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Global Banking Industry Outlook

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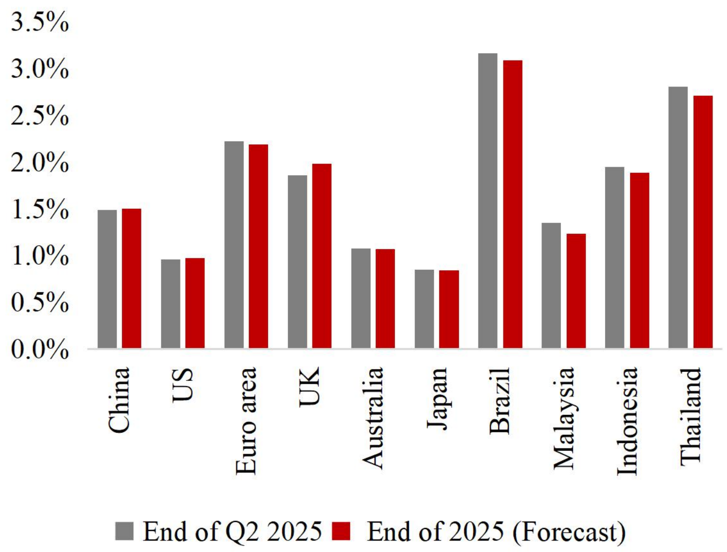
Highlights

- In 2025, the global economic recovery remained weak, and the pace of expansion in the banking industry continued to slow. However, benefiting from the rebound in capital markets and the reduction in operating costs, banks' profitability improved to some extent. The overall risk landscape was complex, with potential deterioration in asset quality, while capital adequacy remained relatively stable.

- In 2025, China's economy will maintain a sound momentum. The banking industry will anchor the goal of serving the real economy, and help the high-quality development of the real economy to accumulate momentum. The scale of the real economy will steadily increase, the profitability will be basically stable, the asset quality will be further consolidated, and the capital adequacy will be good.

- This quarterly report features a special analysis on the transformation and breakthroughs within the banking industry.

Non-performing loan ratios of the banking sectors in major economies in 2025.



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Banking Transformation Anchored in High-Quality Real-Economy Services

— Global Banking Industry Outlook (2025Q4)

In 2025, the global economic recovery remained sluggish, and the development of the global banking industry faced both opportunities and challenges. The expansion of banking assets continued to slow, but thanks to the rebound in capital markets and reductions in operating costs, banks' profitability improved to some extent. The overall risk environment was complex, with potential deterioration in asset quality, while capital adequacy remained relatively stable. Relatively speaking, China's economy has maintained a positive trend, laying a good environmental foundation for the development of the banking industry. The banking industry has anchored the goal of serving the real economy, helped the high-quality development of the real economy to accumulate momentum, steadily increased its scale, basically stable profitability, further consolidated asset quality, and good capital adequacy, laying a solid foundation for successfully accomplishing the goals and tasks of the 14th Five-Year Plan and realizing the start of the 15th Five-Year Plan. This report carries out a series of special studies on the transformation breakthrough of the banking industry.

I. Review and Outlook for Global Banking Development

I.1 A Mix of Opportunities and Challenges in the Global Banking Operating Environment

The increasingly uneven nature of the global economic recovery is creating pressure on the banking industry's operations. In the third quarter, significant uncertainty surrounding U.S. tariff policy and geopolitical tensions disrupting global supply chains weakened global economic growth. The global economy is projected to maintain a low growth rate of 2.1% in 2025, with weak underlying momentum. Uncertainty over U.S. tariff hikes and trade agreements is expected to suppress U.S. consumption, with economic growth slowing to 1.4%. Emerging Asian markets, however, are demonstrating strong domestic resilience, with India and Indonesia's full-year economic growth forecast to reach 6.1% and 4.8%, respectively. In this situation, banks in developed countries face challenges of pressure on asset quality, while the financing demand released by the recovery of investment and supply chain restructuring in emerging markets provides new opportunities for business expansion.

Major global economies are steadily cutting interest rates, creating uncertainty for banking operations. In the third quarter, benchmark interest rates in major developed countries were lowered. The U.S. Federal Reserve lowered its federal funds rate target range by 25 basis points to 4.00%-4.25%; the Bank of England cut its benchmark rate by 25 basis points to 4.00%. The European Central Bank and the Bank of Japan kept their benchmark rates unchanged. Emerging economies have adopted divergent monetary policies. The Bank of Mexico lowered its benchmark rate by 25 basis points to 7.75%, the Bank of Indonesia cut its benchmark rate three times for a total of 75 basis points to 4.75%, and the Central Bank of the Republic of Turkey made two cuts totaling 550 basis points, bringing its rate to 40.50%. The central banks of India and Brazil kept their benchmark rates unchanged. In this environment, the net interest margins (NIMs) of banks in some countries may face certain challenges.

There is a trend of easing in international financial regulation aimed at enhancing market vitality, but it may harbor potential risks. The *Guiding and Establishing National Innovation for U.S. Stablecoins Act* marks the first formal establishment of a regulatory framework for digital stablecoins in the United States, setting guidelines for banks and other entities that issue them. The Bank for

International Settlements (BIS) believes that the increasing integration of stablecoins with the traditional financial system, along with their borderless and pseudo-anonymous nature, could lead to risks spilling over into the traditional system. Countries such as Brazil, Vietnam, and Australia are formulating laws and regulations related to digital assets and artificial intelligence to strengthen their capacity to supervise activities such as financial crime, cyberattacks, data privacy violations, and money laundering risks amidst the rapid development of fintech.

Large international banks are actively exploring business related to digital assets. In custody services, major banks are providing custody for the high-quality assets that back stablecoins and assessing the feasibility of offering custody services for products like spot Bitcoin ETFs. In payment services, they are exploring the development of stablecoin-based payment solutions designed to enhance the efficiency of cross-border payments and instant settlements, supporting clients in transferring stablecoins between accounts or conveniently converting them into U.S. dollars.

I.2 The global banking industry will exhibit new characteristics in operation

1. Asset expansion will continue to slow down

Looking ahead to the full year, the severity and complexity of the global economic and financial environment are becoming increasingly evident. Banking sectors across major economies are expected to further strengthen strategic adjustments, with the trend of slower asset growth likely to become more pronounced. In the United States, the growth of banking assets is projected to slow, as corporate profit expectations weaken, household consumption declines, and credit tightening pressures intensify. In the Eurozone, the foundation of recovery remains fragile, banks are taking a more cautious approach to expansion, and asset growth is slowing. In the United Kingdom, the growth rate of banking assets may further decline to below 1%. Although large international banks such as HSBC Holdings and Standard

Chartered continue to increase their presence in the Asia-Pacific market, domestic banks face mounting pressure in business expansion. In Australia, the growth of banking assets has decelerated significantly, and the expansion model heavily reliant on the real estate cycle is becoming difficult to sustain. Japan's three major financial groups will continue to optimize and adjust their international operations, with asset growth likely to remain at a low level. In Brazil, banking asset growth has declined markedly, mainly due to macroeconomic factors-the Brazilian government recently revised its 2025 GDP growth target slightly downward from 2.5% to 2.3%. In Malaysia, Indonesia, and Thailand, the banking sectors remain in a stage of rapid development, and strong endogenous momentum will continue to support relatively high asset growth rates.

2. Profitability will somewhat improve

Looking ahead to the full year, the global banking industry will focus more on providing high value-added financial services to enhance profitability and offset income losses during the economic downturn, leading to an overall rebound in earnings performance. In the United States, the growth rate of banks' net profits is expected to rise. Supported by a well-developed capital market, U.S. banks can continue to drive non-interest income growth through investment banking and wealth management businesses, thereby offsetting the decline in loan demand and interest income caused by rate cuts. In the Eurozone, the growth rate of banks' net profits is projected to recover to around 2%. Although revenue growth will remain limited, the pressure of provisioning is likely to be lighter than in the first half of the year, providing some room for profit expansion. In the United Kingdom, the growth rate of banks' net profits is expected to turn positive from negative. Large financial institutions, with a solid foundation of international operations, will benefit from the further release of growth potential in emerging Asia-Pacific markets, supporting profit growth. In Australia, banks' net profits are expected to maintain moderate growth. In Japan, the growth of banking sector net profits will accelerate further, shifting from being scale-driven to quality-driven. In Brazil, banks' net profit growth is expected to decline, while in emerging Asia-Pacific economies, the banking industry's net profits will continue to maintain a strong growth momentum.

3. The risk landscape will become more complex.

Looking ahead to the full year, the risk characteristics of the banking sectors in major economies are expected to continue evolving significantly. Although capital buffers and liquidity positions remain stable, banking risks are likely to continue emerging. In the United States, banks still face considerable risks in commercial real estate and credit card portfolios, with defaults likely to accelerate. The operating environment for Eurozone banks remains challenging. The Russia–Ukraine conflict is unlikely to be resolved in the short term, and coupled with intensifying global trade frictions, it has created significant uncertainty for energy-intensive and export-oriented European enterprises, leading to a marked increase in corporate credit default risk. In Australia, banking risks are highly concentrated in the real estate market, and a hard landing in property would have a substantial impact. In emerging Asia-Pacific markets, asset quality generally remains stable; however, attention should be paid to the high external trade dependence of Southeast Asian countries. Geopolitical tensions among major powers could impact their key industries, requiring close monitoring of sector-specific risks.

4. Capital replenishment will be relatively stable

Looking ahead to the full year, the global banking industry is showing a clear trend of recovering profitability, and the ability to replenish capital endogenously has improved. In some economies, rapid asset expansion has led to a downward trend in capital adequacy ratios, but overall levels remain above regulatory requirements. By the end of the year, the capital adequacy ratios of banks in developed economies are expected to continue rising, while those in emerging economies are expected to remain stable.

5. Large international banks adjust their business strategies

Since 2025, the rapid development of cryptocurrencies has drawn global attention. Cryptocurrencies have shown significant potential in areas such as cross-border payments and decentralized finance (DeFi), becoming a key focus for international institutions, regulators, and market participants. The role of major global banks has undergone a significant shift, moving from passive observers of digital assets to active core participants in the cryptocurrency market. At the same time, the globalization strategies of large international banks have exhibited a more refined and dynamic pattern of expansion and contraction. The core logic has shifted from expansion aimed at broad geographic coverage to strategic focus driven by core strengths, capital efficiency, and technology. Global green finance development has entered a period of temporary adjustment, with slower growth and more pronounced market differentiation. In particular, following the U.S. withdrawal from the Paris Agreement under the Trump administration, some large European and American banks face increasingly complex political and social pressures.

II. China’s Banking Review and Outlook

II.1 The economy continues to improve, laying a good environmental foundation for the development of the banking industry

Since 2025, the banking industry has anchored the goal of serving the real economy, helped the high-quality development of the real economy to accumulate momentum, and laid a solid foundation for successfully accomplishing the goals and tasks of the 14th Five-Year Plan and realizing the start of the 15th Five-Year Plan.

First, the macro economy maintained a positive momentum, and the banking industry intensified efforts to support the real economy. In the first eight months of 2025, fixed asset investment reached 32.61 trillion yuan, up 0.5 percent year on year. Retail sales of consumer goods totaled 32.39 trillion yuan, up 4.6 percent year on year. Imports and exports of goods totaled 29.57 trillion yuan, up 3.5% year on year.

Second, the pace of fiscal and monetary policies should be appropriate, steped up efforts to stabilize market expectations, and injected vitality into the banking sector to meet market financing needs with high quality. Since 2025, fiscal policy continued to exert force. Local government issuance of special bonds increased significantly, with 5.18 trillion yuan issued in the first seven months, up more than 43 percent year on year. Monetary policy was moderately loose, counter-cyclical adjustment was strengthened, interest rates were steady and falling, and liquidity was reasonably abundant. At the end of August, the stock of social financing and the balance of RMB loans to the real economy increased by 8.8 percent and 6.6 percent year-on-year respectively.

Third, financial supervision was fully covered and tightly woven to escort the steady development of the banking industry. Since 2025, financial regulatory authorities had strengthened bottom-line thinking, coordinated changes in the economic and financial situation at home and abroad, and tightly woven a financial safety net to escort the steady development of the banking industry.

Fourth, multi-level financial forms developed steadily and jointly created a healthy and progressive industry ecology. The insurance, securities and fund industries were generally stable and formed a multi-level business together with the banking industry, contributing to the healthy and upward development of the financial industry. In the first half of 2025, the original insurance premium income of insurance companies was 3.7 trillion yuan, up 5.1% year on year; 1.3 trillion yuan in reparations and payments, up 9% year on year; The number of new policies reached 52.4 billion, up 11.1 percent year on year. The stabilization of the securities market had been consolidated. Since July 2025, A-shares had shown an obvious upward trend. The fund industry continued its steady growth trend. In July 2025, the size of public funds was 35.08 trillion yuan, up about 10.2% year on year. The number of public funds was 13,014, representing a year-on-year increase of approximately

7.1%.

II.2 Banking Sector Seeks New Breakthroughs to Boost the Quality and Efficiency of the Real Economy

1. Supporting the consolidation of the real economy's recovery momentum, with steady growth in asset and liability scale.

In the second quarter of 2025, the scale of commercial banks grew steadily, with total assets reaching 402.9 trillion yuan, a year-on-year increase of 8.9%; total liabilities stood at 371.9 trillion yuan, a year-on-year increase of 9.0%. The growth rate of assets and liabilities is aligned with the needs of economic development and the real economy, ensuring the smooth transmission of monetary policy. The banking sector adheres to serving the high-quality development of the real economy, with credit funds placing greater emphasis on quality improvement and focusing on supporting key areas and weak links of the national economy. For the whole year, the credit scale of commercial banks will grow moderately, with greater emphasis on structural optimization. High growth rates are expected in areas such as supporting residential consumption and the development of new productive forces, which will become new drivers for the sustained growth of banking assets. It is estimated that the growth rate of assets and liabilities of commercial banks will remain at a relatively high level of around 8.5% in 2025.

2. Net interest margin stabilizes at a low level, and profit growth faces certain pressure.

In the second quarter of 2025, the net interest margin (NIM) of commercial banks was 1.42%, a year-on-year decrease of 0.12 percentage points, hitting a new historical low. However, compared with the data of the same period in 2024, the downward trend of NIM has narrowed. In the first half of the year, the pricing of newly issued loans by commercial banks remained at a historical low, the cost of core liabilities dropped significantly, and the simultaneous decline in deposit and loan interest rates alleviated the pressure of NIM narrowing. For the whole year, the interest business of commercial banks will still face pressure, but the downward trend will be further eased.

In terms of non-interest income, banks are facing structural opportunities. In the second quarter of 2025, the proportion of non-interest income of commercial banks was 25.75%, a year-on-year increase of 1.44 percentage points, mainly due to the fact that financial investments of commercial banks drove the related non-interest income to maintain a relatively fast growth rate. For the whole year, the recovery of the capital market will further drive the growth of commercial banks' income from wealth management, fund consignment and other businesses. Efforts to strengthen cost control have been made. In the second quarter of 2025, the cost-to-income ratio of commercial banks was 30.23%, a year-on-year decrease of 0.48 percentage points, remaining basically stable. Looking ahead to the whole year, commercial banks will steadily reduce customer acquisition costs, marketing costs and operating costs, and control the cost-to-income ratio at a reasonable level of around 35%.

To sum up, under the premise that the growth of interest and non-interest income is under pressure, it is expected that the net profit and operating income of commercial banks in 2025 will be basically the same as those in 2024.

3. Asset quality remains basically stable, and risks in some areas require continuous attention.

In the second quarter of 2025, the non-performing loan (NPL) balance of commercial banks was 3.43 trillion yuan, a year-on-year increase of 2.83%; the non-performing loan ratio was 1.49%, a year-on-year decrease of 0.07 percentage points. The risk mitigation capacity of the banking sector has been further enhanced. The balance of loan loss provisions of commercial banks was nearly 7.28 trillion yuan, a year-on-year increase of 4.13%; the provision coverage ratio was 211.97%, up 2.64 percentage points year-on-year. For the whole year, as the real economy consolidates its recovery momentum and the operating conditions of enterprises improve, banks will strengthen forward-looking management, further increase the intensity of regular re-examination of the quality of various assets, accurately identify non-performing assets, and reasonably set aside provision levels. In 2025, the asset quality of commercial banks will maintain a stable trend, and the non-performing loan ratio will remain stable at a low level of around 1.5%.

4. Sound capital adequacy, consolidating the cornerstone of risk prevention and control.

In the second quarter of 2025, the capital adequacy of commercial banks remained stable and healthy. The capital adequacy ratio (CAR) was 15.58%, a year-on-year increase of 0.03 percentage points; the tier-1 capital adequacy ratio was 12.46%, up 0.08 percentage points year-on-year; the core tier-1 capital adequacy ratio was 10.93%, a year-on-year increase of 0.19 percentage points. Looking ahead to 2025, the net profit of commercial banks will remain basically stable, consolidating the banks' internal capital replenishment capacity. It is expected that the annual capital adequacy ratio will increase compared with the same period of the previous year, reaching about 15.8%.

III. Special Research: The global banking industry focuses on enhancing services to the real economy and seeks breakthroughs in transformation

III.1 Banks support industries of the future

Relying on cutting-edge and disruptive technological innovation, future industries play a major leading role in economic and social development, but the industrial form, which is still in the bud or initial stage of growth, has become the strategic commanding height of the global power game and the core engine of China's development of new qualitative productivity.

1.The bank supports the development space of the future industry

The Ministry of Industry and Information Technology and other seven departments jointly issued the Implementation Opinions on Promoting the Innovative Development of future Industries and other program documents, defining the six core tracks of future manufacturing, future information, future materials, future energy, future space and future health, and guiding and encouraging all kinds of financial institutions to increase investment in future industries. According to the McKinsey Global Institute, 18 fields, including artificial intelligence, robotics and semiconductors, are expected to generate between $29 trillion and $48 trillion in annual revenue by 2040. Commercial banks should take active actions to allocate financial resources accurately and efficiently to the key areas required by the national strategy of future industry. In addition, the traditional banking industry's profit model of over-reliance on deposit and loan interest margins is no longer sustainable, while the future industry provides new growth space for banks. The process of serving the future industry will promote the bank to systematically improve its own capabilities and finally build the bank's core advantages in the future competition.

2.The main characteristics of the future industry and the financial needs of banks

First, the dynamic extension with the laboratory R&D phase as the core requires systemic financial support. The future industrial capital demand focuses on the long R&D stage before commercialization, which is in contradiction with the investment logic of venture capital or private equity investment pursuing a clear growth curve. The core advantage of banks lies in low cost and long-term stable funds, which have the potential to meet the capital needs before the commercialization of future industries. Second, large-scale capital needs, banks become the key force to break the game. The industry of the future is rooted in the frontier of science, and this disruption brings high risks throughout the whole chain, requiring large-scale long-term capital that can withstand higher uncertainty, providing opportunities for banks to give full play to their advantages. Third, the ultra-long cultivation period calls for patient capital, and the traditional venture capital or private equity investment model fails. One of the most significant characteristics of the future industry is its ultra-long R&D gestation cycle, which often takes ten years or more to develop, leaving huge strategic space for banks to use their stable long-term funds to provide real patient capital.

3.Policy recommendations

It is of great significance for banks to support future industrial development and there is much to be done. It is suggested to provide support from various aspects to solve internal and external constraints.

First, we should improve the linkage working mechanism and promote supervision to support future industrial investment. We will establish a national statistical monitoring system for future industries to provide data support for policy adjustment. We will strengthen the efficiency of government super guidance funds to invest in future industrial investment, explore the special bond market, and provide more exit channels for long-term funds. Second, strengthen the ability of bank investment platforms to strategically invest in future industries. Banking institutions should strengthen the relevant capabilities of existing investment subsidiaries, or explore the establishment of independent investment institutions to focus on future industrial investment. Third, strengthen the design of banking mechanism and optimize the group's integration and coordination ability. Large banks establish a set of internal coordination mechanism with clear rights and responsibilities and compatible incentives at the group level to solve the obstacles of cross-subsidiary cooperation to serve future industries. Establish a risk-return sharing model, and clarify the risk exposure allocation and excess return distribution plan of financial asset investment companies, commercial banks, leasing companies and other participants. Fourth, strengthen cooperation, cultivate and improve the future industrial ecosystem. Banks can serve as an important supporting force, catalyzing and cultivating the key link of the future industrial ecosystem. Fifth, strengthen the upgrading of risk control mode and risk disposal ability.

III.2 Financial Sector Support for Biomedical Innovation

In recent years, China's biopharmaceutical industry has entered a fast track of development. The financial sector should increase its support to promote technological innovation within this industry.

1. Key Characteristics of Biomedical Innovation in China and Corresponding Financial Needs

Firstly, intangible assets are the core form of value, necessitating a professional financial valuation system. The core value of biopharmaceutical companies is primarily reflected in intangible assets like intellectual property (IP) and R&D pipelines. This value structure, centered on intangible assets, places high demands on the valuation capabilities of the financial system. The capital market's value discovery mechanisms are often inadequate, lacking the ability to perform forward-looking pricing for these specialized, long-cycle intangible assets.

Secondly, the landscape of innovators is diverse, requiring a targeted financial service system. Large pharmaceutical companies have large-scale and comprehensive financing needs. Their high credit ratings and substantial asset sizes facilitate access to significant funding from capital markets, while also requiring comprehensive services from commercial banks, such as project loans and trade financing. In contrast, the financing for small biotechnology firms is characterized by distinct stages and high risk, with their early development heavily reliant on venture capital and private equity.

Thirdly, pathways for value realization are increasingly diverse, demanding multi-dimensional financial solutions. During the IPO process, investment banks are required to provide end-to-end services, from valuation and pricing to listing guidance. In mergers & acquisitions (M&A) and licensing transactions, the process relies on professional intermediaries for target screening, deal matchmaking, technical evaluation, and transaction structuring.

2. Policy Recommendations

Firstly, build a multi-layered system for intangible asset value discovery and risk sharing to break the development bottleneck. Establish authoritative third-party assessment and trading platforms to provide credible services such as value assessment and technical due diligence. Promote the securitization of intellectual property (IP) by bundling patented drugs already on the market with stable expected cash flows or future sales rights into standardized financial products. Innovate the financing model, allowing banks, while providing loans, to reasonably obtain a portion of the company's equity warrants to share in the excess returns from the company's future growth.

Secondly, optimize mechanisms for long-term capital supply and guidance to foster the patient capital ecosystem that invests in early-stage and small-scale enterprises. For long-term institutional investors such as pension funds and insurance funds, establish dedicated investment quotas for biomedical innovation. Optimize the assessment methods for state-owned capital and government guidance funds, shifting from short-term financial returns to a comprehensive evaluation based on long-term innovation indicators. Explore the establishment of a national-level M&A fund of funds for the biopharmaceutical industry to attract top-tier international capital, industry capital, and private capital to jointly form sub-funds.

Thirdly, enhance the functions of the multi-layered capital market to stabilize market expectations and facilitate diverse channels for value realization. Optimize refinancing rules for listed biopharmaceutical companies, supporting companies with stable operations and smooth R&D progress to obtain funds for sustained growth through methods like secondary offerings and rights issues. Develop M&A-centric exit strategies, viewing M&A as a core value realization channel on par with IPOs. Encourage A+H-share listed companies to leverage their dual-platform advantages to conduct cross-border M&A.

Fourthly, leverage the key role of financial institutions to provide integrated, full-lifecycle financial services. Policy banks should increase long-term credit support, providing long-term, low-cost funding for major technological innovation and R&D projects. Commercial banks should establish credit evaluation and risk control mechanisms that are better suited to the industry's characteristics, either through in-house assessment teams or partnerships with third parties. Insurance institutions should provide insurance products that cover the entire process of technological innovation, strengthening the risk diversification mechanism for major technological breakthroughs. Securities firms should support the equity and debt financing, market-oriented M&A, and IP securitization of biomedical innovation companies, thereby expanding diversified financing channels.

III.3 Development of Humanoid Robots and Business Opportunities for the Banking Sector

In 2025, news such as the IPO counseling of Unitree Robotics and the backdoor listing of DeepRobotics has further ignited market enthusiasm. As the main force of China’s financial system, the banking sector’s support for the development of the humanoid robot industry is a crucial measure to back the development of new productive forces and advance the agenda of technology finance.

1. The Humanoid Robot Industry is Experiencing Explosive Growth

First, Countries are Rolling Out Support Policies Frequently. Driven by optimistic prospects for the humanoid robot market, countries around the world are continuously strengthening policy support in this field. The United States provides R&D subsidies through the National Robotics Initiative; the European Union has invested 2 billion euros in the "Horizon Europe" program to support the R&D of human-robot collaborative systems, pushing the global policy competition into a fever pitch.In 2024, China’s Ministry of Industry and Information Technology (MIIT) released the Guiding Opinions on the Innovative Development of Humanoid Robots, listing the industry as a key area under the'Special Program for Enhancing the Core Competitiveness of National Manufacturing'. It clearly states that a safe, reliable and independently controllable industrial chain system should be formed by 2027. Various provinces and cities in China have also actively followed up, successively introducing policies related to humanoid robots and embodied intelligence.

Second, the Global Market is Expanding Rapidly. In the long run, the global humanoid robot market will show an exponential growth trend, and the core logic of replacing repetitive labor and enabling human-robot collaboration has become a consensus. According to forecasts:The global humanoid robot market size will be approximately 2 billion US dollars in 2024, and exceed 30 billion US dollars by 2029.Long-term forecasts are even more optimistic: Goldman Sachs predicts that the global humanoid robot industry scale will reach 154 billion US dollars by 2035; Morgan Stanley estimates that the total potential market in the humanoid robot field will hit 60 trillion US dollars.Among them, fields such as home services, logistics, and construction have become core growth drivers.

Third, the Chinese Market Leads the Globe. Most research cross-validates China's leading position in the humanoid robot market. The Humanoid Robot Industry Research Report released at the First China Humanoid Robot Conference predicts:China's humanoid robot market size will be about 5.3 billion yuan in 2025;By 2029, this figure may reach 75 billion yuan, accounting for approximately 33% of the global total;By 2035, it is expected to reach 300 billion yuan.From the perspective of the industrial chain, Morgan Stanley analysis shows that among global enterprises clearly involved in the humanoid robot supply chain, 56% are from China; and among system integrators, 45% are from China.

2. Analysis of Banking Business Opportunities

First, Upstream Component Enterprises Take the Lead in Development, Creating

Financing Demands Driven by Technological Breakthroughs and Capacity Expansion.R&D financing demand: Enterprises need funds to support core technology R&D (e.g., for key components like servos, sensors, and motion controllers).Capacity expansion financing demand: As market demand surges, enterprises require capital to expand production lines and enhance manufacturing capacity.Supply chain finance demand: There is a need for financial services such as accounts receivable financing and inventory pledge loans to stabilize the upstream supply chain.

Second, Midstream Complete Machine Manufacturers are Favored by Capital, Presenting Prominent Opportunities for Comprehensive Financial Services.Inves -tment banking services related to IPO counseling and bond issuance: Banks c an provide services such as listing counseling, underwriting of corporate bonds, and refinancing support for midstream enterprises.Industrial funds and linkage of investment and loans: Banks can jointly establish industrial funds with go vernment departments or social capital to invest in promising enterprises, whil e matching loan support to form a "investment + loan" synergy.Supporting ser vices for global layout: For enterprises expanding overseas markets, banks can offer cross-border settlement, foreign exchange risk management, and internati onal guarantee services.

Third, Downstream Applications are Gradually Expanding, Generating Scenario-Specific Financial Demands.Different scenarios have significantly different functional requirements for robots, and the application and implementation process requires in-depth integration with industry-specific scenarios. The banking sector can provide customized services based on the needs of enterprises in different application scenarios (e.g., providing project financing for logistics enterprises using humanoid robots, or offering equipment leaseback services for manufacturing enterprises).

III.4 Emerging Trends of Chinese Enterprises Expanding into Southeast Asia

and Financial Support Strategies.

In recent years, large Chinese banks have achieved phased results in expanding into the Southeast Asian market. They have actively cultivated offshore RMB markets and expanded the regional use of the currency; provided high-quality financial services to support Chinese enterprises in expanding into Southeast Asia.; and promoted the development of the digital and green economy in the region, broadening the scope of financial cooperation.

However, it is worth noting that compared with leading international banks, Chinese banks remain relatively less competitive in the Southeast Asian market, particularly in serving Chinese enterprises, where there is still room for improvement. First, overseas projects of Chinese enterprises require substantial capital in the early stages, yet banks lack comprehensive financing and financial solutions that serve the entire industrial and supply chain. Second, demand for services such as foreign exchange risk management, regulatory compliance, and payment and credit guarantees continues to grow. Third, enterprises often face compliance risks due to information asymmetry, which can result in heavy fines or business restrictions.

Looking ahead, Chinese banks can focus on several areas to strengthen their presence in Southeast Asia. First, they should prioritize countries that are China-friendly and politically stable, increasing resource allocation and pursuing a combined model of self-establishment and mergers & acquisitions to optimize regional market layout. Second, banks should enhance financial support for high value-added industries. For sectors such as Southeast Asian infrastructure and green energy, they can design project-financing-specific products, introduce risk-sharing mechanisms, provide loans for technological upgrades, support localized production, and promote industrial upgrading. Third, they should optimize cross-border financial service systems, improving the convenience of cross-border payments, settlements, and financing, and offer customized cross-border financial services to help Chinese enterprises accelerate their overseas expansion. Fourth, they should provide more comprehensive safeguards to enhance the operational stability of overseas enterprises. Banks can offer full-chain foreign exchange and interest rate risk management services, tailor hedging solutions based on clients' future cash flow needs, and lock in costs and returns in advance at appropriate levels.

III.5 Development of Data Asset Financing in China

In the era of digital economy, data factors have jumped to the fifth largest factor of production. As a new type of asset, data assets are increasingly becoming an important strategic resource for the deepening development of digital economy. In the financial field, data asset financing, as a new financial instrument, has gradually risen.

1. The policy and market basis for the development of data asset financing in China

i.Policy basis

At the national level, the CPC Central Committee e and the State Council have elevated data elements to the national strategic level, and are establishing relevant institutional frameworks. In recent years, they have successively issued the Opinions on Building a Data Base System to Better Play the Role of Data Elements, the Pilot Scheme for the Whole Process Management of Data Assets, and the Interim Provisions for Accounting Treatment of Enterprise Data Resources. At the local level, some provinces and municipalities have encouraged financial institutions to carry out data asset financing, such as the Regulations on Promoting Digital Economy issued by Beijing in 2023 and the Work Program on Strengthening Data Asset Management issued by Hunan Province in 2024.

ii.Market basis

2024 will be the first year for Chinese enterprises to enter the data assets table. According to the annual report of 2024 disclosed by listed companies, by the end of April 2025, there were 100 A-share listed companies and 22 new third board companies. In terms of non-listed companies, according to incomplete statistics of public information, by the end of March 2025, 330 non-listed companies had been listed, and 112 financing projects had been obtained, amounting to 1.417 billion Yuan. In addition, the development of data exchanges also provides a market foundation for data asset financing. By the end of 2024, there were nearly 50 data exchanges in the country. In 2024, the transaction scale of the national data market exceeded 160 billion Yuan, an increase of more than 30% over the same period last year.

2. The practice of data asset financing in China

By the end of 2024, the financing scale of data assets in China reached 1.39 billion Yuan. At present, more than 100 cases of data asset financing have been carried out nationwide, which are characterized by: First, wide geographical distribution. Successful cases of data asset financing have landed in many provinces and cities throughout the country, including both developed regions and the central and western regions. Second, there are many types of data assets. The data assets that have been financed cover transaction data, user behavior data, public data, production and operation data and other types, covering a variety of industries. Third, the financing mode is diversified. Data asset pledge (mortgage) loan, data asset securitization, data asset pricing, data asset trust, data asset financing lease and so on are actively promoted.

3. Problems and Suggestions on the Development of Data Asset Financing in China

China's data asset financing is facing some legal and technical imperfections in the aspects of right confirmation, valuation and circulation, such as unclear ownership of data assets, lack of uniform standards and dynamic value measurement mechanism for value evaluation, and unclear whether data assets have the legal status of collateral, which makes their value not fully released.

Government: strengthen top-level design. First, we should speed up the improvement of the data property rights system and strengthen the legal attributes of intellectual property registration certificates. Second, construct the scoring model of data value. Third, build a unified national data asset registration and guarantee platform. Fourth, promote the formulation of special policies for data asset financing.

Banks: strengthen innovation and risk management. First, the promotion strategy of phased promotion and pilot first. Secondly, banks can add income distribution or margin system to contracts and strengthen the joint disciplinary mechanism among industries to solve the problems of value depreciation and proof difficulties caused by enterprises' illegal use of data. Thirdly, in view of the disposal problem after the default of data asset pledge, banks can cooperate with professional trusteeship or evaluation agencies to quickly freeze or track the residual value of data assets when the default is triggered. Fourthly, by introducing advanced risk management tools and technologies, such as blockchain and data desensitization, we can improve the ability of risk prevention and control.

III.6 New characteristics, problems and suggestions of financial investment in China's banking industry

As an important business at the asset end of commercial banks, financial investment plays an important role in the steady operation of banks and macroeconomic development. Especially in the current interest rate environment, reasonable and prudent financial investment helps banks to achieve sustainable development.

1.Financial investment is of great significance to the development of banks

Financial investment is an important channel for banks to serve the real economy. From the perspective of practice, the different asset targets of Chinese banks' financial investment are mainly to serve the real economy. It will help banks disperse risks and ensure the safety of operation and development. At present, China's banks' financial investment allocation is mainly based on bonds, especially bonds with higher credit rating have lower default risk, which can reduce the pressure of banks' capital occupation and ensure steady investment. Ensure effective use of funds when loan demand is insufficient and expand more sources of income. When the loan demand of market subjects is insufficient, in order to ensure the effective use of funds at the asset end, banks need to allocate relatively surplus funds to other financial assets to avoid losses caused by idle funds. We will ensure that banks have reasonably sufficient liquidity. When a bank needs liquidity support, qualified financial assets can be used as collateral in the process of financing from the central bank or other financial institutions, and are an important tool in exchange for liquidity.

2.At present, China's banking financial investment presents new characteristics

The scale of financial investment and its proportion in assets are on the rise. In recent years, the scale of financial investment of listed banks has continued to grow, accounting for an increasing proportion of total assets. In the allocation of bank financial investment, bond assets occupy the dominant. The financial investment of listed banks is generally diversified, and the types of assets allocated include government bonds (including national bonds and local bonds), financial bonds, corporate bonds and other bonds, as well as inter-bank certificates of deposit, fund investment and other assets (mainly including trust, financial management, long-term equity investment and non-standard assets, etc.). Among them, bonds occupy the dominant position of bank financial investment. Financial investment has become an important factor affecting bank revenue. Financial investment income showed an increasing trend, contributing more to the bank's revenue. Due to the pressure of capital cost and performance target brought by the difference in scale, small and medium-sized banks are more active in their financial investment strategy, allocating more high-risk and high-yield financial assets and expanding more profit space.

3. Several points worth paying attention to in current bank financial investment

It is an appropriate choice for banks to increase financial investment moderately under the low interest rate environment. First, bonds are the main allocation assets of banks' financial investment. In the current low interest rate environment, it is reasonable for banks to appropriately allocate bonds to obtain investment returns. Second, the current traditional deposit and loan business of banks is more competitive, and the space for financial investment needs to be expanded on the asset side. Third, from international experience, financial investment is an important boost to the asset end of major financial institutions. Low interest rate environment is often the starting point for international financial institutions to increase financial investment.

Banks need to attach great importance to several issues when allocating financial assets. First, excessive pursuit of bonds and other financial assets is easy to accumulate interest rate risks, affecting sound operation. Second, the improper behavior of individual institutions in the investment process is easy to form operational risks and legal risks. Third, moderate financial investment helps banks allocate resources rationally, but excessive investment may squeeze the main credit business space.

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