9,540,393,750.92	-	16,333,333.35	9,556,727,084.27
Debt investments	21,080,817.24	-	-	21,080,817.24
Other debt investments	3,528,529,619.78	-	-	3,528,529,619.78
Other financial assets	1,452,418,591.77	-	18,178.75	1,452,436,770.52
Total	20,530,063,659.12	-	16,351,512.10	20,546,415,171.22

	Neither overdue nor impaired	Overdue but not impaired	Impaired	Total
2023				
Balances with the central bank	2,116,883,558.03	-	-	2,116,883,558.03
Due from banks	504,525,216.00	-	-	504,525,216.00
Placements with banks	1,907,954,780.71	-	-	1,907,954,780.71
Derivative financial assets	713,134.80	-	-	713,134.80
Financial assets held under resale agreements	92,525,778.30	-	-	92,525,778.30
Loans and advances to customers	8,085,864,751.96	-	9,859,554.40	8,095,724,306.36
Debt investments	21,214,093.70	-	-	21,214,093.70
Other debt investments	4,383,126,443.27	-	-	4,383,126,443.27
Other financial assets	713,139,284.77	-	869,012.08	714,008,296.85
Total	17,825,947,041.54	-	10,728,566.48	17,836,675,608.02

As at 31 December 2024, the Bank has no overdue but not impaired financial assets (31 December 2023: nil).

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.5) Credit quality (continued)

Loans and advances that are neither overdue nor impaired

Loans and advances that are neither overdue nor impaired are classified as pass or special mention on the balance sheet date.

The composition of loans that are neither overdue nor impaired by type of collaterals as at the balance sheet date is as follows:

2024	Pass	Special Mention	Total
Unsecured loans	620,760,861.54	-	620,760,861.54
Guaranteed loans	6,819,843,167.09	-	6,819,843,167.09
Loans secured by mortgages	74,977,126.19	9,220,548.94	84,197,675.13
Loans secured by pledges	2,015,592,047.18	-	2,015,592,047.18
Total	9,531,173,202.00	9,220,548.94	9,540,393,750.94

2023	Pass	Special Mention	Total
Unsecured loans	331,858,986.41	-	331,858,986.41
Guaranteed loans	5,859,459,608.33	-	5,859,459,608.33
Loans secured by mortgages	124,045,959.92	-	124,045,959.92
Loans secured by pledges	1,770,500,197.30	-	1,770,500,197.30
Total	8,085,864,751.96	-	8,085,864,751.96

Loans and advances that are overdue but not impaired

As at 31 December 2024, the Bank has no overdue but not impaired loans and advances.

Impaired loans and advances

If there is objective evidence that a single or multiple negative events occurred after the initial recognition of loans and advances and the impact on the expected future cash flows from the events can be estimated reliably, the relevant loans and advances should be recognized as impaired. These loans are classified as "Substandard", "Doubtful" or "Loss". As of balance sheet date, the balance of impaired loans and advances is RMB16,333,333.35 (2023: the balance of impaired loans and advances is RMB9,859,554.40).

Metropolitan Bank (China) Ltd.
 NOTES TO FINANCIAL STATEMENTS (continued)
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 Unit: RMB yuan

7. Financial Risk Management (continued)

(3) Liquidity risk

Liquidity risk is defined as the risk that the Bank is unable to meet its financial obligations on the due date. Liquidity risk of the Bank mainly arises from early or concentrative withdrawal by customers, delayed loan repayment by borrowers, and amount or maturity mismatch of its assets and liabilities.

In accordance with the "Administrative Regulations of the People's Republic of China on Foreign-invested Banks" and the relevant regulations, the Bank must continuously meet the minimum regulatory standards for high-quality liquid assets adequacy ratio, liquidity ratio and liquidity matching ratio. The Bank manages liquidity risk according to the maturity of assets and liabilities.

The liquidity risk management policies established by the Bank are mainly as follows:

- (i) Financial Markets Division closely monitors the structure, term, limit, and funding cost of RMB and foreign currency positions to maintain liquidity;
- (ii) The Assets and Liabilities Committee holds meetings at least once per month to discuss management policies of market risk and liquidity risk, portfolio management policies, structure optimization of assets and liabilities, and exchange rate and interest rate pricing;
- (iii) The duties of Financial Markets Division of the Bank ensure that internal limits and liquidity regulatory requirements are complied with at any time.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(3) Liquidity risk (continued)

The undiscounted cash flows of the Bank's financial assets, financial liabilities and lease liabilities by contractual maturities as at 31 December 2024 are as follows:

	Overdue/ on demand	Within 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Undated	Total
Cash and balances with the central bank	983,588,571.35	-	363,720.23	-	-	-	785,225,042.36	1,769,177,333.94
Due from banks	513,994,093.72	-	-	-	-	-	-	513,994,093.72
Placements with banks	-	1,779,628,852.96	913,535,997.10	824,353,346.18	-	-	-	3,517,518,196.24
Derivative financial assets	-	10,899,626.80	2,962.80	89,511.00	-	-	-	10,992,100.60
Financial assets held under resale agreements	-	185,050,075.35	-	-	-	-	-	185,050,075.35
Loans and advances to customers	16,333,333.35	1,186,969,168.07	2,115,106,875.28	5,532,981,253.29	729,762,792.77	8,715,914.75	-	9,589,869,337.51
Debt investments	-	-	-	930,000.00	24,204,598.07	-	-	25,134,598.07
Other debt investments	-	830,774,200.00	675,809,969.20	985,263,965.58	1,187,223,679.95	-	-	3,679,071,814.73
Other financial assets	-	1,448,657,875.00	-	2,000.00	3,758,716.77	-	-	1,452,418,591.77
Total financial assets	1,513,915,998.42	5,441,979,798.18	3,704,819,524.61	7,343,620,076.05	1,944,949,787.56	8,715,914.75	785,225,042.36	20,743,226,141.93
Due to banks and other financial institutions	38,038,563.52	-	-	-	-	-	-	38,038,563.52
Placements from banks	-	1,388,279,384.66	81,968,000.00	481,223,357.23	-	-	-	1,951,470,741.89
Customer deposits	3,703,702,165.72	3,336,752,637.34	2,260,287,981.06	4,326,115,526.80	498,342,854.24	-	-	14,125,201,165.16
Bonds payables	-	50,066,436.99	100,311,710.96	262,146,810.19	315,600,000.00	-	-	728,124,958.14
Derivative financial liabilities	-	10,859,578.26	17,536.78	138,740.45	-	-	-	11,015,855.49
Lease liabilities	-	2,450,216.32	1,959,837.42	8,431,705.66	10,061,393.52	-	-	22,903,152.92
Other financial liabilities	572,088.80	1,448,730,750.00	-	343,722.25	27,000.00	-	-	1,449,673,561.05
Total financial liabilities	3,742,312,818.04	6,237,139,003.57	2,444,545,066.22	5,078,399,862.58	824,031,247.76	-	-	18,326,427,998.17
Credit commitments	7,279,576.59	501,242,822.30	504,895,138.56	2,788,495,903.14	-	-	-	3,801,913,440.59

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(3) Liquidity risk (continued)

The undiscounted cash flows of the Bank's financial assets, financial liabilities and lease liabilities by contractual maturities as at 31 December 2023 are as follows:

	Overdue/ on demand	Within 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Undated	Total
Cash and balances with the central bank	1,338,572,736.53	-	376,532.43	-	-	-	778,264,670.25	2,117,213,939.21
Due from banks	502,553,368.40	322,500.00	-	-	-	-	-	502,875,868.40
Placements with banks	-	1,032,035,942.08	529,074,616.16	354,124,703.61	-	-	-	1,915,235,261.85
Derivative financial assets	-	531,920.02	46,210.70	135,004.08	-	-	-	713,134.80
Financial assets held under resale agreements	-	92,565,348.28	-	-	-	-	-	92,565,348.28
Loans and advances to customers	-	349,025,921.25	1,685,423,785.04	5,582,197,777.05	513,030,403.63	3,218,425.05	-	8,132,896,312.02
Debt investments	-	-	-	930,000.00	25,272,058.44	-	-	26,202,058.44
Other debt investments	-	290,965,646.44	817,400,661.68	1,125,348,664.84	2,416,317,091.41	-	-	4,650,032,064.37
Other financial assets	-	709,483,980.00	-	2,000.00	3,653,304.77	-	-	713,139,284.77
Total financial assets	1,841,126,104.93	2,474,931,258.07	3,032,321,806.01	7,062,738,149.58	2,958,272,858.25	3,218,425.05	778,264,670.25	18,150,873,272.14
Due to banks and other financial institutions	84,061,944.65	-	-	-	-	-	-	84,061,944.65
Placements from banks	-	1,897,201,863.34	82,359,200.00	338,882,430.55	-	-	-	2,318,443,493.89
Financial assets sold for repurchase	-	294,059,283.29	-	-	-	-	-	294,059,283.29
Customer deposits	3,504,915,651.48	2,303,975,743.87	2,191,424,312.66	3,908,086,870.53	332,958,882.97	-	-	12,241,361,461.51
Bonds payables	-	150,000,000.00	-	50,000,000.00	-	-	-	200,000,000.00
Derivative financial liabilities	-	587,673.43	163,368.74	224,105.03	-	-	-	975,147.20
Lease liabilities	-	1,358,156.69	2,020,995.30	11,153,348.07	19,845,124.63	-	-	34,377,624.69
Other financial liabilities	615,874.10	709,503,270.00	-	5,741,928.66	27,000.00	-	-	715,888,072.76
Total financial liabilities	3,589,593,470.23	5,356,685,990.62	2,275,967,876.70	4,314,088,682.84	352,831,007.60	-	-	15,889,167,027.99
Credit commitments	80,132,386.36	273,991,004.39	937,734,929.24	2,857,289,072.80	-	-	-	4,149,147,392.79

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk

Market risk refers to the risk of losses occurred in the Bank's on and off balance sheet business due to adverse changes of market prices. The Bank's market risk mainly includes currency risk and interest rate risk.

The Bank's risk management organizational structure consists of its Boards of Directors, Risk Management Committee under the Boards of Directors, The Assets and Liabilities Committee under the President, different business units such as Branches and Financial Markets Division, risk control units such as Risk Management, Operation, Accounting and Finance and Internal Audit. The Bank has an established market risk limit management system and has refined and standardized management procedures and reporting process of market risk.

The Bank performs sensitivity analysis that considers effects of relevant market risk on assumption that only one single variable changes. As few variables of risks change alone, and correlations among risk variables have significant impact on final changes by one single risk variable, the results of sensitivity analysis may provide limited information on the amount of market risk.

(4.1) Currency risk

The Bank's currency risk arises mainly from currency mismatches of assets and liabilities and foreign currency trading business. The Bank makes appropriate adjustments of foreign currency net position to prevent currency risk caused by market exchange rate fluctuation.

As at 31 December 2024, the Bank's financial assets, financial liabilities and lease liabilities by currency are as follows:

	RMB	USD (RMB equivalent)	EUR (RMB equivalent)	Other (RMB equivalent)	Total
Cash and balances with the central bank	1,662,039,132.27	107,138,201.67	-	-	1,769,177,333.94
Due from banks	413,023,370.31	89,029,908.83	7,865,317.46	4,071,122.82	513,989,719.42
Placements with banks	2,310,559,195.22	1,196,868,382.48	-	-	3,507,427,577.70
Derivative financial assets	10,992,100.60	-	-	-	10,992,100.60
Financial assets held under resale agreements	185,032,050.14	-	-	-	185,032,050.14
Loans and advances to customers	9,351,093,778.05	-	33,944,669.85	-	9,385,038,447.90
Debt investments	21,080,425.48	-	-	-	21,080,425.48
Other debt investments	2,322,405,708.72	1,206,123,911.06	-	-	3,528,529,619.78
Other financial assets	733,578,591.77	718,840,000.00	-	-	1,452,418,591.77
Total financial assets	17,009,804,352.56	3,318,000,404.04	41,809,987.31	4,071,122.82	20,373,685,866.73
	RMB	USD (RMB equivalent)	EUR (RMB equivalent)	Other (RMB equivalent)	Total
Due from banks and other financial institutions	21,186,731.12	16,851,832.40	-	-	38,038,563.52
Placements from banks	1,628,545,243.46	294,945,151.81	22,592,151.40	-	1,946,082,546.67
Customer deposits	11,721,225,075.28	2,314,688,139.73	135,325.41	62,659.06	14,036,111,199.48
Bonds payables	699,281,599.25	-	-	-	699,281,599.25
Derivative financial liabilities	11,015,855.49	-	-	-	11,015,855.49
Lease liabilities	22,210,952.91	-	-	-	22,210,952.91
Other financial liabilities	730,635,911.49	719,037,649.56	-	-	1,449,673,561.05
Total financial liabilities	14,834,101,369.00	3,345,522,773.50	22,727,476.81	62,659.06	18,202,414,278.37
Net position	2,175,702,983.56	(27,522,369.46)	19,082,510.50	4,008,463.76	2,171,271,588.36
Credit commitments	3,794,633,864.00	7,279,576.59	-	-	3,801,913,440.59

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.1) Currency risk (continued)

As at 31 December 2023, the Bank's financial assets, financial liabilities and lease liabilities by currency are as follows: (continued)

	RMB	USD (RMB equivalent)	EUR (RMB equivalent)	Other (RMB equivalent)	Total
Cash and balances with the central bank	2,058,555,308.20	58,658,631.01	-	-	2,117,213,939.21
Due from banks	218,635,776.70	254,213,008.05	23,958,377.38	5,969,040.28	502,776,202.41
Placements with banks	1,289,883,375.27	617,677,565.08	-	-	1,907,560,940.35
Derivative financial assets	713,134.80	-	-	-	713,134.80
Financial assets held under resale agreements	92,525,778.30	-	-	-	92,525,778.30
Loans and advances to customers	7,847,137,695.16	7,090,018.77	82,633,851.85	-	7,936,861,565.78
Debt investments	21,213,891.49	-	-	-	21,213,891.49
Other debt investments	3,510,161,465.49	872,964,977.78	-	-	4,383,126,443.27
Other financial assets	359,004,284.77	354,135,000.00	-	-	713,139,284.77
Total financial assets	15,397,830,710.18	2,164,739,200.69	106,592,229.23	5,969,040.28	17,675,131,180.38
	RMB	USD (RMB equivalent)	EUR (RMB equivalent)	Other (RMB equivalent)	Total
Due from banks and other financial institutions	14,747,043.16	69,314,901.49	-	-	84,061,944.65
Placements from banks	1,966,395,845.83	258,610,961.60	90,658,758.06	-	2,315,665,565.49
Financial assets sold for repurchase	294,044,462.46	-	-	-	294,044,462.46
Customer deposits	10,667,433,279.15	1,491,632,989.54	140,929.21	795,166.62	12,160,002,364.52
Bonds payables	199,207,315.73	-	-	-	199,207,315.73
Derivative financial liabilities	975,147.20	-	-	-	975,147.20
Lease liabilities	33,007,540.50	-	-	-	33,007,540.50
Other financial liabilities	360,865,225.53	355,022,847.23	-	-	715,888,072.76
Total financial liabilities	13,536,675,859.56	2,174,581,699.86	90,799,687.27	795,166.62	15,802,852,413.31
Net position	1,861,154,850.62	(9,842,499.17)	15,792,541.96	5,173,873.66	1,872,278,767.07
Credit commitments	4,058,083,864.36	76,130,230.83	14,933,297.60	-	4,149,147,392.79

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.1) Currency risk (continued)

As at 31 December 2024, based on the assumption that all other variables remain constant, if the foreign currency depreciates/appreciates by 1% against the standard currency, the Bank's net profit or loss will increase/decrease by RMB9,079,164.80 (2023: RMB6,463,807.96); the Bank's other comprehensive income after tax will decrease/increase by RMB9,045,929.33 (2023: RMB6,547,237.33).

The sensitivity analysis above is performed on the basis that assets and liabilities have static currency risk structure. It shows the impact of a change in foreign exchange rates against RMB on the Bank's profit after tax and equity, given other variables remain constant.

The analysis is based on the following assumptions:

- (1) Exchange rate sensitivity refers to the gains and losses caused by the 1% change of the closing rate (mid-rate) of foreign currencies against RMB as at the balance sheet date;
- (2) Exchange rate fluctuation refers to the fluctuation of all foreign currencies against RMB in the same direction simultaneously;
- (3) Off-balance sheet items are excluded in net position.

Due to the assumptions mentioned above, the actual impact of exchange rate fluctuation on the Bank's foreign exchange gain or loss may differ from the above sensitivity analysis.

(4.2) Interest rate risk

The Bank's interest rate risk mainly arises from the mismatch of contractual maturity date and re-pricing date of interest-generating assets and interest-bearing liabilities.

Floating interest rate instruments expose the Bank to cash flow interest risk, whereas fixed interest rate instruments expose the Bank to fair value interest risk. Floating interest rate instruments are re-priced at intervals of less than one year. Fixed interest rate instruments are priced at the inception of financial instruments and are fixed until maturity. The Bank measures the re-pricing risk of interest-generating assets and interest-bearing liabilities by re-pricing date of floating interest rate instruments and maturity date of fixed interest rate instruments.

The Bank conducts timely assessment and monitoring on the macro-economic status during operation to reduce the risk caused by the interest rate fluctuation. It adjusts the structure and terms of relative assets and liabilities based on this assessment.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.2) Interest rate risk (continued)

As at 31 December 2024, the Bank's analysis of financial assets, financial liabilities and lease liabilities by the earlier of maturity date and re-pricing date is as follows:

	Within 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Overdue/Non-interest bearing	Total
Cash and balances with the central bank	1,661,676,286.71	363,720.23	-	-	-	107,137,327.00	1,769,177,333.94
Due from banks	513,779,606.16	-	-	-	-	210,113.26	513,989,719.42
Placements with banks	1,776,760,915.61	906,287,531.83	809,328,054.52	-	-	15,051,075.74	3,507,427,577.70
Derivative financial assets	-	-	-	-	-	10,992,100.60	10,992,100.60
Financial assets held under resale agreements	185,000,000.00	-	-	-	-	32,050.14	185,032,050.14
Loans and advances to customers	1,109,943,002.40	2,108,969,481.78	5,441,893,179.83	695,821,600.91	7,422,348.57	20,988,834.41	9,385,038,447.90
Debt investments	-	-	598,767.12	19,883,094.01	-	598,564.35	21,080,425.48
Other debt investments	812,632,566.14	711,438,910.63	860,758,981.11	1,081,723,247.97	-	61,975,913.93	3,528,529,619.78
Other financial assets	-	-	-	-	-	1,452,418,591.77	1,452,418,591.77
Total financial assets	6,059,792,377.02	3,727,059,644.47	7,112,578,982.58	1,797,427,942.89	7,422,348.57	1,669,404,571.20	20,373,685,866.73
Due to banks and other financial institutions	21,186,731.12	-	-	-	-	16,851,832.40	38,038,563.52
Placements from banks	1,383,301,500.00	80,000,000.00	473,000,000.00	-	-	9,781,046.67	1,946,082,546.67
Customer deposits	6,864,546,421.32	2,236,168,888.55	4,260,832,096.48	460,016,628.03	-	214,547,165.10	14,036,111,199.48
Bonds payables	49,933,563.02	99,688,289.04	245,653,189.81	304,006,557.38	-	-	699,281,599.25
Derivative financial liabilities	-	-	-	-	-	11,015,855.49	11,015,855.49
Lease liabilities	2,412,460.98	1,874,536.67	8,146,661.60	9,777,293.66	-	-	22,210,952.91
Other financial liabilities	-	-	-	-	-	1,449,673,561.05	1,449,673,561.05
Total financial liabilities	8,321,380,676.44	2,417,731,714.26	4,987,631,947.89	773,800,479.07	-	1,701,869,460.71	18,202,414,278.37
Net position	(2,261,588,299.42)	1,309,327,930.21	2,124,947,034.69	1,023,627,463.82	7,422,348.57	(32,464,889.51)	2,171,271,588.36



Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.2) Interest rate risk (continued)

As at 31 December 2023, the Bank's analysis of financial assets, financial liabilities and lease liabilities by the earlier of maturity date and re-pricing date is as follows:

	Within 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Overdue/Non-interest bearing	Total
Cash and balances with the central bank	2,058,034,605.86	-	-	-	-	59,179,333.35	2,117,213,939.21
Due from banks	502,553,386.46	-	-	-	-	222,815.95	502,776,202.41
Placements with banks	1,025,028,623.45	520,824,677.27	339,949,523.06	-	-	21,758,116.57	1,907,560,940.35
Derivative financial assets	-	-	-	-	-	713,134.80	713,134.80
Financial assets held under resale agreements	92,424,000.00	-	-	-	-	101,778.30	92,525,778.30
Loans and advances to customers	319,992,380.13	1,632,224,777.87	5,483,659,566.01	488,143,939.05	1,024,263.38	11,816,639.34	7,936,861,565.78
Debt investments	-	-	597,131.15	20,019,831.40	-	596,928.94	21,213,891.49
Other debt investments	278,790,139.56	783,202,123.71	1,038,665,062.28	2,183,556,140.76	-	98,912,976.96	4,383,126,443.27
Other financial assets	-	-	-	-	-	713,139,284.77	713,139,284.77
Total financial assets	4,276,823,135.46	2,936,251,578.85	6,862,871,282.50	2,691,719,911.21	1,024,263.38	906,441,008.98	17,675,131,180.38
Due to banks and other financial institutions	14,747,043.17	-	-	-	-	69,314,901.48	84,061,944.65
Placements from banks	1,894,944,500.00	80,000,000.00	330,413,500.00	-	-	10,307,565.49	2,315,665,565.49
Financial assets sold for repurchase	294,000,000.00	-	-	-	-	44,462.46	294,044,462.46
Customer deposits	5,735,863,704.32	2,154,076,682.05	3,820,931,265.18	305,188,071.77	-	143,942,641.20	12,160,002,364.52
Bonds payables	149,912,585.85	-	49,294,729.88	-	-	-	199,207,315.73
Derivative financial liabilities	-	-	-	-	-	975,147.20	975,147.20
Lease liabilities	1,282,716.28	1,867,712.82	10,616,287.22	19,240,824.18	-	-	33,007,540.50
Other financial liabilities	-	-	-	-	-	715,888,072.76	715,888,072.76
Total financial liabilities	8,090,750,549.62	2,235,944,394.87	4,211,255,782.28	324,428,895.95	-	940,472,790.59	15,802,852,413.31
Net position	(3,813,927,414.16)	700,307,183.98	2,651,615,500.22	2,367,291,015.26	1,024,263.38	(34,031,781.61)	1,872,278,767.07

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
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Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.2) Interest rate risk (continued)

As at 31 December 2024, based on the assumption that all other variables remain constant, if the deposit and loan interest rate increases/decreases by 100 basis points, the Bank's net profit or loss will decrease/increase by RMB2,095,452.80 (2023: RMB15,578,014.80); the Bank's other comprehensive income after tax will decrease/increase by RMB36,129,352.50 (2023: RMB31,585,075.40).

The sensitivity analysis above is performed on the basis that assets and liabilities have static interest rate risk structure. It reflects the impact of interest rate movement on the Bank's annualized interest income for over a one year period. The key assumptions are as follows:

- (1) All assets and liabilities with re-pricing date or maturity date less than 1 month, 1 month to 3 months, and 3 months to 1 year are assumed to be re-priced or matured in the middle of the respective period;
- (2) There is a parallel yield curve move relative to current interest rates;
- (3) There are no other changes for the portfolio of assets and liabilities;
- (4) Off-balance sheet items are excluded.

Due to the assumptions mentioned above, the actual net interest income from interest rate movement may differ from the sensitivity analysis results.

The impact on equity is estimated from the change in market value of the other debt investments caused by a parallel shift of yield curve arising from the interest rate change.

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NOTES TO FINANCIAL STATEMENTS (continued)
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Unit: RMB yuan

8. Capital Management

The Bank has adopted a strong capital management method to prevent and mitigate the inherent risk in business operation and complied with the requirements of regulatory authorities. The Bank also targets to maintain sufficient capital adequacy ratio for operations and maximizing shareholder's value. The Bank adjusts its capital structure actively to adapt to the change of economic environment and related risk characteristics.

The Bank calculates and discloses capital adequacy ratio according to "Regulations Governing Capital of Commercial Banks". National Financial Regulatory Administration requires that a commercial bank's core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio should not be lower than 7.5%, 8.5%, and 10.5% respectively.

Core tier-one capital includes paid-up capital, capital reserve, other comprehensive income, surplus reserves, general reserves and retained earnings. The Bank has no other tier-one capital. Tier-two capital mainly includes surplus provision for loan impairment.

	2024	2023
Core tier-one capital	2,157,354,263.00	1,873,325,579.53
Paid-up capital	1,700,000,000.00	1,500,000,000.00
Capital reserves	453,890.00	453,890.00
Other comprehensive income	36,736,127.62	15,219,091.44
Surplus reserves	40,458,895.78	34,207,731.05
General reserves	279,107,642.98	233,397,497.80
Retained earnings	100,597,706.62	90,047,369.24
Core tier-one capital deductions	8,919,576.75	10,445,278.36
Other intangible assets	8,919,576.75	10,445,278.36
Provision for loan impairment	-	-
Net core tier-one capital	2,148,434,686.25	1,862,880,301.17
Net tier-one capital	2,148,434,686.25	1,862,880,301.17
Tier-two capital	168,722,800.00	148,766,138.54
Surplus provision for loan impairment	168,722,800.00	148,766,138.54
Net capital base	2,317,157,486.25	2,011,646,439.71
Weighted risk assets	14,271,157,523.32	12,691,764,798.58
Core tier-one capital adequacy ratio	15.05%	14.68%
Tier-one capital adequacy ratio	15.05%	14.68%
Capital adequacy ratio	16.24%	15.85%

The capital adequacy ratios and related components of the Bank are calculated based on the statutory financial statements prepared under the Chinese Accounting Standards for Business Enterprises. During the year, the Bank has complied with the capital requirements imposed by the regulator.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

9. Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable and willing parties at an arm's length transaction.

If an active market exists, such as an authorized securities exchange, the market value is the best reflection of the fair value of financial instruments. Since there is no available market value for part of the financial assets and liabilities held by the Bank, the discounted cash flow method or other valuation methods described below are used to determine the fair value for those assets and liabilities. However, the value determined by such methods is subject to the impact of future cash flows, time assumption and discount rates used.

The following methods and assumptions have been used by the Bank in estimating fair values of each financial assets and liabilities:

- (1) The fair value of financial assets and financial liabilities at fair value through profit or loss (including derivative financial assets and liabilities) is measured at their market price. Where market price is not available, fair value is estimated using the discounted cash flows method or with reference to the quoted price of counterparties.
- (2) The fair value of fixed rate loans is estimated by comparing the market interest rates offered when the loans are granted, with the current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into consideration in determining the gross fair values. To measure the impact of deterioration in credit quality, the potential loss may be recognized separately by deducting the amount of loan impairment loss from the carrying amount and fair value of the loan facility.
- (3) Customer deposits are priced based on fixed rate or floating rate depending on the product type. The fair value of demand deposits is determined based on the amount payable on demand. The fair value of fixed deposits is estimated using the discounted cash flows method with the prevailing deposit rate for the remaining tenor of the fixed deposit as the discount rate.

Those financial instruments for which their carrying amounts are the reasonable approximations of their fair values because, for example, they are short term in nature or re-priced at current market rates periodically, are as follows:

Assets

Cash and balances with the central bank

Due from banks

Placements with banks

Financial assets held under resale agreements

Loans and advances to customers

Debt investments

Other assets

Liabilities

Due to banks and other financial institutions

Placements from banks

Financial assets sold for repurchase

Customer deposits

Bonds payables

Lease liabilities

Other liabilities

All the assumptions and methods mentioned above provide a consistent basis for determining of fair value of the Bank's assets and liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be comparable.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

9. Fair Value (continued)

The valuation technique or method for financial instrument (measured at fair value) determined by the Bank can be classified into 3 hierarchies:

Level 1: Quoted active market price

If the quotation for the same assets or liabilities in the active market on the measurement day can be obtained, the fair value is determined on the basis of such quotation.

Level 2: Valuation technique using observable inputs

This valuation technique is used for financial instruments where the prices are derived from standard valuation models, and significant inputs to these models are directly observable.

Level 3: Valuation technique with significant non-observable inputs

This valuation technique is used where at least one significant input is not observable and reliance is placed on reasonable assumptions made on market conditions.

The analysis of financial instruments recorded at fair value by level of fair value hierarchies is as follows:

	Inputs in fair value measurement			Total
	Quoted active market price Level 1	Significant observable inputs Level 2	Significant non-observable inputs Level 3	
2024				
Derivative financial assets	-	10,992,100.60	-	10,992,100.60
Other debt investments	-	3,528,529,619.78	-	3,528,529,619.78
Loans and advances to customers	-	859,664,458.61	-	859,664,458.61
Total financial assets	-	4,399,186,178.99	-	4,399,186,178.99
Derivative financial liabilities	-	11,015,855.49	-	11,015,855.49
Total financial liabilities	-	11,015,855.49	-	11,015,855.49
	Inputs in fair value measurement			Total
	Quoted active market price Level 1	Significant observable inputs Level 2	Significant non-observable inputs Level 3	
2023				
Derivative financial assets	-	713,134.80	-	713,134.80
Other debt investments	-	4,383,126,443.27	-	4,383,126,443.27
Total financial assets	-	4,383,839,578.07	-	4,383,839,578.07
Derivative financial liabilities	-	975,147.20	-	975,147.20
Total financial liabilities	-	975,147.20	-	975,147.20

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

9. Fair Value (continued)

In 2024 and 2023, there was neither transfer from level 1 and level 2 to level 3, nor transfer between level 1 and level 2 in the fair value hierarchy.

The Bank has established a market risk management regime governed ultimately by the Board of Directors, where the internal control framework for fair value measurement was established to meet the requirements of both internal management and information disclosure. Over time, the Bank has constructed the systematical management of market risk covering all procedures in identifying, measuring, monitoring, and verifying the fair value of its assets and liabilities with the combined effort of all related divisions from front desk to back office.

10. Related party relationship and transactions

(1) Criteria of identifying related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party, or, both parties are subject to common control or common significant influence.

Details of the Bank's related parties are as follows:

- (i) Parent of the Company;
- (ii) Subsidiaries of the Company;
- (iii) Other entities controlled by the parent of the Company;
- (iv) Investors that have joint control over the Company;
- (v) Investors that have significant influence over the Company;
- (vi) Associates of the Group;
- (vii) Joint ventures of the Group;
- (viii) Principal individual investors of the Company and close family members of such individuals;
- (ix) Key management personnel of the Company or of the parent and close family members of such individuals;
- (x) Other entities controlled or jointly controlled by the Company's principal individual investors, key management personnel or close family members of such individuals;
- (xi) Joint ventures or associates of other members (including a parent and subsidiary) of a group of which the Company is a member;
- (xii) Joint ventures or associates of an entity that has joint control over the Company;
- (xiii) Joint ventures of an entity that has significant influence over the Company.

(2) Parent company

Name	Metrobank
Registered country	The Philippines
Business nature	bank
Percentage of shareholding	100%
Percentage of voting rights	100%
Common stock	Philippine Peso 89.948 billion

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

10. Related party relationship and transactions (continued)

(3) Other related parties

Name	Relationship
Metropolitan Bank & Trust Company, Tokyo Branch ("Tokyo Branch")	Under the common control of the parent company
Metropolitan Bank & Trust Company, Seoul Branch ("Seoul Branch")	Under the common control of the parent company
Metropolitan Bank & Trust Company, New York Branch ("New York Branch")	Under the common control of the parent company
Metropolitan Bank & Trust Company, Taipei Branch ("Taipei Branch")	Under the common control of the parent company
ASPAC Real Estate Development (Shanghai) Co., Ltd.	The company whose legal representative and chairman was the board member of the parent company
Shanghai Yongde Real Estate Development Co., Ltd.	The company whose legal representative and chairman was the board member of the parent company
South Pacific Land (Nanjing) Co., Ltd	The company whose legal representative and chairman was the board member of the parent company
Shanghai Yee Hong Investment Co., Ltd.	The company that is the subsidiary of the entity whose director was the board member of the parent company
Related individuals	The key management personnel of the Bank or the parent, and close family members of such individuals

(4) Main transactions between the Bank and related parties

(4.1) Major balances between the Bank and related parties

	2024	2023
Due from banks		
Metrobank	4,550,073.73	8,532,889.47
New York Branch	35,158,498.26	41,336,942.34
Total	39,708,571.99	49,869,831.81
Due to banks		
Metrobank	38,038,563.52	84,061,944.65
Placements from banks		
Metrobank	272,708,818.07	1,107,804,927.88

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

10. Related party transactions (continued)

(4) Main transactions between the Bank and related parties (continued)

(4.1) Major balances between the Bank and related parties (continued)

	2024	2023
Customer deposits		
Related individuals	2,889,818.10	2,667,502.48
ASPAC Real Estate Development (Shanghai) Co., Ltd.	372,312,087.97	364,392,510.29
Shanghai Yongde Real Estate Development Co., Ltd.	21,494,821.17	45,995,013.82
South Pacific Land (Nanjing) Co., Ltd	495,722,095.25	894,380,423.28
Shanghai Yee Hong Investment Co., Ltd.	40,254,647.22	33,746,661.41
Total	932,673,469.71	1,341,182,111.28

(4.2) Major transactions between the Bank and related parties

	2024	2023
Interest income		
Metrobank	3,411.01	683.89
Interest expenses		
Metrobank	784,515.78	28,089,765.38
Related individuals	31,287.53	28,935.07
ASPAC Real Estate Development (Shanghai) Co., Ltd.	7,120,818.96	672,267.70
Shanghai Yongde Real Estate Development Co., Ltd.	262,419.58	6,801,645.74
South Pacific Land (Nanjing) Co., Ltd	8,213,766.39	14,363,558.93
Shanghai Yee Hong Investment Co., Ltd.	566,731.32	536,843.21
Total	16,979,539.56	50,493,016.03
Lease expenses		
ASPAC Real Estate Development (Shanghai) Co., Ltd.	3,526,500.00	3,711,360.00

(4.3) Key management personnel

Key management personnel include directors, supervisors and senior executives. Key management personnel's salaries and benefits are as follows:

	2024	2023
Salaries and benefits	25,448,619.92	28,424,150.00

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

Unit: RMB yuan

11. Contingency

As at 31 December 2024, there was no contingency to be disclosed.

12. Leases

(1) As lessee

	2024	2023
Interest expense on lease liabilities	784,769.35	895,667.72
Expenses relating to short-term leases accounted for applying practical expedients	3,337,357.44	3,109,527.34
Total cash outflow for leases	17,717,223.35	18,797,593.02

The Bank has lease contracts for various items of houses and buildings and vehicles used in its operations. Leases of houses and buildings generally have lease terms of 3 to 10 years, while those of vehicles generally have lease terms of 3 years. Generally, the Bank is restricted from assigning and subleasing the underlying assets. There are several lease contracts that include extension and termination options.

13. Commitments

(1) Financial commitments

Capital commitments

The Bank has no material capital commitments as at 31 December 2024.

(2) Credit commitments

	2024	2023
Financial guarantee contracts		
Letters of credit issued-usance	1,777,500,000.00	2,016,362,965.42
Letters of credit issued-at sight	7,279,576.59	79,367,082.43
Bank acceptance draft	1,948,845,864.00	2,053,417,344.94
Loan Commitment:		
Original maturity within One year	68,288,000.00	-
Total	3,801,913,440.59	4,149,147,392.79

Financial guarantee contracts have the nature of guarantee. If customers fail to repay the contracted amount or fail to fulfill their obligations, the Bank needs to fulfill its responsibility as guarantor.

Metropolitan Bank (China) Ltd.
 NOTES TO FINANCIAL STATEMENTS (continued)
 For the year ended 31 December 2024
 Unit: RMB yuan

13. Commitments (continued)

(3) Fiduciary activities

The Bank acts as an agent to disburse entrusted loans to borrowers in accordance with the instructions of the principals who provide the funds. The Bank enters into contracts with these third-party lenders to manage and collect the loans on their behalf. The credit risk associated with the loans is borne by the funding principals and therefore is not recognized in the balance sheet. As at 31 December 2024 and 2023, the sizes of entrusted loans and deposits were as follows:

	2024	2023
Entrusted loans	654,000,000.00	370,000,000.00
Entrusted deposits	654,000,000.00	370,000,000.00

14. Post-balance-sheet events

2024 Annual Profit distribution plan is approved by board of directors of the Bank at 2025 Second Board Meeting on 7 April 2025.

- (1) The Bank will appropriate 10% of its net profit to the statutory surplus reserves, which is amount to RMB6,251,164.73.
- (2) In accordance with Cai Jin [2012] No. 20 "Impairment Loss on Loans for Financial Institutions", the Bank set aside general reserves from net profit as profit appropriation, which is amount to RMB45,710,145.18.

Except for the above, there is no other significant post-balance-sheet events to be disclosed.

15. Approval of the financial statements

The financial statements were approved and authorized for issue by the Board of Directors on 7 April 2025.