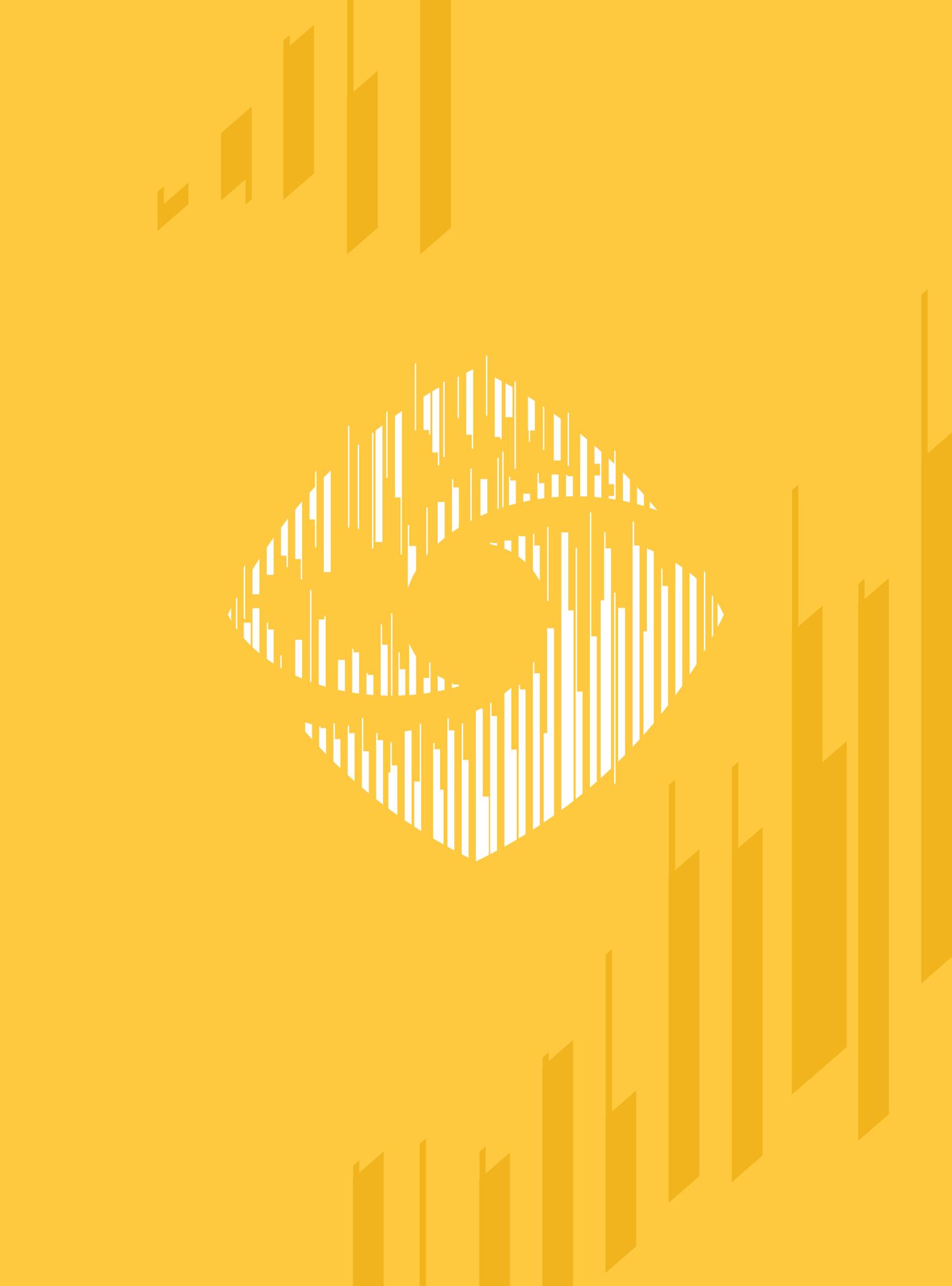




BANK OF JIANGSU
ANNUAL REPORT 2020

A-share Stock Code: 600919



Important Notice

I. The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management Personnel of the Company hereby certify that the contents of the Annual Report are authentic, accurate and complete, and will be individually and jointly liable for any false representations, misleading statements or important omissions.

II. The *Proposal on the 2020 Annual Report of Bank of Jiangsu and the Abstracts* were deliberated and ratified in the 10th meeting of the 5th Board of Directors of the Company on April 28, 2021, which was attended by all directors of the Company.

III. KPMG (Special General Partnership) issued a standard and unqualified audit report for the Company.

IV. XIA Ping, the Legal Representative and Chairman of the Company, together with JI Ming, the President and Head of Accounting, and LUO Feng, the General Manager of Planning and Finance Department, hereby acknowledged that the financial statements contained in the Annual Report are authentic, accurate and complete.

V. Proposal for profit distribution of this Reporting Period or proposal for converting the capital reserve into share capital deliberated by the Board of Directors

The Company intends to distribute cash dividends to all shareholders with information as follows: The profit distribution is based on the total share capital registered on the equity registration date for dividends distribution. The specific date will be specified in the implementation announcement of dividends distribution. It is intended to distribute the cash dividend of RMB 3.16 (tax-inclusive) for every 10 shares to all shareholders. The Company completed the A-share rights issue in December 2020, and on January 14, 2021, a total of 3,225,083,672 shares increased in the A-share rights issue were listed for circulation. The Company's total share capital will be increased to 14,769,606,643 shares upon the completion of the A-share rights issue, and therefore, it is calculated that the total cash dividends planned to be distributed should be RMB 4,667,195,699 (tax inclusive). However, since the convertible bonds issued by the Company is in conversion period, the actual total amount of cash dividends distributed shall be determined based on the total shares registered on equity registration date. The proposal above is still required to be deliberated and approved by 2020 shareholders' meeting. Details will be announced separately.

VI. Declaration of risks on forward-looking statements

The forward-looking statements in this Report, including future plans and development strategies, do not indicate substantive commitments made by the Company to investors. Investors are advised to be cautious about investment risks.

VII. During the Reporting Period, there was no controlling shareholders of the Company or other related parties who used the Company's funds for non-operating businesses purposes, no external significant guarantees that violated the Company's decision-making procedures and no circumstances where over half of the directors could not ensure the authenticity, accuracy or integrity of the annual report disclosed by the Company.

VIII. Significant risk warning

The Company had no foreseeable major risks. To learn more about risk management of the Company, please refer to the relevant contents of "Risk Management" in Section III "Discussion and Analysis of Business Situation".

Definitions

In the Report, the following words and expressions shall have the following meanings, unless otherwise required by context:

Definitions of commonly-used words and expressions		
The Bank, Company, the Company	Refer to	Bank of Jiangsu Co., Ltd.
Group, the Group	Refer to	Bank of Jiangsu Co., Ltd. and subsidiaries
PBC, Central bank	Refer to	People's Bank of China
CBRC, China Banking and Insurance Regulatory Commission	Refer to	China Banking Regulatory Commission
China Banking and Insurance Regulatory Commission, Jiangsu Office	Refer to	China Banking and Insurance Regulatory Commission, Jiangsu Office
CSRC, China Securities Regulatory Commission	Refer to	China Securities Regulatory Commission
China Securities Regulatory Commission, Jiangsu Office	Refer to	China Securities Regulatory Commission, Jiangsu Office
Shanghai Stock Exchange, Exchange	Refer to	Shanghai Stock Exchange
Suyin Financial Leasing	Refer to	Suyin Financial Leasing Co., Ltd.
Suyin Wealth Management	Refer to	Suyin Wealth Management Co., Ltd.
Suyin KGI Consumer Finance	Refer to	Suyin KGI Consumer Finance Co., Ltd.
Suyin County Bank	Refer to	Jiangsu Danyang Suyin County Bank Co., Ltd.
Jiangsu Trust	Refer to	Jiangsu International Trust Corporation Limited
Phoenix Group	Refer to	Jiangsu Phoenix Publishing & Media Group Co., Ltd
Huatai Securities	Refer to	Huatai Securities Co., Ltd.
BOCI Securities	Refer to	BOCI Securities Limited Co., Ltd.
Huatai United Securities	Refer to	Huatai United Securities Co., Ltd.
KPMG	Refer to	KPMG (Special General Partnership)
Yuan	Refer to	RMB yuan

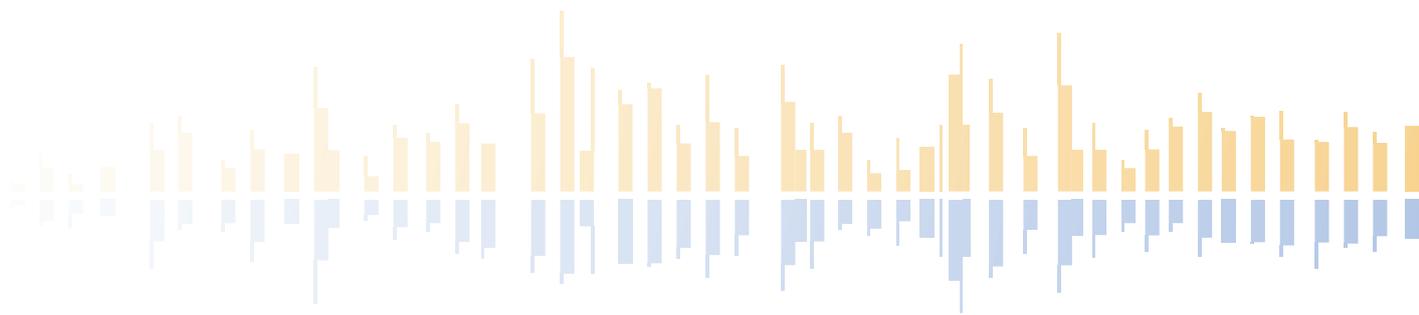


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Message from the Chairman

Dear shareholders,

The past year is unforgettable. In face of the challenges of the severe centurial epidemic and great changes over the past ten decades, the Bank of Jiangsu, guided by the Xi Jinping Thought on Socialism with Chinese Characteristic for a New Era, took measures under the overall planning, made active response and tried to promote its quality development in the course of serving the epidemic prevention and control and economic and social development effectively. Finally it made remarkable achievements in such an extraordinary year. During the Reporting Period, the Group had its total assets reaching RMB 2.34 trillion, operating income growth rate keeping leading in the industry and operation benefits improved steadily; non-performing loan ratio declined for five consecutive years and provision coverage improved for five consecutive years, too. Basic EPS (earnings per share) was RMB 1.21 and cash dividends occupied for more than 30% in the net profits attributable to shareholders of the list company. We ranked 92nd of global top 1,000 world banks, within top 100 for two consecutive years and the 83rd in global top 500.

All those should be ascribed to our persisting on the mission of serving epidemic prevention and control and real economy. All our staff (15,000 persons) raced against time and grasped the nettle with the powerful trust and support of all shareholders, customers and all sectors of society. On this occasion, on the behalf of the Board, I'd like to express my sincere gratitude to all of you!

In 2020, the Bank, based on the pattern of new development, grasped the general trend of the development of the financial industry accurately, recognized, responded to and sought changes actively and struggled for a good-reputed listed bank.

We boosted the epidemic prevention and control more consciously and performed financial responsibilities in such a harsh year. Go where there is epidemic, fight it till it perishes. Upon the outbreak of COVID-19, we donated special fund of RMB 10 million and anti-epidemic and living materials of 70,000 pieces to Hubei first. We carried out an investigation covering hundred enterprises timely and intensified the all-weather and uninterrupted online service; increased anti-epidemic special area on our APP, provided anti-epidemic service and handled various businesses online; subscribed special anti-epidemic treasury bonds issued by the Ministry of Finance positively and exerted investment bank's business advantages to underwrite multiple special anti-epidemic bonds; by the means such as fee reduction, preferential interest rate and renewal of loan without repayment of capital, we issued special funds of more than RMB 15 billion to those production enterprises and key enterprises of anti-epidemic materials, made over 1,600 green channel small and micro loans and applied special reloans exceeding RMB 30 billion for bail-outs of market entities.

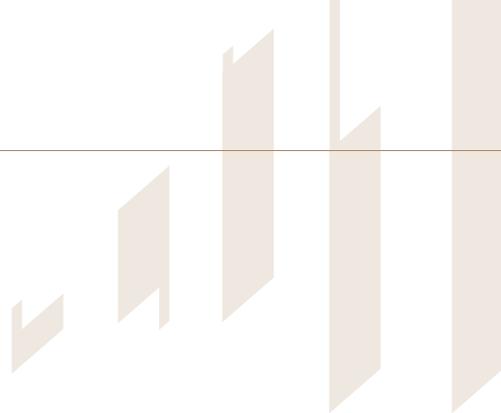
We reinforced the development based on the advantages of local bank and forged ahead by complying with the growth pace of regional economy. We integrated our pursuit for a service-leading bank with the excellent local economic environment in depth and harvested great achievements in 2020. We tried to build a preferred bank of Jiangsu customers, kept our market shares of Jiangsu Province leading in the industry and shared the development dividends continuously. Based on the resources of Jiangsu Province, we strengthened the service for high-end manufacturing cluster and had the medium and high-end manufacturing proportion of manufacturing loan higher than 40%. As the first city commercial bank adopting "Equator Principles" (EPs), we kept innovating our services focused on the construction of "a Beautiful China" and "a Beautiful Jiangsu" and kept the green credit balance ranking first in Jiangsu Province. We insisted on the service for small and medium-sized enterprises, had the market shares of small and micro loans in Jiangsu Province exceeding 10% and ranked the first for many consecutive years; realized the issue scale of reloans for

local corporate financial institutions in the first place among nationwide small and medium-sized banks and reached the Grade II standard of the PBOC's inclusive cut of required reserve ratio. We had our financial services covering 1/3 hi-tech enterprises of Jiangsu Province, supported more than 10,000 technological innovation enterprises and kept the technology loan balance ranked the first in Jiangsu Province. Based on the export-oriented economic environment, we provided higher-quality cross-border financial services for enterprise going global and bringing in and took the lead in terms of the key indicators (e.g. international settlement quantity and business shares of FTA) among all the city commercial banks all over China.

We optimized our business system oriented to customers and saw our financial service ability constantly improved. Oriented to customers' needs, we optimized business and product structure actively, enriched the comprehensive management system and accelerated the release of the synergy effect of the businesses such as accounting, retail and financial market; enhanced the obtaining ability of low-cost liabilities dramatically and improved management efficiency constantly with structure adjustment and system optimization. Based on the organizational layout radiating the three economic circles, diverse online and offline service channels and the favorable and solid customer base, we deepened the integration of investment and financing and harvested great achievements: Retail deposits and loans, number of customers and AUM scale were expanded constantly and wealth and number of private banking customers were rapidly increased; our wealth management business ranked first among city commercial banks in the "Evaluation of Comprehensive Asset Management Ability" of Puyi Standard for 20 consecutive quarters and more than 1 million credit cards were issued for two consecutive years. Suyin Wealth Management and Suyin KGI Consumer Finance were established successively and the pattern of comprehensive operation and big wealth management were carried out rapidly.

With a strong aim of sticking to the baseline, we strengthened the risk management and withstood the complicated and severe test. Facing the uncertain factors such as impact of the epidemic, we always kept sensitive to risk trends and signs, strengthened the incremental risk control and stock risk relief duly and had our capital quality stepping into a new stage of continuous improvement. We insisted on the strict accreditation criteria and kept tamping the development foundation and improving risk resistance ability. We intensified the construction of intelligent risk control, optimized the knowledge graph technology and the sharing platforms such as risk warning, anti-fraud and anti-money laundering and accelerated the external output of technologies and the iterative upgrading of "traditional risk control + big data" intelligent risk control system. We established a Special Assets Center in the head office, to dispose the bank-wide significant, difficult and complicated non-performing assets directly, and improved the intensive and professional levels of the collection and disposal of non-performing assets further. We stuck to the strict governance, strengthened the mechanism construction and process control and had the compliance management deeply rooted in people's hearts.

We energized business development through intelligent finance and harvested better digital transformation effect. We claimed to build "the bank with the most Internet big data genes" in 2013 and have given priority to "intelligence" among all bank-level strategies: We implemented the evolution works of intelligent finance comprehensively and kept making innovations and thinking up new ideas, so as to provide more amicable customer services and more elaborate business management. We boosted agile transformation in depth, and focused on the sensitive state team mode of



project implementation, deepened the integration of technology and business. We highlighted foundation platform building, data value creation and customer scenario service as well as the exploration and application for advanced technology. We built the opener financial ecology, integrated the "e Rong Pay" series Internet financial products to the "Sui e Rong" platform and spread it through WeChat applet; just in half a year, we received more than 100,000 customers and made loans reaching RMB tens of billions. We realized the number of our mobile banking customers more than 1,000, ranked the first among city commercial banks in terms of monthly number of active customers and increased the scale of customers and assets scale under management of direct bank by nearly 2/3 compared with that of last year.

We have governed and consolidated the development foundation effectively and laid emphasis on guaranteeing steady development. We integrated the Party construction and corporate governance organically and kept improving the governance system of "scientific decision, effective supervision and steady operation"; completed the election at expiration of office terms of the Board of Directors and Board of Supervisors and ensured professionalism, independence and diversification in the composition of the Board of Directors and Board of Supervisors. We seized the opportunity to advance the capital supplementation with external source, and under the support of shareholders, completed the initial allotment of shares of A-share listed bank in recent seven years and expanded our capital strength. We disclosed all the information as per standards, protected the right to know of shareholders and investors fully and improved the Company's transparency constantly. We intensified market communication, followed the latest dynamics of the market carefully and promoted the inward spread of external information actively. We cultivated the culture of struggle, motivated the responsible actions, made employees and the enterprise grow jointly and got the increasingly strong atmosphere of simplicity, harmoniousness and entrepreneurship.

Seize every minute and every second. 2021 coincides with the opening year of the 14th Five-year Plan. During this period, small and medium-sized banks not only stand at the forefront of the times but also face a new round of changes and differentiations. We will, in the virtue of our resource endowment, blend into the new pattern of development actively and focus on such key fields as technological innovation, green development, inclusive people's wellbeing and big wealth management; improve service level continuously, intensify competitive advantages and boost the construction of an "wisdom, characteristic, international and comprehensive" bank with leading services and usher in the 100th anniversary of the founding of the Communist Party of China with superior performance.

Chairman of the Bank of Jiangsu: XIA Ping

Message from the President

Dear shareholders,

In the tough 2020, the Bank of Jiangsu, under the guidance of the Xi Jinping, Thought on Socialism with Chinese Characteristic for a New Era, harvested remarkable development in serving financial epidemic prevention and the high-quality development of real economy based on the new development idea and the new development pattern. During this year, our management promoted "stable operation, quality improvement, optimization and energization" constantly as per the development strategy and task objectives determined by the Board of Directors, and a steady favorable development momentum was kept in the whole bank.

All businesses were developed steadily. As of the end of this report, the Group had the total assets reaching RMB 2.34 trillion, with a YoY growth of 13.21%. The deposits totaled to RMB 1.31 trillion, with a YoY growth of 10.19%; the loans totaled to RMB 1.2 trillion, a 15.48% YoY growth. The annual operating income was RMB 52.026 billion, increasing by 15.68% on a year-on-year basis; net profits attributable to shareholders of listed company were RMB 15.066 billion, going up by 3.06% on a year-on-year basis. As of the end of this report, the non-performing loan ratio was 1.32%, a 0.06% drop compared with that of the last period; provision coverage was 256.40%, improving by 23.61% compared with that of the last period. Various supervision indicators were consistently satisfied.

Effect improvement in serving real economy. We performed the financial mission actively, served epidemic prevention and control comprehensively and boosted the stability on the six aspects (employment, finance, foreign trade, foreign capital, investment and anticipation) and security in the six areas (resident employment, basic livelihood, market entity, food and energy safety and stability of industry chain and supply chain and grass-roots operation). As of the end of this report, the ratio of credit assets was 51.4%, improving by 1% compared with that at the beginning of the period, and scale growth of actual loans set a new record high. Loan balance of manufacturing was RMB 129.1 billion, accounting for 20% of corporate loan; the proportion of loan balance of high-end manufacturing in the loan of manufacturing was higher than 40%. Green credit balance was RMB 98.4 billion, with a 15% YoY growth. The number of supply chain financial customers was 3,525, increasing by 35% on a year-on-year basis. The accumulative business handling volume was RMB 79.3 billion during the Reporting Period, with a 50% YoY growth. The loan balance of small and micro businesses was RMB 435.9 billion. The number of newly developed small and micro customers with effective credit nearly doubled compared with that of the same period of last year; in particular, the balance of inclusive small and micro loans with the credit below RMB 10 million was RMB 85.1 billion, kept "double growth" continuously. We also launched the intelligent network credit "Sui e Loan" and had served 43,000 small and micro businesses and made loans more than RMB 70 billion on an accumulative basis. We supported more than 10,000 technological innovation enterprises and had loan balance more than RMB 100 billion. Serving more than 6,125 hi-tech enterprises and making loans more than RMB 70 billion, we cooperated with 1/3 hi-tech enterprises in Jiangsu Province and credit business with 1/6 hi-tech enterprises in Jiangsu Province; served nearly 4,000 talents above county level and offered the supporting talent entrepreneurship loan of RMB 26 billion, ranking the first in Jiangsu Province. We implemented the first cross-border capital pool business and the first cross-border RMB reserve account in China (Jiangsu) Pilot Free Trade Zone and had annual international settlement of USD 155.2 billion. We seized a leading status among the city commercial banks all over China. We served rural revitalization actively, implemented the work deployment (e.g. "10,000 Enterprises Associate with 10,000 Villages") thoroughly, made "Sunshine Poverty Alleviation Loan" in the form of pilot and had the growth rate of agriculture-related loans higher than the average growth rate of market.

Continuously obvious structural adjustment effect. We implemented the regulatory requirements in good faith, lowered structural deposits vigorously and reduced the proportion of active liabilities dramatically; intensified the management for various businesses and explored the account potential of agencies (e.g. finance and social insurance) further; improved the low-cost settlement deposit contribution (e.g. transaction banking) and enhanced the current deposits dramatically. The growth of personal savings deposits ranked first among city commercial banks and interest payment rate of deposits dropped remarkably compared with that at the beginning of the year. We developed well in "customer expansion" for enterprises above designated size and advanced the activities such as "Hundred Enterprises Enter Ten Thousand Enterprises" in depth. We launched the "private bank +" service system construction and had property private customers exceeding 55,000. The retail loan balance was RMB 469.9 billion, with a 25% YoY growth. More than 1 million credit cards were issued for two consecutive years. The underwriting scale of debt financing instrument grew by 130% on a year-on-year basis and underwriting scale of financial bonds nearly tripled. The WMP balance was RMB 351.6 billion, with net worth product accounting for 84%; old product reduction of wealth management subsidiary was more than RMB 100 billion. The assets custody scale was RMB 3.04 trillion, increasing by 21% on a year-on-year basis, and total custody scale and custody scale of public offering kept in the first place among city commercial banks.

Accurate and effective risk control measures. In response to the impact of the epidemic, we strengthened the recognition and control for credit risk source and implemented strict accreditation criteria; reduced old risks, control the generation of new risks and complied with risk baseline in good faith. All loans for more than 60 days overdue would be judged as the non-performing loans (NPL); the non-performing loan ratio had gone down for five consecutive years and the provision coverage went up for five consecutive years; multiple indicators were the best after the launch in market. A Special Assets Center was established in the head office in order to dispose the large non-performing assets of the whole bank, and the direct management function was intensified constantly. We grasped policy window actively to promote the arrearages clearing and reduction; addressed the remaining difficult NPL vigorously and enhanced assets quality further. By combining epidemic control, we deepened the work deployment (e.g. governance of disorder), determined the base number of risk and strengthened the control for all key links of credit loan. We improved the technical application of knowledge graph technology and sharing platforms such as risk warning, anti-fraud and anti-money laundering, generalized the intelligent investigation system in the whole bank and upgraded the "traditional risk control + big data" intelligent risk control system constantly. We implemented the regulatory requirements in good faith and highlighted the prevention against international control case; strengthened the rectification for various problems and always insisted on compliance management.

Constant breakthroughs in intelligent finance evolution. We launched the "Sui e Rong" product for enterprise operation and personal consumption innovatively by integrating the products such as "Shui e Rong" and "Jin e Rong". During the Reporting Period, respectively 10,000 and 130,000 customers were increased, with a total loan scale of more than RMB 30 billion. We generalized and implemented the "data collector" plan in the whole bank, strengthened the collection for the data such as mobile operator, park customer and government agency and enriched our big data information further. The intelligent marketing system - CANDOWIN 2.0 was launch formally, the number of mobile banking customers was more than 10 million and the initial growth of customer assets under direct bank management was 64%. We promoted the construction of intelligent outlets in depth and launched more than 80 functions such as social insurance payment, payment of penalty and confiscation for traffic violation and QR code payment. We developed multiple combined transactions and had annual business volume of intelligent counter reaching around 9.41 million. The intelligent service proportion of service center exceeded 85%. During the Reporting Period, we were rated as "National Copyright Demonstration Organization", with bank-wide growth rate of technology personnel exceeding 15% and our technological input further increased.

Further advanced institutional mechanism reform. We intensified top-level design and solved all new and old problems through reform, to promote the improvement of operation and management efficiency; intensified the full-process online reform of credit business approval, simplified teller traction operation and realized bank-wide daily average counter trading volume reaching 70,000. We improved young cadre training and selection mechanism, strengthened cadre supervision and management, optimized the assessment and evaluation system for management personnel at all levels and strengthened the rating for leaders at key posts. We generalized the vertical management of internal audit and formed a management mode in which the head office is dominated in personnel, assessment and project. We promoted the training transformation and intensified the idea of strengthening moral education and cultivating people constantly. Under the support of shareholders, we finished the initial A-share rights issue of listed bank for seven years and improved capital adequacy ratio. We also established Suyin Wealth Management and Suyin KGI Consumer Finance successively and built more diversified comprehensive service ecology together with financial lease and rural bank subsidiaries.

We embraced improvement in different aspects. 2021 coincides with the opening year of the 14th Five-year Plan and is also a promising year. Bank of Jiangsu will, under the leadership of the Board of Directors, implement the major policies and principles of the central government in good faith; insist on steady operation, deepened innovation drive, intensify value creation, accelerate the development towards the "wisdom, characteristic, international and comprehensive" with leading service and return the trust and support of shareholders and all sectors of society with outstanding performance.

President of the Bank of Jiangsu: JI Ming

2020



ANNUAL REPORT

BANK OF JIANGSU

Section I

Company Profile





Company Profile

I. Basic Information

Type	A share	Preferred share	Convertible bond
Abbreviation	Bank of Jiangsu	Suyin You 1	Suyin convertible bond
Code	600919	360026	110053
Listing location	Shanghai Stock Exchange	Shanghai Stock Exchange	Shanghai Stock Exchange
Chinese Name of the Company	江苏银行股份有限公司		
Abbreviation of the Chinese Name of the Company	江苏银行		
English Name of the Company	Bank of Jiangsu Co., Ltd.		
Abbreviation of the English Name of the Company	Bank of Jiangsu		
Registered Address/Office Address	No. 26, Zhonghua Road, Nanjing City		
Registered Address/Post Code of Office Address	210001		
Legal representative	XIA Ping		
Secretary of the Board	WU Dianjun		
Securities affairs representative	YANG Yi		

Media designated for information disclosure	<i>China Securities Journal, Shanghai Securities News, Securities Times, and Securities Daily</i>
Website address designated by China Securities Regulatory Commission for the publication of the Annual Report	Website of Shanghai Stock Exchange (www.sse.com.cn) Website of the Company (www.jsbchina.cn)
Place where the Annual Report of the Company is prepared	Board Office of the Company
Website	http://www.jsbchina.cn
E-mail	dshbgs@jsbchina.cn
Investors Contact Number	(86) 25-52890919
Fax	(86) 25-58588273
National Customer Service and Complaint Number	95319

II. Securities Service Institution

Accounting firm engaged by the Company	Name	KPMG (Special General Partnership)
	Office address	Floor 8, KPMG Tower, Oriental Plaza, No. 1, East Chang'an Street, Beijing
	Name of signatory accountant	SHI Haiyun, WANG Yang
Sponsor institution performing continuous supervision duty during the Reporting Period	Name	BOCI Securities Co., Ltd. Huatai United Securities Co., Ltd.
	Office address	Floor 39, No. 200, Yincheng Middle Road, Pudong New Area, Shanghai Floor 6, Tower A, Fengming International Building, No. 22, Fengsheng Alleyway, Xicheng District, Beijing
	Name of signatory sponsor representative	WANG Bing, DONG Wendan, SUN Xuan and XU Ke
	Period of continuous supervision	From January 14, 2021 to December 31, 2022

III. Company Profile

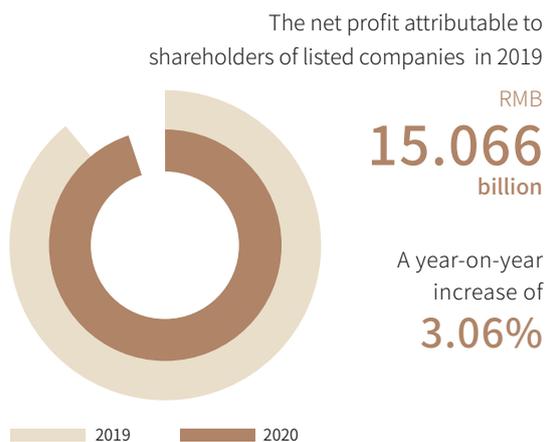
Bank of Jiangsu was officially opened for business on January 24, 2007, headquartered in Nanjing, Jiangsu Province. On August 2, 2016, the bank was listed on the main board of Shanghai Stock Exchange with the stock code 600919.

Adhering to the mission of "creating better life" and the core values of "integration and innovation, pragmatic responsibility and lean growth", Bank of Jiangsu is committed to building a leading service bank that is "wisdom, characteristic, international and comprehensive". Bank of Jiangsu has 17 branches under its banner and four subsidiaries: Suyin Financial Leasing Co., Ltd., Suyin Wealth Management Co., Ltd., Suyin KGI Consumer Finance Co., Ltd. and Jiangsu Danyang Suyin County Bank Co., Ltd., The service network radiates three economic circles: Yangtze River Delta, Pearl River Delta, and Bohai Rim, and achieves full coverage of counties in Jiangsu Province, with more than 533 business outlets and more than 15,000 employees.

As of the end of 2020, its total assets were RMB 2.34 trillion, and the net profit attributable to shareholders of listed companies reached RMB 15.066 billion in 2020, a year-on-year increase of 3.06%. In the 2020 ranking of global top 1,000 banks by the British magazine The Banker, it ranked the 92nd by tier one capital, continued to enter the top 100 global banks, and ranked the 18th in China. It ranked the 83rd by brand value in the 2021 ranking of the top 500 global banks released by Brand Finance.

By the end of 2019

Business Outlets	More than 533
Employees	More than 15,000
Total Assets	RMB 2.34 trillion



Note: Suyin KGI Consumer Finance was approved established in Q1 of 2021.

IV. Scope of Business

With approval of China Banking Regulatory Commission and examined and approved by the company registration authority, the Bank enjoys the scope of business of: taking public deposit; issuing short-term, medium-term and long-term loans; handling domestic settlement; handling bills acceptance and discount; issuing financial bond; issuing, cashing and underwriting government bonds as an agent, underwriting short-term financing bonds; buying and selling government bonds, financial bonds and enterprise bonds; handling inter-bank borrowing; providing service and guarantee for letter of credit; handling collection, payment and insurance service as an agent, dealing with wealth management for the customers, fund sales as an agent, precious metal sales as an agent, handling receipt and payment and taking care of assembled funds trust plan as an agent; providing safe deposit box service; handling entrusted deposit and loan service; engaging in bank card business; undertaking foreign exchange deposits; foreign exchange loans; foreign exchange remittance; foreign currency exchange; foreign exchange settlement and sale at sight and forwards; handling international settlement; undertaking self-operation and agency for foreign exchange

trading; handling inter-banking foreign exchange lending; trading and acting trading foreign currency securities other than stocks; undertaking credit investigation, consulting, witness services; providing online banking; handling other businesses approved by China's banking regulatory authorities and related departments.(Operating activities can be carried out only after the approval is obtained from the relevant department for the items required to be approved in accordance with the law.)

V. Company Culture

Mission: To Create a Better Life

Vision: To build itself into a leading service bank that is "wisdom, characteristic, international and comprehensive" .

Core Values: Integration of Innovation, Practical Responsibility and Lean for Growth

VI. Development Strategy Planning

In 2018, the Company made a new five-year development strategic plan. During the planning period, the Company will continue to give full play to its location, scale, brand and innovation advantages, so as to make good use of its strengths to make up for its weaknesses, and focus on "six big development strategies" including strengthening company business and building industry expertise; developing retail business and deepening customer management; optimizing market business and establishing leading advantages; accelerating technological innovation and enhancing value contribution; expanding regional layout and forming service characteristics; and promoting comprehensive management and implementing mergers and acquisitions as opportunities arose. We will strengthen the supporting system and concentrate on building "six core competences" of market-oriented talent management, scientific and accurate performance appraisal, strategic-driven resources allocation, innovation-led technology construction, professional and efficient agile organization, and advanced and comprehensive risk management. We try to build an "wisdom, characteristic, international and comprehensive" bank with leading service by implementing the planning measures.

VII. Core Competition Advantage

Our Bank takes building itself into a leading service bank that is "wisdom, characteristic, international and comprehensive" as its strategic vision. By deeply cultivating the local market and focusing on characteristic building, the differentiation advantage keeps improving with obvious core competitive advantage.



(I) The main business scope is concentrated in Jiangsu, which enjoys developed economy and rich financial resources with huge development potential.

Jiangsu has a prosperous economy and abundant financial resources. The Bank is the largest legal person bank in Jiangsu Province and its business is rooted in Jiangsu. A full county coverage of the organizations in the county areas has been achieved and a solid customer base has been laid.

(II) The flexible and efficient institutional mechanism has been established with strong financial service capabilities.

With its customers as the center focus, the Bank has established and improved the institutional mechanisms for rapid response to the market and its overall strength has been continuously enhanced. The business qualifications are relatively complete, and it can meet various business needs of customers. (III) Clear market positioning and distinctive business features.

(III) Clear market positioning and distinctive business features.

The Bank has been adhering to the market orientation of serving small and medium-sized enterprises, serving the local

economy, and serving the urban and rural residents. It has formed characteristics in fields of small and micro finance, science, technology finance, cross-border finance, green finance and wealth management, and has relatively strong competitiveness.

(IV) Complying with the development trend of the Internet big data, accelerating the application of financial science and technology.

The Bank is committed to building "the best bank enjoying the Internet big data gene" and has successfully applied financial technology to the fields of marketing management, product development, customer service, and implemented application of frontier technologies such as big data, 5G, blockchain, Internet of Things and artificial intelligence in various business fields.

(V) Deepening institutional mechanism reforms and making risk management accurate and effective.

The Bank continued to deepen the reform of the risk management system and accelerated the construction of the risk management system. The application of risk control technology for big data has become increasingly mature, and risk management has been fully effective.

(VI) Implementing the strategy of developing bank through talents steadily and developing the high-quality professional talent team increasingly.

The Bank's management enjoys rich experience in financial management. By optimizing the talent selection, employment and education constantly and strengthened professional ability cultivation, the Bank has created a favourable atmosphere of strict management and thoughtful caring, which provides the organization guarantee and talent support for high-quality development of various businesses.

VIII. Major Honors and Awards Obtained by the Company during the Reporting Period

2020, the Bank won multiple honors and awards in various selection activities by domestic and foreign organizations.

-
- **January 2020** "JSBC Direct Bank" was listed into the 2020 Hurun Top 50.

The "Annual Innovative Wealth Management Bank" by *National Business Daily*.

The "Best Employer" by Navigator Group.

The "Best Practices Award for Corporate Globalisation" selected by ATA.

"Demonstration Good News Works Award", "Good News Award for Excellent New Media" and "Private Bank Award for the Best Region in China" issued by China Banking Association.

 - **April 2020** The "Advanced Organization for Inclusive Finance Service" selected by Jiangsu Branch, China Banking and Insurance Regulatory Commission.

The "National Copyright Demonstration Organization" selected by National Copyright Administration.

 - **May 2020** "Advanced Organization for Inclusive Finance Service" selected by Jiangsu Branch, China Banking and Insurance Regulatory Commission.

 - **August 2020** The "Annual Excellent Communication Case of Inclusive Finance" by *China Banking and Insurance News*.

The "Su Ke Loan" Excellent (Class A) Cooperative Bank selected by Jiangsu Productivity Promotion Center.

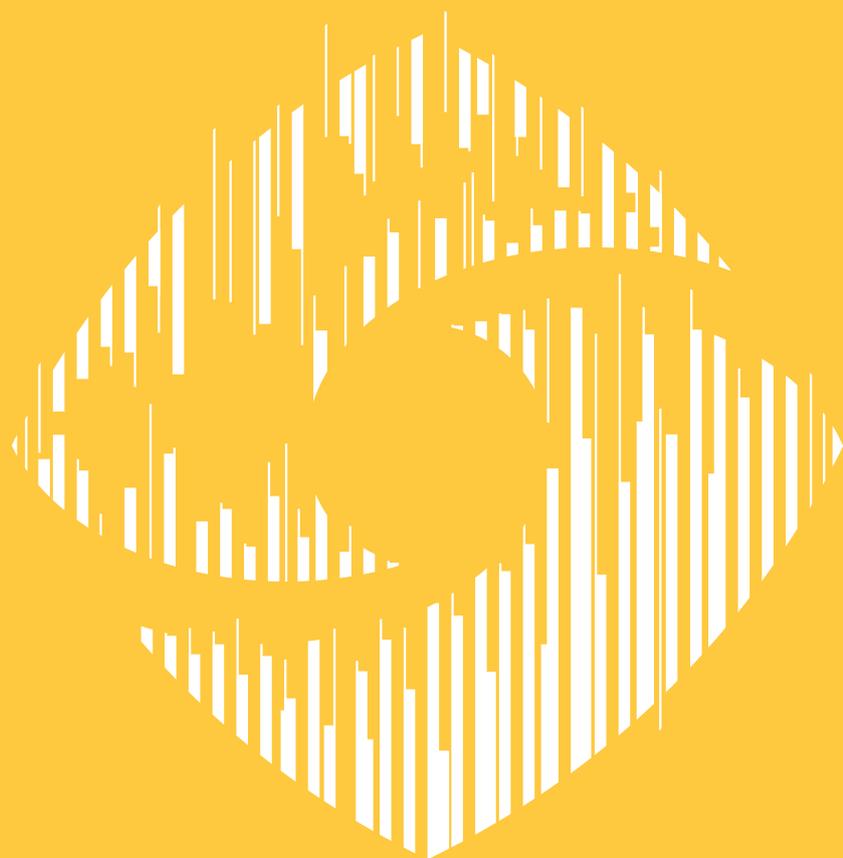
The "Advanced Organization for Inclusive Finance Service" and "Advanced Organization for Green Finance Development" selected by Jiangsu Financial Association.

The "Best Customer Experience Award" issued in the 2nd Retail Banking Development Summit.

 - **September 2020** "Bank Wealth Management Brand Tianji Award" and "Green Finance Bank Tianji Award" issued by *Securities Times*.

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- **October 2020** The "Best Wealth Management Bank (City Commercial Bank)" selected by China Institutional Investor Summit.
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- **November 2020** the "Accurate Pioneer Organization for Poverty Alleviation" selected by China.com.cn.
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- **December 2020** The "Best Small and Medium-sized Bank for Inclusive Finance" selected by Financial Times.
The "Top 10 Outstanding Organization for Green Finance of Jiangsu Province" and the "Top 10 Innovation Case for Green Finance of Jiangsu Province" by Jiangsu Provincial Local Financial Supervision Administration.
The "Annual City Commercial Bank TOP 10" selected by First Finance.
The "Most Responsible Listed Company" selected by *National Business Daily*.
The "Best Enterprise Mobile Banking" and "Best Direct Bank" selected by China Financial Certification Authority.
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2020



ANNUAL REPORT

BANK OF JIANGSU

Section II

Financial Summary





Financial Summary

I. Major Accounting Data and Financial Indicators in Recent Three Years

Business performance indicators (RMB 1,000)	2020	2019	Increase/decrease compared between the reporting period and the same period of previous year (%)	2018
Operating income	52,026,195	44,974,014	15.68	35,223,988
Net profit attributable to shareholders of listed company	15,065,745	14,618,609	3.06	13,064,935
Net profit attributable to shareholders of listed companies after deducting non-recurring profits and losses	14,702,203	14,493,934	1.44	12,989,738
Net cash flow from operating activities	-19,283,730	-57,957,767	-66.73	-92,048,408

Index per share (yuan/share)	2020	2019	Increase/decrease compared between the reporting period and the same period of previous year (%)	2018
Basic earnings per share	1.21	1.18	2.54	1.04
Diluted earnings per share	1.04	1.04	-	1.04
Basic earnings per share after deducting non-recurring profits and losses	1.18	1.17	0.85	1.04
Net assets attributable to general shareholders of listed company	9.35	9.77	-4.30	8.89

Financial ratio indicator (%)	2020	2019	Increase or decrease As of the end of this period over the same period of last year (%)	2018
Weighted average return on equity	11.91	12.65	Lower by 0.74%	12.43
Weighted average return on net assets after deducting non-recurring profits and losses	11.60	12.53	Lower by 0.93%	12.35

Scale indicators (RMB 1,000)	End of 2020	End of 2019	Increase/decrease compared between the reporting period and the same period of previous year (%)	End of 2018
Total assets	2,337,892,914	2,065,058,387	13.21	1,925,823,214
Total liabilities	2,155,813,641	1,928,622,466	11.78	1,801,318,288
Shareholder's equity	182,079,273	136,435,921	33.45	124,504,926
Owner's equity attributable to shareholders of listed companies	178,037,739	132,792,385	34.07	122,624,474

Indicators of Deposits and Loans (RMB 1,000)	End of 2020	End of 2019	Increase/decrease compared between the reporting period and the same period of previous year (%)	End of 2018
Enterprise current deposit	366,686,784	326,458,502	12.32	338,243,370
Enterprise time deposit	498,752,271	453,701,748	9.93	381,867,632
Current savings deposit	80,893,653	67,131,218	20.50	59,444,575
Fixed savings deposit	278,442,589	226,403,333	22.99	156,509,215
Other deposits	81,458,337	111,785,694	-27.13	157,262,850
Subtotal: Various deposits	1,306,233,634	1,185,480,495	10.19	1,093,327,642
Interest accrued	23,636,203	20,081,947	17.70	Not applicable
Deposit taking	1,329,869,837	1,205,562,442	10.31	1,093,327,642
Enterprise loan	636,944,043	572,385,874	11.28	531,476,430
Retail loans	469,911,333	375,949,815	24.99	270,529,394
Discount	94,754,053	92,161,589	2.81	87,203,172
Subtotal: Various Loans	1,201,609,429	1,040,497,278	15.48	889,208,996
interest accrued	4,939,601	3,825,959	29.11	N/A
Minus: Provision for impairment	40,584,955	33,421,949	21.43	25,231,479
Loans and advances issued	1,165,964,075	1,010,901,288	15.34	863,977,517

Capital Indicators (RMB 1,000)	End of 2020	End of 2019	Increase/decrease compared between the reporting period and the same period of previous year (%)	End of 2018
Net capital	218,982,450	172,327,211	27.07	151,334,388
Core tier 1 capital	140,045,891	114,769,890	22.02	103,886,972
Other tier 1 capital	40,264,574	20,213,918	99.19	20,149,965
Tier 2 capital	38,671,985	37,343,403	3.56	27,297,451
Total weighted risk assets	1,513,599,663	1,336,504,047	13.25	1,206,116,984

Regulatory indicators (%)	Criteria	2020	2019	2018
Capital adequacy ratio	≥ 10.5	14.47	12.89	12.55
Tier 1 capital adequacy ratio	≥ 8.5	11.91	10.10	10.28
Core tier 1 capital adequacy ratio	≥ 7.5	9.25	8.59	8.61
Non-performing loan ratio	≤ 5	1.32	1.38	1.39
Liquidity ratio	≥ 25	72.77	62.07	52.23
Single biggest customer loan ratio	≤ 10	2.03	2.90	1.61
Top 10 customer loan ratio	≤ 50	10.95	14.18	11.88
Provision coverage	≥ 150	256.40	232.79	203.84
Loan allocation ratio	≥ 2.5	3.38	3.21	2.84
Cost to income ratio	≤ 45	23.46	25.64	28.68

II. Main Quarterly Financial Data for 2020

Unit: RMB 1,000 Currency: RMB

Key Financial Data	Q1	Q2	Q3	Q4
Operating income	13,103,836	11,952,967	12,468,429	14,500,963
Net profit attributable to shareholders of listed company	4,255,630	3,890,064	3,810,317	3,109,734
Net profit after deducting nonrecurring profits and losses attributable to shareholders of listed companies	4,256,322	3,806,417	3,722,352	2,917,112
Net cash flow from operating activities	54,538,573	-18,974,665	-21,569,242	-33,278,396

III. Non-recurring Profit and Loss Items and Amounts

Unit: RMB 1,000 Currency: RMB

Non-recurring profit and loss items	2020	2019	2018
Profits and losses on disposal of non-current assets	255,242	102,134	102,509
Documents that are authorized beyond authority or without formal approval, or occasional tax rebates and reductions	-	-	-
Government subsidies included in the current profits and losses, except for government subsidies that are closely related to the company's normal business operations, comply with national policy regulations, and are continuously enjoyed by a fixed amount or amount according to a certain standard	251,638	131,133	154,275
Other profit and loss items that meet the definition of non-recurring profits and losses	-16,623	-63,344	-149,431
Influence amount of minority shareholders' equity	-1,652	-535	-1,943
Influence amount of income tax	-125,063	-44,713	-30,213
Total	363,542	124,675	75,197

IV. Items Measured at Fair Value

Unit: RMB 1,000 Currency: RMB

Item name	Opening Balance	Closing Balance	Changes in current period (%)
Derivative financial assets	1,827,159	2,600,601	42.33
Trading financial assets	229,755,366	244,914,470	6.60
Other Creditor's rights investment	76,082,306	93,269,900	22.59
Other equity instruments investment	137,676	194,970	41.62
Loans and advances issued	81,178,882	95,848,169	18.07
Total assets measured at fair value	388,981,389	436,828,110	12.30
Derivative financial liabilities	1,763,479	2,555,317	44.90
Trading financial liabilities	21	344,031	1,638,142.86
Total liabilities measured at fair value	1,763,500	2,899,348	64.41

V. Capital Composition as of the end of the Reporting Period

Unit: RMB 1,000 Currency: RMB

Item	Group	The Bank
1. Net gross capital	218,982,450	208,673,637
1.1 Core tier 1 capital	140,236,603	136,381,451
1.2 Core tier 1 capital deductions	190,712	5,084,517
1.3 Core tier 1 net capital	140,045,891	131,296,934
1.4 Other tier 1 Capital	40,264,574	39,974,758
1.5 Other tier 1 capital deductions	0	0
1.6 Tier 1 net capital	180,310,465	171,271,692
1.7 Tier 2 capital	38,671,985	37,401,945
1.8 Tier 2 capital deductions	0	0
2. Credit risk weighted assets	1,408,780,530	1,352,857,502
3. Market risk weighted assets	22,681,446	22,681,446
4. Operational risk weighted assets	82,137,687	78,296,133
5. Total risk weighted assets	1,513,599,663	1,453,835,081
6. Core tier 1 capital adequacy ratio (%)	9.25	9.03
7. Tier 1 capital adequacy ratio (%)	11.91	11.78
8. Capital adequacy ratio (%)	14.47	14.35

VI. Leverage Ratio

Unit: %

Item	December 31, 2020	December 31, 2019
Group	7.01	5.95
The Bank	6.70	5.80

VII. Liquidity Coverage Rate

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2020
Group	Liquidity coverage ratio (%)	215.65
	Qualified and high-quality current assets	174,591,816
	Ending value of net cash outflow amount in future 30 days	80,961,291
The bank	Liquidity coverage ratio (%)	216.43
	Qualified and high-quality current assets	172,090,967
	Ending value of net cash outflow amount in future 30 days	79,514,692

VIII. Net Stable Funding Ratio

The net stable funding ratio aims to ensure that commercial banks have sufficient stable capital sources to meet the demand for stable capital for various assets and off-balance sheet risk exposures. The net stable funding ratio is the ratio of available stable funds to required stable funds. Available stable funds refer to the sum of the products of the book values of various capital and liability items of commercial banks and their corresponding available stable funds coefficients. The required stable capital refers to the sum of the book value of various asset items of commercial banks and the product of off-balance sheet risk exposure and its corresponding required stable capital coefficient. As of the end of December 2020, the Group's net stable capital ratio was 107.19%, available stabilization fund was RMB 123.61 billion and required stabilization fund was RMB 115.32 billion. All those met the regulatory requirements.

Unit: RMB 1,000 Currency: RMB

Item	December 2020	September 2020
Net stable funding ratio (%)	107.19	106.17
Group		
Available stable funds	1,236,063,280	1,260,255,935
Required stable funds	1,153,164,571	1,187,068,548

IX. Average Rate of Return on Interest-bearing Assets and Average Rate of Interest-bearing Liabilities

Unit: RMB 1,000 Currency: RMB

Item	2020		
	Average balance	Interest income/ expenses	Average interest rate (%)
Assets			
Issue of loans and advances ¹	1,189,912,494	64,558,738	5.43
Financial investment	575,650,580	23,908,608	4.15
Deposit with Central Bank	139,462,803	2,109,684	1.51
Other interest-bearing assets	101,091,298	1,826,595	1.81
Among which: Inter-bank deposits and offers ²	68,939,871	1,317,466	1.91
Financial assets purchased for resell	32,151,427	509,129	1.58
Total interest-bearing assets	2,006,117,174	92,403,625	4.61
Liabilities			
Deposit taking	1,312,086,902	32,465,115	2.47
Issued debt securities	381,589,815	11,916,150	3.12
Borrowings from Central Bank	147,996,020	4,659,157	3.15
Other interest-bearing liabilities	264,778,112	6,376,688	2.41
Among which: Interbank borrowing ³	207,946,663	5,315,181	2.56
Selling and repurchasing financial assets	56,831,449	1,015,950	1.79
Total interest-bearing liabilities	2,106,450,849	55,417,110	2.63
Net interest income		36,986,515	
Net interest margin			1.90
Net interest spread			2.14

Note: 1. Loans and advances include long-term receivables;

2. Deposited and released interbank assets include interbank deposits and lending funds;

3. Interbank borrowing liabilities include deposits and borrowing funds from interbank and other financial institutions;

4. After the implementation of the new Financial Instrument Standards, the income generated during the holding period of financial assets measured at fair value and whose changes are included in the profits and losses of the current period will no longer be included in interest income; The Net interest spread and Net interest margin are calculated according to the net interest income of the reduction caliber, taking into account the fund investment income and its tax-free effect reduction factors;

5. The average balance of interest-bearing assets and interest-bearing liabilities is the average daily balance.

X. Changes in Shareholders' Equity

Unit: RMB 1,000 Currency: RMB

Item	Opening Balance	Increase/decrease in current period	Closing balance
Capital stock	11,544,500	3,225,107	14,769,607
Other equity instruments	22,765,734	19,996,905	42,762,639
Capital reserve	16,152,196	11,547,122	27,699,318
Other comprehensive income	1,644,851	-340,154	1,304,697
Surplus reserve	17,034,028	2,825,368	19,859,396
General risk reserve	28,385,510	3,996,169	32,381,679
Undistributed profit	35,265,566	3,994,837	39,260,403
Total amount of shareholders' equity vested in the parent company	132,792,385	45,245,354	178,037,739
Minority stockholder's equity	3,643,536	397,998	4,041,534
Total shareholders' equity	136,435,921	45,643,352	182,079,273

2020



ANNUAL REPORT

BANK OF JIANGSU

Section III

Discussion and Analysis of Business Situation





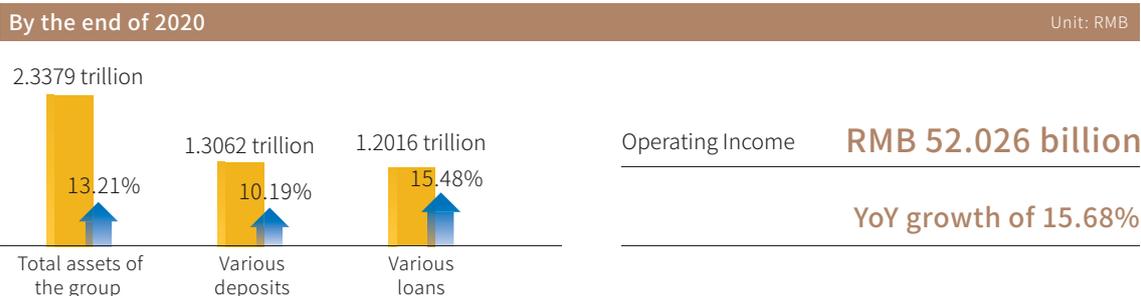
Discussion and Analysis of Business Situation

I. Industry Operation Overview

According to the data of the China Banking Regulatory Commission, as of the end of 2020, the local and foreign currency assets of China's banking financial institutions were RMB 319 trillion, a 10.1% YoY growth. Local and foreign currency liabilities totaled to RMB 293 trillion, a 10.2% YoY growth. Commercial banks (legal persons, the same below) have accumulated net profits of RMB 1.94 trillion, a 2.71% YoY drop. The average profit margin on assets was 0.77%, and the average profit margin on capital was 9.48%. The balance of non-performing loans was RMB 2.70 trillion, with a non-performing loan ratio of 1.84%. The balance of loan loss reserve was RMB 4.98 trillion, with a provision coverage rate of 184.47% and a loan provision rate of 3.39%. The core tier-one capital adequacy ratio was 10.72%, tier-one capital adequacy ratio was 12.04%, and capital adequacy ratio was 14.70%. The liquidity ratio was 58.41%, the RMB excess reserve ratio was 2.29%, and the deposit-loan ratio (RMB domestic standard) was 76.81%.

II. Operation Status of the Bank

In 2020, the Bank insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and implemented the major policies and principles of the central government and the decision and deployment of Party committee and government of Jiangsu Province resolutely; oriented to the strategy of building an wisdom, characteristic, international and comprehensive bank with leading service, we made general planning on advancing all the work of operation and management and improved business scale, efficiency and quality steadily. As of the end of the Reporting Period, the Group had total assets of RMB 2.3379 trillion, with a 13.21% growth compared with that at



the beginning of the year; various deposits totaled to RMB 1.3062 trillion, increasing by 10.19% compared with that at the beginning of the year; various loans totaled to RMB 1.2016 trillion, increasing by 15.48% compared with that at the beginning of the year. During the Reporting Period, the operating income was RMB 52.026 billion, with a YoY growth of 15.68%. Net profit attributable to the shareholders of the listed company was RMB 15.066 billion, with a YoY growth of 3.06%. During the Reporting Period, the non-performing loan ratio was 1.32%, lowering by 0.06% compared with that at the beginning of the year. The provision coverage was 256.40%, improving by 23.61% compared with that at the beginning of the year.

III. Major Business Segments

(I) Corporate business

The Company strived to improve the quality and efficiency of serving the real economy, closely followed the policy guidance, served the national strategy, focused on key fields such as advanced manufacturing, strategic emerging industry and green environmental protection industry and provided one-stop full-service-life services for small, micro and private enterprises. We vigorously promoted the businesses such as supply chain finance, cash management and e-banking and provided comprehensive and personalized financial service by intensifying collaborative business linkage.

As of the end of the Reporting Period, the corporate deposit balance was RMB 865.4 billion, increasing by 11% compared with that of last year. Corporate loan balance was RMB 636.9 billion, increasing by 11% compared with that of last year. The balance of manufacturing loan was RMB 129.1 billion, accounting for 20% of corporate loan. The balance of green credit loan was RMB 98.4 billion, with a 14.42% growth compared with the number at the beginning of the year. The number of supply chain finance customers was 3,525, increasing by 35% compared with the number at the beginning of the year; the accumulative business was RMB 79.3 billion, increasing by 50% compared with the number at the beginning of the year.

The balance of loans for small and micro businesses was RMB 435.9 billion, ranking the first in terms of the market shares of Jiangsu Province. Number of customers was 53,247. Of which, the balance of inclusive loans for small and micro businesses with credit below RMB 10 million was RMB 85.1 billion, reaching the standard of People's Bank of China for Grade II reduction and realizing CBIRC's requirement for "two growths". We innovated our products and services actively, and innovatively launched the one-stop fully online intelligent network loan --- business "Sui e Loan" in accordance with the service ideas of "facilitating the financing" and "there is always one for you"; served 43,000 small and micro businesses and made loans more than RMB 70 billion on an accumulative basis. We supported nearly 10,000 sci-tech innovation enterprises and had loan balance more than RMB 100 billion, ranking the first in terms of market shares of Jiangsu Province. We served 5,834 hi-tech enterprises, with the amount more than RMB 64 billion; realized the purpose of establishing the "cooperation with 1/3 hi-tech enterprises in Jiangsu Province and credit business with 1/6 hi-tech enterprises in Jiangsu Province", ranking the first in terms of market shares of Jiangsu Province. We also

supported talent innovation and entrepreneurship: Number of talents above county level in the service area was 3,788 and the amount was RMB 12.7 billion; the supporting talent entrepreneurship loans reaching RMB 20.6 billion, the first place in ranking of Jiangsu Province.

The international settlement amount was USD 155.2 billion and balance of foreign exchange deposits was USD 10.6 billion. We supported the development of foreign trade new format represented by cross-border e-commerce and had the cross-border settlement amount exceeding USD 15 billion; made innovation breakthroughs in FTZ business: We accelerated the development of cross-border investment and financing business in China (Shanghai) Pilot Free Trade Zone, took the lead in docking with the single window of international trade of Jiangsu Province in China (Jiangsu) Pilot Free Trade Zone and implemented the first cross-border capital pool business in the region and the first cross-border RMB cash reserve account; established virtual document center and realized the functions such as online intelligent distribution and electronic document; was rated as Class A bank in the assessment of Jiangsu Branch of State Administration of Foreign Exchange for designated banks within the jurisdiction on the implementation of foreign exchange management provisions for 11 consecutive years.

Our advantages were increasingly prominent in investment bank business and multiple financial instruments were applied comprehensively to serve real economy. The principal underwriting amount of debt financing instruments increased by RMB 68.015 billion compared with that of last year, market shares were improved continuously and the linkage with such businesses as liabilities and custody was strengthened further. The Company, as an originator, has launched two issues of credit asset-backed securities, with total issue scale of RMB 5.183 billion. The underwriting amount of equity contribution notes ranked the first in Jiangsu Province; the establishment scale of credit risk mitigation warrant ranked the first in Jiangsu Province. With first lease business of commercial passenger plane successfully implemented, we took a substantial step in plane lease business.

(II) Retail business

The Company served the consumer finance segment accurately focused on the principal line of "meeting people's increasingly growing demand for the beautiful life"; in strict accordance with the strategic goal of "developing retail business and deepening customer operation", we insisted on customer oriented and deepened business structure optimization continuously; gave full play to the leading role of science and technology, deepened the transformation development of "intelligent retail" constantly and realized development both online and offline and new historical breakthroughs in scale and benefits of retail business.

As of the end of the Reporting Period, we had the retail deposit balance reaching RMB 359.3 billion, increasing by 22% compared with the number at the beginning of the year; the retail loan balance reaching 469.9 billion, with a 25% growth compared with the number at the beginning of the year. Balance of housing mortgage loan was RMB 223.8 billion, going up by 29% compared with the number at the beginning of the year; balance of personal consumption loan was RMB 198.8 billion, a 22% growth compared with the number at the beginning of the year; balance of personal business loan was RMB 24.9 billion, increasing by 13% compared with the number at the beginning of the year; upon the issuance of unbounded digital credit card, fashion card and co-branded card of "World Gourmet Capital", we issued a total of 4.1266 million credit cards, with a 34% YoY growth; credit card balance was RMB 22.4 billion, which increased by 22% compared with the number at the beginning of the year.

We upgraded the "Rong Xiang Xing Fu" service brand of pension finance, and mainly based on the "pension finance service demonstration site", provided more convenient exclusive service channel for elderly customers. We intensified the remote investment advisory application, and based on the feature of "enterprise investor", improved the high-end service experience, implemented the first insurance benefit trust and charitable trust and launched the "Yuan Rong Zhi Xiang" fully entrusted assets management service. As of the end of the Reporting Period, total number of wealth customers and private bank customers exceeded 55,000. In particular, number of wealth customers went up by 22% compared with the number at the beginning of the year and number of private customers realized a 25% growth

compared with the number at the beginning of the year. Number of public offering funds under sales by proxy was 2,800.

We strengthened the intelligent retail innovation continuously and expanded online scene construction further. By integrating the online personal consumption "Sui e Loan" of the original credit loan product and utilizing the WeChat applet, we broke the boundary of traditional marketing, realized "employee customer management" and the "management for customer's customers" and intensified customer obtaining ability further through Internet drainage. Mobile banking was iteratively updated to Ver. 2020, the characteristic functions such as one-key registration, face swiping transfer, live streaming news, dynamic account push and intelligent revenues and expenditures were launched and such characteristic scenes as convenient payment, growth education, business travel, quality goods shopping mall, local service and popular activity were built. We also joined in China Information Accessibility Product Alliance (CAPA), took the lead in realizing the barrier-free operating experience of mobile banking. Number of mobile banking customers was more than 10 million and monthly number of active customers ranked the first among city commercial banks. The customer assets under direct bank management exceeded RMB 50 billion, the fund supervision product "Lyu Yue Bao" were innovatively launched and our services were expanded into such fields as real estate, education and traffic. We provided the payment settlement and fund supervision services for local 688 schools and 750,000 students in Jiangsu Province, with the accumulative trading volume of 540,000 and trading amount of 530 million. We took the lead in providing "Barcode Payment Interconnection" service in Jiangsu region; based on "e Rong Pay", we launched the product "Dai Fu Bao" innovatively and implemented it rapidly in multiple fields such as medical insurance and logistics; the monthly payment agency amount of Jiangsu medial insurance totaled to RMB 400 million based on the "Dai Fu Bao". Based on the blockchain technology, "Su Yin Lian" 2.0 platform realized the business volume of the Bank's creditable certificates for consumption network loan more than 1 million and "Su Yin Lian" case was selected to the "2020 Typical Blockchain Application Cases of Jiangsu Province". We deepened the cooperation with leading Internet platforms in the aspects such as bill pledge financing, credit card issuing, supply chain financing and digital marketing. Our direct bank was in the first place in the banking ranking of *China Internet Weekly*, and won the honor of "4.5 stars" in the direct bank evaluation of Sina Finance successively and the award of CFCA "Best Direct Bank" for four consecutive years.

(III) Financial market business

With a strong focus on the strategic goal of "building the strongest financial market brand", we, by taking the great transformation of financial market business as the key point, optimized the system and mechanism further and improved investment research and transaction abilities intensively; intensified interbank cooperation, improved system construction continuously and served the overall development; as a result, the function of serving overall development and expanding new growth point got increasingly prominent and market status was improved further.

We intensified transaction ability constantly, utilized term mismatch and market timing flexibly and had the issue cost of interbank negotiable certificates of deposit lowered by 29BP compared with that of 2019. We responded to market fluctuation actively, intensified swing trading, and in the actively managed sinking fund outperforming market, estimated value of bond assets was superior to the average level of market. We mastered the arbitrage opportunity in cross market transactions between domestic and foreign currencies and domestic currency and precious metal through the instrument of swap. We issued perpetual bonds of RMB 20 billion successfully, generalized RMB interest rate swap business comprehensively and had interbank market foreign exchange trading volume dramatically improved. We issued and established the three issues of standardized bills that were the first batch in the whole market. The financial debt underwriting showed a doubled growth and market ranking was continuously improved.

We advanced the transformation of wealth management business in depth, improved investment research and risk control ability intensively, intensified technology guidance constantly and developed the assets management business further. We have developed "Yuan" series WMPs, which cover four types of products: fixed income, hybrid, equity and commodity and financial derivative and meet the financial needs of different customers. During the Reporting Period, we issued 1,990 WMPs accumulatively, by which RMB 435.2 billion was raised. As of the end of the Reporting

Period, balance of WMPs was RMB 351.6 billion, with the scale leading among city commercial banks; balance of net worth products was RMB 294.7 billion, with a proportion of 84%. Among the financial customers, individual customers accounted for 95% and institutional customers accounted for 4%. We have won the first place among domestic city commercial banks in PYSTANDARD "Comprehensive Ability Evaluation of Assets Management" for 20 consecutive years and the honors such as 2019 Golden Bull Bank WMP by *China Securities Journal*, 2019 Junding Award for Asset Management Brand among City Commercial Banks in China by *Securities Times*, "'Jin Li Cai' Annual Excellent Award for Wealth Managements of City Commercial Banks by *Shanghai Securities Journal*, "2020 Assets Management Bank with Excellent Competitiveness" by 21st Century Business Herald and "'Jin Ding Award" Annual Innovative Wealth Management Bank" by *National Business Daily*. In August 2020, the wholly-owned subsidiary Suyin Wealth Management was established formally, which was the first approved subsidiary for bank wealth management in Jiangsu Province.

We witnessed the steady increase of our assets custody scale and constant enhancement of benefits. As of the end of the Reporting Period, the Company's assets custody scale was RMB 3.04 trillion, increasing by 20.69% compared with the number at the beginning of the year; the assets custody scale and custody scale of public offering fund still ranked the first among city commercial banks, and the accumulative custody income reached RMB 475 million.

(IV) Fintech

With a strong focus on the goal of "building fintech into the core competitiveness of the whole bank", we focused on the innovation, implemented intelligent financial evolution project comprehensively and accelerated the full energization of technology toward business management.

Oriented to the business development, we accelerated the cultivation of agility culture and drove business agility with technology agility; optimized assessment and incentive mechanism, promoted technology personnel to move forward in business management and grasped customer pain points accurately. As a result, our R&D efficiency was improved further and the overall collaboration was continuously enhanced in virtue of technologies.

We optimized IT governance system constantly and accelerated the construction of significant innovation projects; kept deepening the research on the technologies such as 5G, blockchain and AI and showed an expanding trend in the product implementation in such fields as Internet loan, intelligent investment advisory, online bill discount, online movables mortgage and cross-border business.

We advanced external cooperation vigorously and generalized and implemented "Data Collector Plan"; accelerated the docking with the regional big data debarment, introduced multiple data such as government and communications operator smoothly and tamped big data basis further.

We promoted the intelligent upgrading of outlet channel, realized online and offline seamless connection and improved customer's comprehensive experience constantly. We launched more than 80 functions such as social insurance payment, payment of penalty and confiscation for traffic violation and QR code payment. We boosted counter trading integration, developed multiple portfolio transactions and had annual business volume of intelligent counter around 9.41 million. We accelerated the implementation of intelligent centralized authorization mode, realized the head office's centralized authorization gradually and had the intelligent authorization reaching 70%. The proportion of our Customer Service Center's intelligent service exceeded 85%.

During the Report Period, with the growth of scientific and technical personnel exceeding 15% and input of fintech fund further increased, we were granted "National Copyright Demonstration Organization" by National Copyright Administration.

IV. Income and Cost Analysis

(i) Major items of income statement

During the Reporting Period, the Group realized the operating income of RMB 52.026 billion and net profit attributable to shareholders of the parent company of RMB 15.066 billion, 15.68% and 3.06% higher compared with the same period of the previous year.

Unit: RMB 1,000 Currency: RMB

Item	2020	2019	Increase/decrease changes	Year-on-year increase or decrease (%)
I. Operating income	52,026,195	44,974,014	7,052,181	15.68
Including: net interest income	36,986,515	27,016,792	9,969,723	36.90
Net income of handling charges and commissions	5,356,522	4,542,779	813,743	17.91
II. Operating expenses	35,261,566	29,295,184	5,966,382	20.37
Including: business and management fees	12,204,764	11,530,571	674,193	5.85
III. Operating profit	16,764,629	15,678,830	1,085,799	6.93
IV. Total profit	16,748,006	15,615,486	1,132,520	7.25
V. Net profit	15,619,743	14,959,779	659,964	4.41
Including: net profit attributable to shareholders of the parent company	15,065,745	14,618,609	447,136	3.06

(II) Items with a change range of more than 30% in the income statement and the reasons for the change

Unit: RMB 1,000 Currency: RMB

Item	2020	2019	Increase/ decrease range (%)	Primary cause
Net interest income	36,986,515	27,016,792	36.90	Increase in net interest income
Return on investment	8,282,728	12,971,956	-36.15	Income decrease resulted from the shrinkage of investment scale
Other income	251,638	131,133	91.90	Increase in other income
Net income/ (loss) from fair value changes	514,404	-183,011	-381.08	Increase in valuation of financial assets measured at fair value
Other business income	66,244	49,629	33.48	Increase in other business income
Income from assets disposal	255,242	102,134	149.91	Increase in income from fixed assets disposal
Credit impairment loss	22,389,035	17,215,920	30.05	Increase in provision for expansion of business scale
Non-operating income	41,930	19,393	116.21	Increase in non-operating income
Income tax expense	1,128,263	655,707	72.07	Increase in taxes and dues resulted from profit increase of this year
Minority interest income	553,998	341,170	62.38	Increase in net profits of the Bank's subsidiaries
Changes in the fair value of other equity instrument investments	42,970	8,970	379.04	Changes in valuation of other equity instruments
Provision for credit impairment of debt instruments measured at fair value whose changes are recorded in other comprehensive income	464,390	71,831	546.50	Increase in provision for impairment resulted from the overall increase of other equity investment scale

(III) Net interest income

During the Reporting Period, the Group realized a net interest income of RMB 36.987 billion, which was the main component of the Group's operating income.

Unit: RMB 1,000 Currency: RMB

Item	2020		2019	
	Amount	Ratio (%)	Amount	Ratio (%)
Interest income				
Issue of loans and advances	60,504,719	65.48	51,012,099	61.58
-Enterprise loan	30,866,124	33.40	28,517,778	34.42
-Personal loans	27,069,345	29.29	19,631,306	23.70
-Notes discounted	2,569,250	2.78	2,863,015	3.46
Debt instrument investment	23,908,608	25.87	23,994,841	28.96
Long-term receivables	4,054,019	4.39	3,443,766	4.16
Deposits in the Central Bank	2,109,684	2.28	2,077,920	2.51
Lending funds	832,614	0.90	1,144,667	1.38
Financial assets purchased for resell	509,129	0.55	828,338	1.00
Funds deposited by interbank and other financial institutions	484,852	0.52	340,579	0.41
Interest income	92,403,625	100.00	82,842,210	100.00
Interest expenditure				
Deposit taking	32,465,115	58.59	29,938,955	53.63
-Corporate customers	22,047,970	39.79	21,025,177	37.66
-Individual customers	10,417,145	18.80	8,913,778	15.97
Issued debt securities	11,916,150	21.50	13,029,124	23.34
Borrowings from Central Bank	4,659,157	8.41	3,602,400	6.45
Deposit of interbank funds and other financial institutions funds	3,753,072	6.77	6,021,963	10.79
Borrowing funds	1,562,109	2.82	1,802,887	3.23
Financial assets sold for repurchase	1,015,950	1.83	1,388,669	2.49
Others	45,557	0.08	41,420	0.07
Interest expenditure	55,417,110	100.00	55,825,418	100.00
Net interest income	36,986,515	-	27,016,792	-

(IV) Net income from handling fees and commissions

The Group continued to push forward its strategic transformation and strictly implemented various policies and management regulations on service charges. During the Reporting Period, the net income from handling fees and commissions achieved RMB 5.357 billion.

Unit: RMB 1,000 Currency: RMB

Item	2020	2019
Agency fee income	4,410,474	3,591,153
Bank card handling fee income	84,593	115,338
Commission income from custody and other entrusted businesses	650,327	586,533
Credit commitment fee and commission income	446,024	407,371
Income from settlement and clearing fees	53,176	66,016
Income from consultants and consulting fees	5,665	5,130
Others	43,897	42,913
Fee and commission income	5,694,156	4,814,454
Settlement and clearing fee expenses	158,415	141,723
Bank card handling fee expenses	46,633	36,499
Others	132,586	93,453
Fees and commission expenses	337,634	271,675
Net income of handling charges and commissions	5,356,522	4,542,779

(V) Business and management fees

During the Reporting Period, the Group spent RMB 12.205 billion on business and management fees, with a 5.85% YoY growth. The cost-income ratio was 23.46%, maintaining a reasonable level.

Unit: RMB 1,000 Currency: RMB

Item	2020	2019
Employee costs	8,296,640	7,805,020
-Wages and bonuses	6,003,955	5,593,528
-Social insurance premiums and supplementary insurance	779,457	1,321,230
-Other benefits	1,513,228	890,262
Expenses on property and equipment	1,661,619	1,557,793
-Depreciation and amortization	700,623	598,293

Item	2020	2019
Leasing and property management fees	581,608	547,972
-Public utility fees	66,547	70,834
-Others	312,841	340,694
Other office and administrative expenses	2,246,505	2,167,758
Total	12,204,764	11,530,571

V. Analysis of Assets and Liabilities

(I) Major balance sheet items

As of the end of the Reporting Period, the Group's total assets were RMB 2.3379 trillion, up RMB 272.8 billion or 13.21% from the beginning of the year. The total liabilities were RMB 2.1558 trillion, up RMB 227.2 billion or 11.78% from the beginning of the year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020	December 31, 2019	Increase or decrease (%)
Cash and deposits in the Central Bank	147,073,643	132,252,100	11.21
Interbank Assets ¹	96,733,808	72,178,017	34.02
Derivatives and financial investments ²	848,508,599	784,776,005	8.12
Issued loans and advances	1,165,964,075	1,010,901,288	15.34
Total assets	2,337,892,914	2,065,058,387	13.21
Borrowings from Central Bank	195,611,850	123,517,336	58.37
Interbank liabilities ³	189,189,778	217,432,919	-12.99
Deposit taking	1,329,869,837	1,205,562,442	10.31
Issued debt securities	412,999,027	360,021,324	14.72
Total liabilities	2,155,813,641	1,928,622,466	11.78

Note: 1. Interbank assets include deposits with interbank and other financial institutions, lending funds and buying and reselling financial assets;

2. Derivative and financial investments include derivative financial assets, transactional financial assets, creditor's rights investments, other creditor's rights investments and other equity instrument investments

3. Interbank liabilities include funds deposited by or borrowed from interbank and other financial institutions and the repurchased financial assets sold.

(II) Items in the balance sheet that have changed by more than 30% and the reasons for the change

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020	December 31, 2019	Increase or decrease (%)	Main cause
Funds deposited by interbank and other financial institutions	43,147,476	33,103,578	30.34	Increase in funds deposited in interbank and other financial institutions
Lent funds	47,121,635	32,914,906	43.16	Increase in funds deposited and lent
Derivative financial assets	2,600,601	1,827,159	42.33	Increase in scale of derivative financial assets
Investment in other equity instruments	194,970	137,676	41.62	Increase in the investment in other equity instruments
Deferred income tax assets	14,156,463	8,861,428	59.75	Increase in deferred income tax assets
Other assets	6,006,010	2,252,030	166.69	Increase in other assets
Borrowings from central bank	195,611,850	123,517,336	58.37	Increase in borrowings from central bank
Trading financial liabilities	344,031	21	1,638,142.86	Increase in trading financial liabilities
Derivative financial liabilities	2,555,317	1,763,479	44.90	Increase in derivative financial liabilities
Income from selling repurchased financial assets	12,487,400	39,434,273	-68.33	Decrease in income from selling repurchased financial assets
Employee Compensation Payable	7,140,406	5,461,019	30.75	Increase in Employee Compensation Payable
Taxes and dues Payable	6,546,401	3,701,526	76.86	Increase in taxes and dues payable
Other equity instruments	42,762,639	22,765,734	87.84	Perpetual bond issuance
Capital reserve	27,699,318	16,152,196	71.49	Capital premium due to increase in allotment of shares
Total of equities attributable to shareholders of parent company	178,037,739	132,792,385	34.07	Increase in other equity instruments and capital reserve
Total of shareholders' equities	182,079,273	136,435,921	33.45	Excessive increase of the shareholders' equities attributable to parent company's shareholders.

(III) Major asset items

1. Issued loans and advances

As of the end of the Reporting Period, the book value of loans and advances issued by the Group was RMB 1.165964 trillion, up 15.34% from the end of last year. The total amount of loans (excluding accrued interest) was RMB 1.201609 trillion, up 15.48% from the end of last year.

(1) As of the end of the Reporting Period, loans and advances issued were analyzed by nature.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020	December 31, 2019
Measured at amortized cost		
Enterprise loans and advances	635,446,408	572,361,083
Personal loans and advances	469,911,333	375,949,815
-Housing mortgage loans	223,808,967	172,850,177
-Personal consumption loan	198,814,733	162,767,536
-Personal operating loan	24,921,002	22,011,540
-Credit card	22,366,631	18,320,562
Bills discounted	403,519	11,007,498
Subtotal	1,105,761,260	959,318,396
Measured at fair value and its changes are included in other consolidated income		
Enterprise loans and advances	1,497,635	24,791
Bills discounted	94,350,534	81,154,091
Subtotal	95,848,169	81,178,882
Total loans and advances issued	1,201,609,429	1,040,497,278
Accrued interest	4,939,601	3,825,959
Minus: Depreciation reserves	40,584,955	33,421,949
Book value	1,165,964,075	1,010,901,288

(2) Distribution of the industries to which the Bank issued loans and advances as of the end of the Reporting Period

Unit: RMB 1,000 Currency: RMB

Industry Distribution	December 31, 2020		December 31, 2019	
	Amount	Ratio (%)	Amount	Ratio (%)
Leasing and commercial service	148,724,739	12.38	131,822,520	12.67
Manufacturing industry	129,109,532	10.74	122,876,823	11.81
Real estate	89,337,212	7.43	58,452,939	5.62
Wholesale and retail industry	84,448,615	7.03	86,477,933	8.31
Water conservancy, environment and public facility management industry	65,421,712	5.44	59,488,699	5.72
Construction industry	39,480,864	3.29	33,609,940	3.23
Transportation, warehousing and mail business	18,356,249	1.53	18,392,971	1.77
Electricity, heat, gas and water production and supply industries	13,631,663	1.13	12,820,728	1.23
Agriculture, forestry, animal husbandry, sideline occupations and fishery	10,084,951	0.84	11,390,106	1.09
Information transmission, software and information technology services industry	9,751,131	0.81	9,795,077	0.94
Scientific research and technology services	7,428,373	0.62	6,419,209	0.61
Neighborhood service, repair and other service industries	5,433,820	0.45	5,166,247	0.50
Cultural, sports and entertainment industry	4,995,892	0.42	4,012,093	0.39
Sanitation and social work	2,972,426	0.25	2,702,597	0.26
Education	2,447,029	0.20	2,274,778	0.22
Accommodation and catering industry	2,101,976	0.17	2,588,935	0.25
Mining industry	1,319,013	0.11	1,471,950	0.14
Others	1,898,846	0.16	2,622,329	0.25
Subtotal of corporate loans and advances	636,944,043	53.00	572,385,874	55.01
Personal loans and advances	469,911,333	39.11	375,949,815	36.13
Notes discounted	94,754,053	7.89	92,161,589	8.86
Various loans	1,201,609,429	100.00	1,040,497,278	100.00

(3) Distribution of loans and advances by region as of the end of the Reporting Period

Unit: RMB 1,000 Currency: RMB

Region	December 31, 2020		December 31, 2019	
	Amount	Ratio (%)	Amount	Ratio (%)
Jiangsu area	991,840,970	82.54	850,818,769	81.77
Bohai Rim Region	65,811,733	5.48	66,528,742	6.39
Yangtze River Delta Region (Excluding Jiangsu Region)	82,398,586	6.86	66,263,909	6.37
Pearl River Delta Region	61,558,140	5.12	56,885,858	5.47
Total loans	1,201,609,429	100.00	1,040,497,278	100.00

(4) Distribution of loans and advances issued by way of guarantee as of the end of the Reporting Period

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020		December 31, 2019	
	Amount	Ratio (%)	Amount	Ratio (%)
Credit loan	399,088,360	33.21	239,289,247	23.00
Guaranteed loan	337,011,255	28.05	306,868,120	29.49
Loan with collateral	465,509,814	38.74	494,339,911	47.51
Including: mortgage loan	375,848,773	31.28	303,788,510	29.20
Pledged loan	89,661,041	7.46	190,551,401	18.31
Total loans	1,201,609,429	100.00	1,040,497,278	100.00

(5) Top 10 loan customers of the Bank

Unit: RMB 1,000 Currency: RMB

No.	Borrower	Trade	Loan balance	Proportion of total loans (%)	Proportion of net capital (%)
1	Customer A	Leasing and commercial service	4,436,500	0.37	2.03
2	Customer B	Real estate	4,121,430	0.34	1.88
3	Customer C	Water conservancy, environment and public facility management industry	2,513,334	0.21	1.15
4	Customer D	Construction industry	2,036,000	0.17	0.93
5	Customer E	Real estate	2,000,000	0.17	0.91
6	Customer F	Wholesale and retail industry	2,000,000	0.17	0.91
7	Customer G	Leasing and commercial service	1,966,140	0.16	0.90
8	Customer H	Transportation, warehousing and mail business	1,700,000	0.14	0.78
9	Customer I	Leasing and commercial service	1,618,000	0.13	0.74
10	Customer J	Construction industry	1,584,150	0.13	0.72
Total			23,975,554	2.00	10.95

2. Financial assets purchased for re-sales

As of the end of the Reporting Period, the book value of financial assets bought and resold by the Group was RMB 6.465 billion, up 4.95% year-on-year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020	December 31, 2019
Securities		
-Bonds of banks and other financial institutions	3,569,164	3,822,790
- Chinese government bond	2,512,913	1,748,400
- Note	414,475	-
- Corporate bonds	399,000	597,000
Subtotal	6,895,552	6,168,190
Accrued interest	743	3,967
Minus: Impairment Provision	431,598	12,624
Total	6,464,697	6,159,533

3. Financial investment

(1) Trading financial assets

As of the end of the Reporting Period, the book value of the Group's transactional financial assets was RMB 244.914 billion.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020
Bond investments (by issuer):	
Within Chinese territory	
- Government	5,669,568
- Policy banks	10,553,986
- Commercial banks and other financial institutions	8,328,404
- Other institutions	12,405,290
Subtotal	36,957,248
Beyond the Chinese border	
-Commercial banks and other financial institutions	4,504,500
- Other institutions	210,693
Subtotal	4,715,193
Bond investment subtotal	41,672,441
Fund investment	135,197,054
Investment in wealth management products	49,048,939
Asset management plan and trust plan investments	1,715,220
Asset-backed securities	2,258,499
Equity investment	443,869
Other investments	14,578,448
Total	244,914,470

(2) Creditor's rights investment

As of the end of the Reporting Period, the book value of the Group's creditor's rights investment was RMB 507.529 billion.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020
Bond investments (by issuer):	
Within Chinese territory	
-Governments	252,446,052
-Policy banks	19,971,416
-Commercial banks and other financial institutions	2,269,927
-Other institutions	6,961,250
Subtotal	281,648,645
Beyond the Chinese border	
-Commercial banks and other financial institutions	0
-Other institutions	15,549,946
Subtotal	15,549,946
Bond investment subtotal	297,198,591
Asset management plan and trust plan investments	171,788,957
Asset-backed securities	27,814,628
Other investments	18,423,026
Total	515,225,202
Accrued interest	5,635,886
Minus: Depreciation reserves	13,332,430
Book value	507,528,658

(3) Other Creditor's rights investment

As of the end of the Reporting Period, the book value of the Group's other creditor's rights investments was RMB 93.27 billion.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020
Bond investments (by issuer):	
Within Chinese territory	
-Governments	36,174,777
-Policy banks	26,430,764
-Commercial banks and other financial institutions	8,041,088
-Other institutions	5,955,757
Subtotal	76,602,386
Beyond the Chinese border	
- Commercial banks and other financial institutions	313,286
- Other institutions	14,203,081
Bond investment subtotal	91,118,753
Asset-backed securities	624,796
Other investments	67,651
Total	91,811,200
Accrued interest	1,458,700
Book value	93,269,900

(4) Other equity instruments investment

As of the end of the Reporting Period, the book value of the Group's investment in other equity instruments was RMB 195 million.

(IV) Major Liabilities**1. Deposit taking**

As of the end of the Reporting Period, the book value of the Group's deposit taking was RMB 1.3299 trillion, up 10.31% from the end of the previous year. Among them, the total amount of deposits taking (excluding accrued interest) was RMB 1.3062 trillion, up 10.19% from the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020		December 31, 2019	
	Amount	Ratio (%)	Amount	Ratio (%)
Corporate deposits				
Current deposit	366,686,784	28.07	326,458,502	27.54
Fixed deposit	498,752,271	38.18	453,701,748	38.27
Subtotal	865,439,055	66.25	780,160,250	65.81
Personal deposits				
Current deposit	80,893,653	6.19	67,131,218	5.66
Fixed deposit	278,442,589	21.32	226,403,333	19.10
Subtotal	359,336,242	27.51	293,534,551	24.76
Other deposits				
Marginal deposit for security	75,489,058	5.78	60,264,296	5.08
Remittances outstanding	229,331	0.02	171,289	0.01
Fiscal deposits	37,495	0.00	405,260	0.03
Outward remittance	673,603	0.05	647,412	0.05
Treasury deposit	3,615,000	0.28	7,563,000	0.64
Customer financing fund	1,413,850	0.11	42,734,437	3.60
Subtotal	81,458,337	6.24	111,785,694	9.43
Total deposits taking	1,306,233,634	100.00	1,185,480,495	100.00

2. Deposits of interbank and other financial institutions

During the Reporting Period, on the premise of maintaining stable growth in business scale, the Group continuously optimized the interbank business structure. As of the end of the Reporting Period, the balance of deposits in the interbank and other financial institutions was RMB 124.5 billion, down 8% from the beginning of the year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2020	December 31, 2019
Within Chinese territory		
-Banks	19,004,215	26,509,521
-Other financial institutions	105,467,946	108,781,582
Total	124,472,161	135,291,103

VI. Risk Management

(I) Management overview

1. Credit risk

Credit risk refers to the risk that one party of a financial instrument fails to perform its obligations and causes financial losses to the other party. The Group has designed an effective organizational structure, credit policies and processes for credit risk management and implemented systematic control procedures specifically for identifying, evaluating, monitoring and managing credit risks. The Group has continuously improved its risk management system, optimized and adjusted the approval process for credit and non-credit businesses, strengthened the management and control of credit risks in the process, and clarified the functions and responsibilities of the approval process for credit and non-credit businesses. During the Reporting Period, in the face of changes of the external situation, the Group took various measures to strengthen credit risk management and control to ensure the sustained and steady development of various businesses. First, improve the working mechanism of credit risk management, implement the differentiated and dynamic credit approval and authorization system, optimize risk limit management system, risk evaluation management system and risk report system and implement internal control strictly. Second, adjust our credit loan policy timely by closely combining the changes of internal and external policies and situations and the influence of COVID-19 on relevant industries and enterprises and control assets quality from the source. Third, advance the technical application of intelligent risk control, highlight the pertinence of credit "three checks" (pre-loan investigation, loan review and after-loan check) and keep improving the effectiveness of credit risk control. Fourth, optimize after-loan management mechanism, improve the accuracy and effectiveness of after-loan check and discover, intervene in and dispose risk hazard as early as possible. Fifth, is to backtrack risks and seek issue causes, in order to stop loopholes. And last but not the least, is the implement preservation system reform, establish Special Assets Center in the head office, which will dispose the significant, difficult and complicated non-performing loans directly, so as to improve the intensive, professional and fine management abilities of the whole bank.

2. Liquidity risk

Liquidity risk refers to the risk that although commercial banks have solvency, they cannot obtain sufficient funds in time or at reasonable cost to cope with asset growth or pay due debts. In 2020, the Bank continues to adhere to a sound

and prudent liquidity risk management strategy, pay close attention to various influencing factors faced by liquidity risks, coordinate local and foreign currency, on-balance-sheet and off-balance-sheet liquidity risk management, and take various measures to ensure the stability and safety of the Group's liquidity. The first is to establish a complete liquidity risk management governance structure. The Group's liquidity risk management governance structure consists of a decision-making system, an implementation system and a supervision system. Among them, the decision-making system includes the Board of Directors and its Risk Management Committee and senior management. The implementation system includes the bank-wide organizations such as liquidity management, asset and liability business, information and technology. The supervision system includes the Board of Supervisors and organizations such as internal audit and risk management. The abovementioned system performs the functions of decision-making, execution and supervision respectively according to the division of responsibilities. The second is to adhere to a sound liquidity management strategy and clarify the overall objectives, management modes and main policies and procedures of liquidity management. The Group formulates liquidity risk management policies according to regulatory requirements, external macro-operating environment and business development, etc. to effectively balance liquidity, safety and efficiency on the premise of ensuring liquidity safety. The third is to formulate scientific liquidity risk management methods. The Group has established an early warning index system that integrates internal and external indicators and complements the liquidity limit index system to enhance the forward-looking risk identification function and ensure strict adherence to the bottom line of liquidity risks. Continue to strengthen the market research and judgment and dynamic monitoring of liquidity gap, and analyze the implementation of liquidity gaps during various periods, deposit and loan changes and capital interbank business development day by day. Smooth the market financing channels, ensure sufficient reserve of high-quality liquid assets, maintain a reasonable level of provision, and meet various payment requirements. Continue to optimize the construction and application of the liquidity management system, enhance the effectiveness of monitoring, early warning and control, and continuously improve the level of fine management. The fourth is to adhere to effective liquidity risk stress tests. According to the principle of prudence, liquidity risk stress tests are conducted quarterly to test the bank's risk tolerance in case of extreme small probability events and other adverse circumstances, and stress testing methods are continuously improved according to regulatory and internal management requirements. The stress test results show that the Group's liquidity risk is always under control under a variety of scenario stress assumptions.

3. Market risk

Market risk refers to the risk of losses to the Company's on-balance-sheet and off-balance-sheet businesses due to adverse changes in market prices (interest rates, exchange rates and other prices). The Group carries out risk identification, measurement and monitoring management on market risks in various businesses through risk monitoring methods such as gap analysis, exposure analysis, sensitivity analysis, scenario analysis and stress test analysis, and uses the market risk limit system composed of business limit, stop loss limit and risk limit to monitor the use of market risk limit of various businesses. At the same time, strengthen the daily management, monitoring, analysis and reporting of authorization and limit to ensure that authorization and limit are strictly observed. Interest rate risk is mainly managed through interest rate repricing gap analysis, sensitivity analysis, asset portfolio construction and adjustment, profit and loss analysis, etc., and exchange rate risk is managed by setting foreign exchange exposure limits to closely monitor risk exposure. During the Reporting Period, market risks were stable and controllable.

4. Operational risk

Operational risk refers to the risk of losses caused by imperfect or problematic internal procedures, employees and information technology systems, and external events. Includes legal risk but excludes strategic risk and reputational risk. Through a series of measures, such as constantly improving rules and regulations, promoting system process optimization, strengthening risk investigation and rectification tracking, strengthening staff training and strict violation

points management, the Group has strictly controlled the risk, continuously improved the ability of operational risk control, enhanced the overall risk management effect, and gradually standardized the business management and operation, and the overall operational risk control was in good condition. first, improve the unified system of institutional management; second, optimize the functions of the internal control compliance and operational risk management system (GRC) continuously and add in-process risk early warning and monitoring indicators; third, promote the networking of work instructions continuously; fourth, strengthen the application of the three management tools of operational risks; fifth, strengthen the daily inspection and management of operational risks; sixth, further strengthen internal control inspection and rectification tracking; seventh, promote compliance culture and strengthen compliance awareness. During the Reporting Period, the operational risks were generally controllable and the operational risk loss data remained at a relatively low level.

5. Other risks

(1) Information technology risk

Information technology risk refers to the operational, legal and reputation risks caused by natural factors, human factors, technical loopholes and management defects during the operation of information technology in commercial banks. The Group's information technology risk management work is guided by regulatory policies and based on safe operation and maintenance, highlighting IT business continuity, Internet security, data security, IT outsourcing and other work, adhering to the direction of wisdom and continuously promoting autonomy and controllability. During the Reporting Period, information technology risks were generally controllable, and no major science and technology risk losses occurred. As of the end of the Reporting Period, the science and technology risk limit indicators were all within the scope of regulatory requirements.

(2) Reputation risk

Reputation risk refers to the risk of impairing brand value and affecting the normal operation or even market stability and social stability after interested party, the public or media make a negative evaluation on a bank or insurance institution with respect to the behavior of the aforesaid institution or behavior or external event of its employees. The Group has established and improved its reputation risk management mechanism, optimized its public opinion response mechanism, and improved its ability to judge, analyze and deal with public opinions. We have strengthened the investigation of potential reputational risks, continuously improve the ability and level of reputational risk management, and create brand images of smart finance and responsible finance. Carry out public opinion management actively to avoid reputation loss. Organize and carry out reputation risk management training, popularize relevant knowledge in the field of reputation risk management, and strengthen the reputation risk awareness of all employees. During the Reporting Period, the reputation risk situation was overall stable.

(II) Five-level classification of loans

Unit: RMB 1,000 Currency: RMB

Five-level classification	Amount	Ratio (%)	Increase or decrease compared with the end of last year (%)
Normal loans	1,169,456,192	97.33	0.65
Special mention loans	16,324,439	1.36	-0.58
Subprime loans	8,819,975	0.73	0.20
Doubtful loans	2,743,196	0.23	-0.49
Loss loans	4,265,627	0.35	0.22
Total	1,201,609,429	100.00	

Note: According to the regulatory five-level classification policy, the Group's non-performing loans include loans classified as sub-prime, doubtful and loss. In face of the new changes in the macro situation and epidemic prevention and control in 2020, the Group took multiple actions to improve risk management ability and levels and had assets quality improving steadily. As of the end of the Reporting Period, the Group had the total amount of non-performing loans reaching RMB 15.829 billion and the non-performing loan ratio of 1.32%, with a drop of 0.06% from the beginning of the year; the total amount of special-mentioned loans reaching 16.324 billion and special-mentioned loan ratio of 1.36%, with a drop of 0.58% from the beginning of the year.

(III) Migration rate data

Unit: %

Item	2020	2019	2018
Migration rate of normal loans	1.31	2.72	3.08
Migration rate of special mention loans	44.21	43.77	39.57
Migration rate of subprime loans	45.04	68.53	27.82
Migration rate of doubtful loans	22.37	24.33	9.02

Note: The migration rate is calculated according to relevant regulatory regulations.

Migration rate of normal loans=normal loans at the beginning of the period converted into the last four types of loans As of the end of the period/the part of normal loans at the beginning of the period which are still loans as of the end of the period×100%;

Migration rate of special mention loans=balance of non-performing loans converted into non-performing loans as of the end of the beginning of the period/the part of special mention loans at the beginning of the period which are still loans as of the end of the period×100%;

Migration rate of sub-prime loans=balance of doubtful and loss loans as of the end of the period of the beginning of the period of sub-prime loans/the part of sub-prime loans at the beginning of the period which are still loans as of the end of the period×100%;

Migration rate of doubtful loans=balance of doubtful loan at the beginning of the period turned into loss loan as of the end of the period/the part of doubtful loans at the beginning of the period which are still loans as of the end of the period×100%.

(IV) Loan asset quality with custom classification standards

Unit: RMB 1,000 Currency: RMB

Classification	Amount	Ratio (%)
Agriculture, forestry, animal husbandry, sideline occupations and fishery	93,181	0.59
Mining	100,406	0.63
Manufacturing industry	5,463,977	34.52
Production and supply of electricity, heat, gas and water	177,125	1.12
Construction industry	228,177	1.44
Wholesale and retail industry	3,053,224	19.29
Transportation, warehousing and mail business	594,086	3.75
Accommodation and catering industry	88,906	0.56
Information transmission, software and information technology services industry	221,697	1.40
Finance industry	-	0.00
Real estate	37,633	0.24
Leasing and commercial service	2,245,400	14.19
Scientific research and technical services	207,035	1.31
Water conservancy, environment and public facility management industry	74,403	0.47
Neighborhood service, repair and other service industries	2,209	0.01
Education	3,699	0.02
Sanitation and social work	4,062	0.03
Cultural, sports and entertainment industry	73,394	0.46
Personal operating loan	562,964	3.56
Personal loans	2,597,220	16.41
Total	15,828,798	100.00

(V) Restructured loans and overdue loans

As of the end of the Reporting Period, the ratio of balance of the loan for more than 90 days overdue (non-performing loan) was 68.23%; the ratio of balance of the loan for more than 60 days overdue (non-performing loan) was 74.03%;

Unit: RMB 1,000 Currency: RMB

Classification	Opening Balance	Closing Balance	Percentage (%)
Restructured loans	3,037,205	3,152,719	0.29
Overdue loans	15,497,966	14,454,537	1.20

Note: 1. Restructured loans refer to the adjustment of the original loan terms due to the deterioration of the borrower's finance or failure to repay the loan on schedule, including extending the loan term, Borrowing for Repaying, and conversion;

2. Overdue loans refer to the principal amount of loans whose principal or interest is overdue.

(VI) Measures to be taken against non-performing loans

During the Reporting Period, in order to optimize the structure of credit assets, control new non-performing loans and resolve existing non-performing loans, the Group, on the one hand, strengthened the application of big data in the "three checks" of credit, strictly controlled credit access and strictly prevented new non-performing loans; on the other hand, insisted on taking multiple measures simultaneously and continuously increased the collection and disposal of existing non-performing loans: First, optimize assets preservation management system and intensify the centralized operation of non-performing assets. Second, strengthen the management of non-performing loan collection and litigation collection processes, accurately grasp the best litigation timing, and increase the collection and disposal of litigation; third, strengthen cooperation with financial assets trading platforms, strictly followed market principles in creditor's rights transfer business, and improve disposal efficiency; Fourth, strengthen the management for write-off plan of bad loans, control identification conditions strictly and write off bad loans entirely. Fifth, strengthen the collection of loans having been written off duly in accordance with the principles of "write-off with archives and rights reserved".

(VII) Changes in the provision for impairment of loans

The Group has implemented the new Accounting Standards for Financial Instruments from January 1, 2019, and adopted the "Expected Credit Loss" model to measure the provision for impairment of financial instruments. Financial instruments are divided into three stages to measure the credit impairment loss in the next 12 months or the whole duration. The changes in the provision for the impairment of loans in the current period are as follows:

Unit: RMB 1,000 Currency: RMB

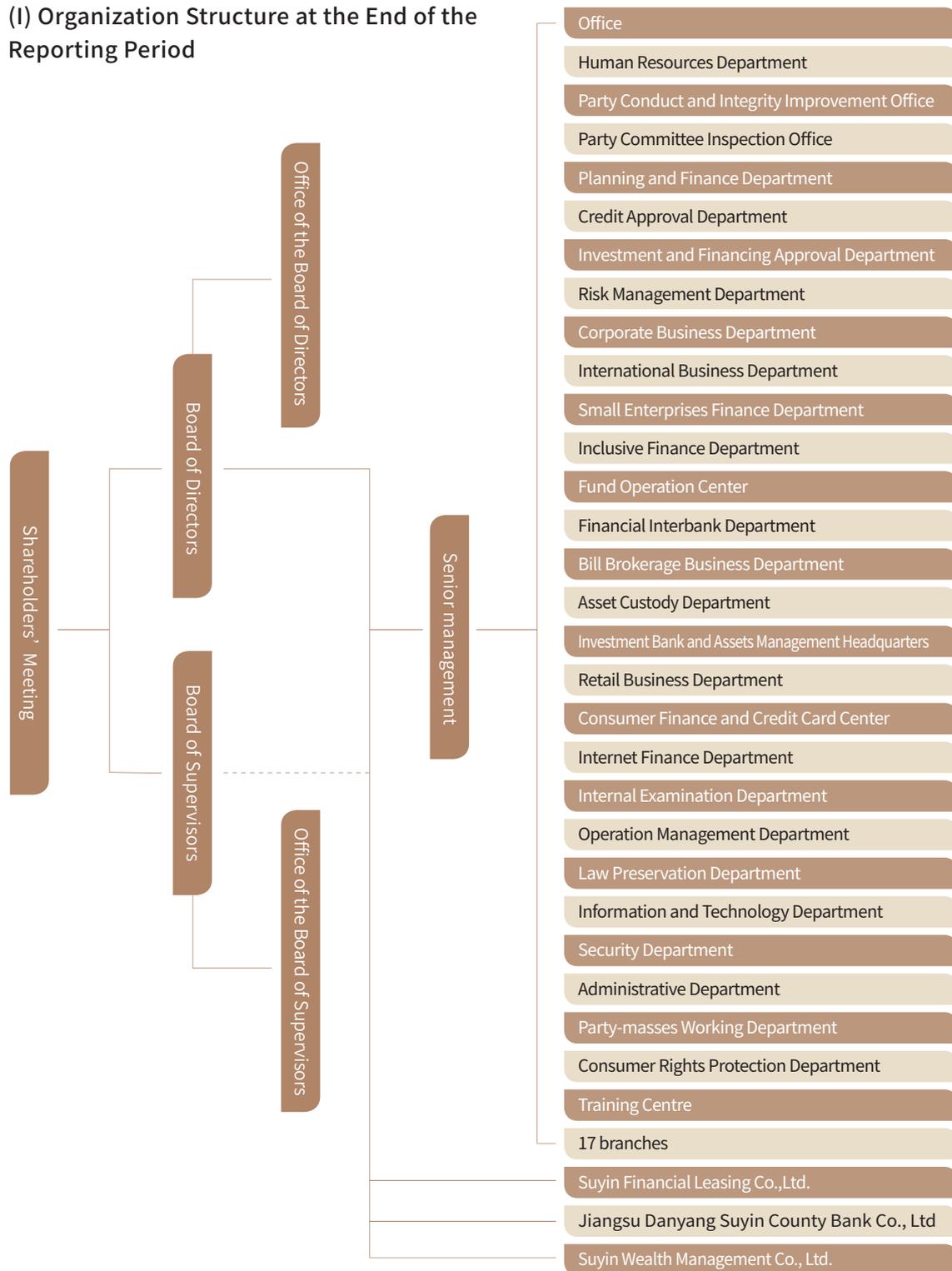
Item	Changes in provision for impairment of loans and advances measured at amortized cost				Changes in provision for impairment of loans and advances measured at fair value and whose changes are included in other comprehensive income			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Opening Balance	18,096,998	5,642,151	9,682,800	33,421,949	927,997	10,061	-	938,058
Transfer of the current period:								
To Stage I	1,569,803	-1,543,681	-26,122	-	-	-	-	-
To Stage II	-673,449	1,026,299	-352,850	-	-3,166	3,166	-	-
To Stage III	-37,498	-1,107,295	1,144,793	-	-	-	-	-
Provision of the current period	3,520,072	2,690,911	9,169,167	15,380,150	422,672	-5,126	-	417,546
Write-off of the current period	-	-	-8,733,270	-8,733,270	-	-	-	-
Recovery of the original written off loan in the current period	-	-	522,301	522,301	-	-	-	-
Other changes	-3,198	-1,249	-1,728	-6,175	-	-	-	-
Closing Balance	22,472,728	6,707,136	11,405,091	40,584,955	1,347,503	8,101	-	1,355,604

Note: The Stage I financial instruments are financial instruments of which the credit risk has not increased significantly since the initial confirmation; the Stage II financial instruments are those of which the credit risk has increased significantly since the initial confirmation, but there is no objective evidence of impairment; the Stage III financial instruments are those with objective impairment evidence on the balance sheet date.

Provision for impairment of loans and advances measured at fair value and whose changes are included in other comprehensive income shall be recognized in other comprehensive income, and the impairment losses shall be included in current profits and losses, which will not reduce the book value of financial assets listed in the balance sheet.

VI. Organizational Structure and Institutions at All Levels

(I) Organization Structure at the End of the Reporting Period



(II) Hierarchical management and the number and regional distribution of branches at various levels

As of the end of the Reporting Period, the Company had 533 branches, including: Head Office, 17 branches, 1 franchised institution and 514 sub-branches (including 9 community subbranches and 1 small and micro subbranch). The Head Office and branches are introduced as follows:



No.	Institution Name	Address	Number of institutions
1	Head Office	No. 26, Zhonghua Road, Nanjing City	1
2	Suzhou Branch	No. 157, Suyu Road, Suzhou Industrial Park	48
3	Wuxi Branch	No. 18, Jinrong 7th Street, Wuxi City	107
4	Nanjing Branch	No. 55, North Hongwu Road, Xuanwu District, Nanjing City	30
5	Nantong Branch	No. 118, South Gongnong Road, Chongchuan District, Nantong City	45
6	Changzhou Branch	No. 500, Middle Yanling Road, Changzhou City	32
7	Xuzhou Branch	Building 2, Lyudi Business City (Plot B6-1), Yunlong District, Xuzhou City	32
8	Yangzhou Branch	No. 525, West Wenchang Road, Yangzhou City	25
9	Zhenjiang Branch	No. 12, Guancheng Road, Zhenjiang City	31
10	Taizhou Branch	No. 10, East Dongjin Road, Taizhou City	8
11	Huai'an Branch	No. 16, Shuidukou Avenue, Huai'an City	31
12	Yancheng Branch	No. 269, South Jiefang Road, Yancheng City	34
13	Lianyungang Branch	No. 1, Yingzhou Road, Haizhou District, Lianyungang City	27
14	Suqian Branch	No. 58, Qinghaihu Road, Sucheng District, Suqian City	12
15	Shanghai Branch	No. 1128, Shiji Avenue, Pudong New Area, Shanghai	16
16	Shenzhen Branch	No. 2, Lanxiang 1st Street, Zhongxin Road, Nanshan District, Shenzhen City	19
17	Beijing Branch	Building 1, Guangxi Jiayuan, Chaoyang District, Beijing	23
18	Hangzhou Branch	No. 38-42, Tianmushan Road, Xihu District, Hangzhou City	11
19	Fund operation center	No. 117, Yincheng Road, Pudong New District, Shanghai	1
Total			533

(III) Foreign equity investment

The Company's long-term equity investment includes the investments in Suyin Financial Leasing Co., Ltd., Suyin Wealth Management Co., Ltd., Suyin KGI Consumer Finance Co., Ltd. and Jiangsu Danyang Suyin County Bank Co., Ltd. As of the end of the Reporting Period, balance of the Company's equity investment was RMB 4.5338 billion. Of which, Closing Balance of equity investment in Suyin County Bank was RMB 73.8 million, with a shareholding ratio of 41%; Closing Balance of equity investment in Suyin Financial Leasing was RMB 2.46 billion, with a shareholding ratio of 51.25%; Closing Balance of equity investment in Suyin Wealth Management was RMB 2 billion, with a shareholding ratio of 100%.

(IV) Analysis of holding and joint stock companies

1. Suyin Financial Leasing Co., Ltd.

Suyin Financial Leasing Co., Ltd. (former name: Suxing Financial Leasing Co., Ltd.), set up on May 13, 2015, is located at Floor 21-22, Zhidi Plaza, No. 55, North Hongwu Road, Nanjing City, Jiangsu Province. The Company, enjoying the registered capital of RMB 4 billion, is a limited liability company and enjoys the scope of business of: financial leasing business; transfer and acceptance of financial leasing assets; securities investment business with constant return; acceptance of deposit from lease of lessee; taking of fixed-time deposit of over 3 months (inclusive) of non-bank shareholders; interbank borrowing; borrowing from financial institutions; overseas borrowings; lease sell off and disposal business; economic consulting; handling other businesses approved by the banking and insurance regulatory authorities.

As of the end of the Reporting Period, Suyin Financial Leasing Co. had total assets amounted to RMB 58.656 billion, in which, the balance of leasing business was RMB 55.709 billion, and a provision rate of 4.81%. As of the end of the Reporting Period, it achieved net profits of RMB 1.186 billion, a year-on-year increase of 43.19%. The five key sectors including happiness industry, green finance, transportation logistics, high-end manufacturing and technology finance accounted for 93.34% in the newly added business of the Company; the level of operation and management continued to improve, the internal control management has been continuously strengthened, and the main supervision index maintained in good status.

2. Suyin Wealth Management

Suyin Wealth Management, set up on August 20, 2020, is located at Floor 15, Block B5, No. 8 Complex, East Jialingjiang Street, Jianye District, Nanjing City, Jiangsu Province, with registered capital of RMB 2 billion. It is a limited liability company and has the business scope including: Public issuance of WMPs to the public and investments and management of the properties of fiduciary investors; property management and advisory services; other businesses approved by banking and insurance regulatory bodies. As of the end of the Reporting Period, the company's total assets reached RMB 2.027 billion, with net assets of RMB 2.004 billion

3. Suyin Village and Township Bank

Suyin Village and Township Bank (former name: Danyang Baode Village and Township Bank), set up on June 10, 2010, is located at Block 6-8, Dongfang Jiayuan, Dongfang Road, Danyang City, Jiangsu Province, with registered capital of RMB 180 million. It is a limited liability company and has business scope including: public deposit taking; issuance of short, medium and long-term loans; handling of domestic settlement; handling of bill acceptance and discount; interbank lending; debit card business; agency distribution, proxy cashing and government bond underwriting; agency receipts and payments and insurance agency business; other businesses approved by banking and insurance

regulatory body.

As of the end of the Reporting Period, balance of various deposits of Suyin County Bank was RMB 852 million, increasing by RMB 113 million compared with the number at the beginning of the year; balance of various loans was RMB 1.364 billion, having a growth of RMB 126 million compared with the number at the beginning of the year. In particular, balance of loans for small and micro businesses was RMB 1.081 billion, accounting for 79.26%; balance of family farm loan was RMB 24.66 million, with a proportion of 1.81%; balance of farm loan was RMB 301.66 million.

VIII. Other Information Disclosed According to Regulatory Requirements

(I) Capital for debt payment

Unit: RMB 1,000 Currency: RMB

Category	End of period		Beginning period	
	Amount	Provision for impairment made	Amount	Provision for impairment made
Non-financial capital for debt payment	6,303	-	6,303	-
Total	6,303	-	6,303	-

(II) Balance of related transactions with related natural persons and their risk exposure

Unit: RMB 1,000 Currency: RMB

Item	End of 2020	Ratio in amount/balance of transaction of the same kind	End of 2019	Ratio in amount/balance of transaction of the same kind
Issued loans and advances	186,657	0.0155	143,921	0.0138
Deposit taking	162,361	0.0122	116,776	0.0097
Unused credit limit	68,676	0.3364	62,093	0.2534

Item	2020	Ratio in amount of transaction of the same kind (%)	2019	Ratio in amount of transaction of the same kind (%)
Interest income	7,797	0.0084	4,488	0.0055
Interest expenditures	4,532	0.0082	4,541	0.0081

(III) Off-balance sheet items that have a significant impact on the financial situation and operating results

Unit: RMB 1,000 Currency: RMB

Item	End of period	Beginning of period
Credit commitment	321,388,198	266,641,183
Including:		
Loan commitment	32,147,092	25,319,537
Bank acceptance	236,323,235	202,556,016
Letters of Guarantee	30,476,728	22,306,252
Letters of Credit	22,441,143	16,459,378
Operating lease commitment	1,377,907	1,813,548
Capital expenditure commitment	843,256	369,296

(IV) Types and amounts of financial bonds held

Unit: RMB 1,000 Currency: RMB

Category	Amount
Policy financial bonds	56,956,166
Financial bonds of commercial banks	23,457,205
Other financial bonds	55,286,017

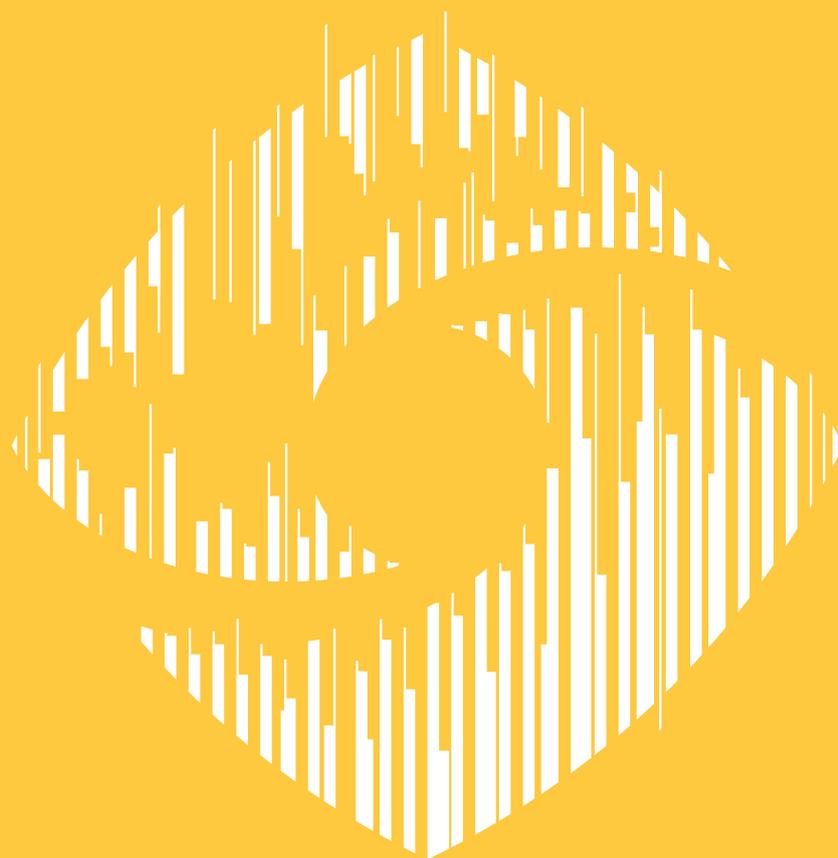
Among them, ten financial bonds with the largest face value:

Unit: RMB 1,000 Currency: RMB

Bond Name	Face Value	Annual Interest Rate (%)	Maturity Date
19 Eximbank 05	3,450,000	3.28	2024-2-11
20 SPDB 01	2,000,000	2.08	2023-4-29
19 CNADC 04	1,830,000	3.51	2024-4-3
17 Eximbank 09	1,810,000	4.11	2022-7-10
17 Eximbank 04	1,310,000	4.05	2022-3-20
20 CNADC 02	1,270,000	2.2	2023-4-1
18 Eximbank 10	1,250,000	4.89	2028-3-26
20 CDB 02	1,210,000	1.86	2023-4-9
19 CNADC 08	1,160,000	3.63	2026-7-19
20 CDB 20	1,020,000	3.9	2040-8-3

In 2021, the Bank will insist on the general keynote of seeking improvement in stability and promote own supply side reform continuously; take serving real economy as the primary task duly and further implemented the all kinds of key work such as characteristic development, steady and optimal deposit, customer expansion and foundation intensification, structural optimization, intelligent evolution, risk control, internal governance and Party construction; support the construction of a new development pattern with higher-quality financial service, serve the high-quality development and boost the embarking on a new journey to build socialist modernization in all aspects.

2020



ANNUAL REPORT

BANK OF JIANGSU

Section IV

Important Matters





Important Matters

I. Plan for Profit Distribution of Common Shares or Increase of Capital Reserves by Transferring

(I) Formulation, implementation or adjustment of the cash dividend policy

1. The Articles of Association of the Company clearly stipulate the profit distribution policy: From the perspective of paying attention to the reasonable return on investment for investors and conducive to the long-term development of the company, the Company can distribute dividends in cash, stock or a combination of the two. Under the condition of meeting the regulatory requirements and meeting the capital needs of the normal production and operation of the Company, if there are no major investment plans or major investment cash expenditures and other matters, the Company shall distribute dividends in cash. If the Company distributes dividends in stock, it shall have real and reasonable factors such as the growth of the Company and the dilution of net assets per share. Under the condition of meeting the standards of major regulatory indicators such as bank capital adequacy ratio and relevant requirements for dividend distribution by the banking regulatory authorities, the annual profit distributed in cash of the Company shall not be less than 10% of the distributable profit realized in the current year.

The formulation and revision of the profit distribution policy of the Company shall be proposed by the Board of Directors of the Company to the shareholders' meeting of the Company. The profit distribution policy proposed by the Board of Directors shall be approved by more than 2/3 of all directors of the Board of Directors and by more than 2/3 of independent directors. The independent directors shall express independent opinions on the formulation or revision of the profit distribution policy. Independent directors may solicit opinions from small and medium shareholders, put forward dividend proposals, and directly submit them to the Board of Directors for deliberation. The Board of Supervisors of the Company shall review the profit distribution policy formulated and revised by the Board of Directors, which shall be approved by more than half of the supervisors and all external supervisors. The Board of Directors and the Board of Supervisors shall review and approve the profit distribution policy and submit it to the shareholders'

meeting for review and approval. Before the shareholders' meeting of the Company deliberates the proposal to formulate the profit distribution policy, it shall communicate with the small and medium shareholders through the website of the Company, public mailbox or visiting reception and other channels, fully listen to the opinions and demands of the small and medium shareholders, and promptly answer the concerns of the small and medium shareholders. When the shareholders' meeting deliberates and approves the proposal on the profit distribution policy, it shall be passed by more than 2/3 of the voting rights held by the shareholders present at the shareholders' meeting.

2. During the Reporting Period, upon the deliberation and approval in the 2019 Shareholders' Meeting, the Company formulated the profit distribution plan as follows: The Company shall, based on the cardinal number of the total common shares of 11.5445 billion as of the end of 2019, distribute cash dividends to all shareholders, which shall be RMB 2.78 per 10 shares (tax-inclusive), and the distributed cash dividends totaled to RMB 3.20937 billion. However, since the convertible bonds issued by the Company is in conversion period, the actual total amount of cash dividends distributed shall be determined based on the total shares registered on equity registration date. Above proposal is still required to be deliberated and approved by shareholders' meeting. The plan was completed on June 24, 2020. The equity registration date for distribution of rights and interests was June 23, 2020, and in light of the Company's total shares of 11,544,508,967 registered by Shanghai Branch of China Securities Registration and Clearing Co., Ltd. (hereinafter referred to as "CSDC Shanghai Branch"), the cash dividend distributed per share was RMB 0.278 (tax-inclusive), and therefore, totally RMB 3,209,373,493 cash dividends were distributed.

3. The Company's 2020 profits distribution plan has been approved in the 10th meeting of the 5th Board of Directors, and the Board of Directors gave the proposal as follows: The profits distribution was based on the cardinal number of the total shares registered on equity registration date for dividend distribution, and the specific date shall be specified in the announcement of dividend distribution. The cash dividend of RMB 3.16 (tax-inclusive) shall be distributed to all shareholders every 10 shares according to the plan. The Company completed the A-share rights issue in December 2020, and on January 14, 2021, the totally 3,225,083,672 shares increased in the A-share rights issue were listed for circulation. The Company's total share capital would be increased to 14,769,606,643 shares upon the completion of the A-share rights issue, and therefore, it was calculated that the total cash dividends planned to be distributed should be RMB 4,667,195,699 Yuan (tax-inclusive). However, since the convertible bonds issued by the Company is in conversion period, the actual total amount of cash dividends distributed shall be determined based on the total shares registered on equity registration date, with distribution ratio per share unchangeable. The plan is still required to be deliberated and approved in the Company's 2020 shareholders' meeting and the details will be announced separately.

4. The cash dividends of the Company this year are mainly determined by the following factors: first, meet the regulatory requirements for capital adequacy ratio; second, retained profits are used to enhance risk resistance; third, continuously improve the value creation ability and provide long-term returns for investors.

The Proposal on the 2020 Profit Distribution Plan of Jiangsu Bank Co., Ltd. of the Company has been deliberated and approved at the 10th meeting of the 5th Board of Directors of the Company.

Independent directors of the Company expressed the following opinions on the profit distribution plan:

The deliberation procedure of the *Proposal on the 2020 Profit Distribution Plan of Jiangsu Bank Co., Ltd.*, which was deliberated and approved at the 10th meeting of the 5th Board of Directors of the Company, is legal and effective. The profit distribution plan is not only conducive to the sustainable and stable development of the Company, but also fully considers the returns of investors, and at the same time, ensure that the capital adequacy ratio of the Company in 2021 meets the regulatory requirements and is in line with the interests of all shareholders. This proposal is agreed to submit to the shareholders' meeting of the Company for deliberation.

(II) Plan or pre-arranged planning for the distribution of common stock dividends and the plan or pre-arranged planning for the increase of capital reserves to share capital by transferring in the past three years (including the Reporting Period) of the Company

Unit: RMB Currency: RMB

Dividend year	Bonus shares per 10 shares (Shares)	Dividends per 10 shares (RMB) (including tax)	Transfers per 10 shares (Shares)	Amount of cash dividends (including tax)	Net profit attributable to shareholders of common stock of listed companies in the annual consolidated statement of dividends	Ratio of net profit attributable to common shareholders of listed companies in consolidated statements (%)
2020	0	3.16	0	4,667,195,699	15,065,745,000	30.98
2019	0	2.78	0	3,209,370,995	14,618,609,000	21.95
2018	0	3.40	0	3,925,113,000	13,064,935,000	30.04

II. Implementation of Commitments

Commitment items made in or continued in the reporting period by Actual controller of the Company, shareholders, related parties, acquirer and the Company

Commitment back ground	Type of commitment	Commitment party	Content of commitment	Commitment time and term	Is there a time limit for performance	Whether it is strictly implemented in a timely manner	If the performance is not completed in time, the specific reasons for the failure shall be stated	If it is not fulfilled in time, state the next plan
Commitments related to initial public offerings	Restricted on sales of shares	Internal employee shareholders holding more than 50,000 shares of the Company	See Note 1 for details	August 2, 2016 - August 1, 2024	Yes	Yes	N/A	N/A
	Restricted on sales of shares	TANG Jinsong, current and outgoing directors, supervisors and senior management shareholders of the Company	See Note 2 for details	From August 2, 2016 to the term of office established at the time of his appointment and As of the end of six months after his resignation	Yes	Yes	N/A	N/A
	Solve horizontal competition	Jiangsu Trust	See Note 3 for details	During the period when Jiangsu Trust was the largest shareholder of Jiangsu Bank	Yes	Yes	N/A	N/A

Commitment back ground	Type of commitment	Commitment party	Content of commitment	Commitment time and term	Is there a time limit for performance	Whether it is strictly implemented in a timely manner	If the performance is not completed in time, the specific reasons for the failure shall be stated	If it is not fulfilled in time, state the next plan
Re-financing related commitments	Others	Directors and senior managers	See Note 4 for details	Since November 29, 2016	No	Yes	N/A	N/A
	Others	Directors and senior managers	See Note 5 for details	Since February 2, 2018	No	Yes	N/A	N/A
	Others	Directors and senior managers	See Note 6 for details	Since July 9, 2020	No	Yes	N/A	N/A
Refinancing-related commitments	Restricted on sales of shares	Then non-independent directors and senior managers of the Bank who received remuneration from the Bank	See Note 7 for details	July 2018 – July 2020	Yes	Yes	N/A	N/A
Other commitments	Extend the lock-in of restricted shares	The largest shareholder is Jiangsu International Trust Co., Ltd. and its person acting in concert is Jiangsu Guoxin Group Co., Ltd., the second largest shareholder is Jiangsu Phoenix Publishing Media Group Co., Ltd. and its person acting in concert is Jiangsu Fenghuang Asset Management Co., Ltd.	See Note 8 for details	August 2, 2019 – August 1, 2020	Yes	Yes	N/A	N/A

Note 1: The lock-up period of share transfer shall not be shorter than three years since the listing of the Company, and upon the expiration of the lock-up period, the annual saleable shares shall not exceed 15% of the total number of shares held, and the saleable shares shall not exceed 50% of the total number of shares held within five years.

Note 2: It is forbidden to transfer or entrust others to manage the Company's shares held or allow the Company to repurchase the shares held within 12 months upon the IPO of the shares. Upon the expiration of the IPO lock-up period, the number of shares transferred annually shall not exceed 25% of the total shares held during the employment period; it is forbidden to transfer the Company's shares directly or indirectly within half a year upon the separation.

Note 3: In a bid to avoid horizontal competition with the Bank in the future due to the performance of function of state-owned asset management and other reasons, Jiangsu Trust, the first majority largest shareholder of the Bank has issued letter of commitment letter, and main contents are as follows:

1. Bank of Jiangsu and its branches mainly engaged in commercial bank business. Current main businesses of the Company and its subordinate enterprises of the Company (wholly-owned and holding companies and the enterprises on which the Company has actual control except for Bank of Jiangsu and its branches, similarly hereinafter) does not involve in main commercial bank business, having no case in which the Company has horizontal competition with the Bank of Jiangsu and its branches.

2. In business carried out in future, the Company will not carry out horizontal competition with the Bank of Jiangsu, namely, the Company and its subordinate enterprises will not directly or indirectly carry out business activities enjoying horizontal competition with main businesses of Bank of Jiangsu and its branches in any forms. The Company will supervise its subordinate enterprises in accordance with this committee in accordance with the commitment and exercise

necessary rights to urge them to abide by this commitment.

3. At the director's meeting or Shareholders' Meeting of the Bank of Jiangsu to confirm whether it has horizontal competition with the Company, the Company undertakes that the related directors and shareholders' representatives of the Company will withdraw as per the provisions and will not participate in voting. If it is confirmed that the business that the Company and its subordinate enterprises are engaged in or will engage in has horizontal competition with that of the Bank of Jiangsu, the Company and its subordinate enterprises will timely transfer or suspend the said business after Bank of Jiangsu puts forward objections.

If the Bank of Jiangsu proposes acceptance request, the Company and its subordinate enterprises will preferentially transfer the said businesses and assets to Bank of Jiangsu as per fair price audited or appraised by qualified intermediary institutions under the same condition.

4. The company promises to strictly comply with the relevant regulations of the China Securities Regulatory Commission and Stock Exchange, Articles of Association of Bank of Jiangsu and corporate management system, including related-party transaction system, exercise shareholder's rights and perform shareholder's obligations with other shareholders, not seek illegal profit by using status of majority shareholder, and not damage lawful rights and interests of the Bank of Jiangsu and other shareholders.

The above said commitments will come into effect after being signed, and have legal effect and are legally binding on the Company within the period when the Company is the first majority shareholder of the Bank of Jiangsu.

Note 4: Commitment of directors and senior management personnel of the Bank on filling measures to sight return of dilution of preferred shares of nonpublic offering in accordance with relevant provisions of China Securities Regulatory Commission:

1. Promise not to send profits to other units or individuals for free or in unfair conditions, nor take other ways to damage the interests of the Bank.
2. Promise to restrain personal post-related consumption behaviors.
3. Promise not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.
4. Promise to try best to urge the realization of the measures of complementing sight return, fulfill duties to urge linkage between remuneration system formulated by the Board of Directors or the remuneration committee and implementation of complementing return measures, support relevant proposals related to implementation of complementary return measures and be willing to vote in favor (if having voting right).
5. Promise to do duties to urge condition of exercising rights of equity incentive plan carried out in future to be linked with implementation of complementary return measures.

Note 5: Commitment of directors and senior management personnel of the Bank on filling measures to sight return of dilution of convertible bonds that the Bank issues publicly in accordance with relevant provisions of China Securities Regulatory Commission:

1. Promise not to send profits to other units or individuals for free or in unfair conditions, nor take other ways to damage the interests of the Bank.
2. Promise to restrain personal post-related consumption behaviors.
3. Promise not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.
4. Promise to try best to urge the realization of the measures of complementing sight return, fulfill duties to urge linkage between remuneration system formulated by the Board of Directors or the remuneration committee and implementation of complementing return measures, support relevant proposals related to implementation of complementary return measures and be willing to vote in favor (if having voting right).
5. Promise to do duties to urge condition of exercising rights of equity incentive plan carried out in future to be linked with implementation of complementary return measures.

Note 6: Commitment of directors and senior management personnel of the Bank on filling measures to sight return of dilution of allotted shares in accordance with relevant provisions of China Securities Regulatory Commission:

1. Promise not to send profits to other units or individuals for free or in unfair conditions, nor take other ways to damage the interests of the Bank.
2. Promise to restrain personal post-related consumption behaviors.
3. Promise not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.
4. Promise to try best to urge the realization of the measures of complementing sight return, fulfill duties to urge linkage between remuneration system formulated by the Board of Directors or the remuneration committee and implementation of complementing return measures, support relevant proposals related to implementation of complementary return measures and be willing to vote in favor (if having voting right).
5. Promise to do duties to urge condition of exercising rights of equity incentive plan carried out in future to be linked with implementation of complementary return measures.

Note 7: The shares of this increased are locked for two years from the date of purchase, and strictly abide by the relevant regulations of the China Securities Regulatory Commission and Shanghai Stock Exchange regarding the trading of stocks of the Company.

Note 8: Lock the relevant shares of the Bank held by the Company for one year from August 2, 2019. For details, please refer to the *Announcement on Locking*

Shares of Principal Shareholders of Bank of Jiangsu Co., Ltd. by the company on the website of Shanghai Stock Exchange (www.sse.com.cn) on July 24, 2019.

III. The Company's Explanation and Analysis on the Reasons and Influences of Changes in Accounting Policies and Accounting Estimates or Correction of Major Accounting Errors

In 2020, the Group implemented the following revised accounting standards to the Accounting Standards for Business Enterprises and relevant provisions issued by the Ministry of Finance in recent years:

- *Accounting standards for Enterprises No. Fourteenth – Income (Revised)* (hereinafter referred to as "the new income standards")

- *Interpretation of Accounting Standards for Enterprises No. Thirteen* (C.K. [2019] No. 21) (hereinafter referred to as "the interpretation No. Thirteen")

- *Provisions on the Accounting Treatment of Rent Concession Relating to COVID-19* (C.K. [2020] No. 10)

- *Notice on Implementing Accounting Standards for Enterprises Strictly and Strengthening Enterprise 2020 Annual Report* (C.K. [2021] No. 2)

IV. Situation of Appointment and Dismissal of Accounting Firms

Unit: RMB 10,000 Currency: RMB

Item	Present appointment
Name of domestic accounting firm	KPMG (Special General Partnership)
Remuneration of domestic accounting firms	421.2
Audit years of domestic accounting firms	5 years

	Name	Remuneration
Internal control audit accounting firm	KPMG (Special General Partnership)	52

V. Significant Litigation and Arbitration

The Company had no significant litigation and arbitration matters during the Reporting Period.

As of the end of the Reporting Period, among the cases remaining to be finally judged of the Company, there are a total of 6 cases with the amount of more than RMB 10 million for each case and the amount of money involved in the cases is RMB 630 million. The Company believes that the final ruling and execution results of such events will not have a significant impact on the Company's financial status or operating results.

VI. Integrity of the Company, its Controlling Shareholders and Actual Controllers during the Reporting Period

As of the end of the Reporting Period, the Company had no controlling shareholders or actual controllers.

VII. Significant Related-party Transactions

In 2020, the related-party transactions of the Company were carried out in accordance with the relevant regulations of the regulatory authorities and in accordance with the general commercial terms, fair and reasonable, and in line with the overall interests of the Company and shareholders. In accordance with the relevant provisions of the *Measures for the Administration of Related-Party Transactions between Commercial Banks, Insiders and Shareholders* issued by the China Banking Regulatory Commission, the Company summarized the implementation of the related-party transaction management system and related-party transactions in 2020, and formed the 2020 Related-Party Transactions Report. The report will be submitted to the shareholders' meeting for deliberation after being submitted to the Board of Directors for review. See notes to financial statements for the situation of significant related-party transaction between the Bank and related parties during Reporting Period.

VIII. Significant Contracts and Situation of Performance of Contracts

(I) The Company had no significant contracts which should be disclosed but not disclosed.

(II) The Company had no situation in which controlling shareholders of the Company or other related parties occupied the funds of the Bank, the situation happened during the Reporting Period, or the situation happened in previous period but continued to the Reporting Period.

(III) Guarantee business was one of the general banking businesses approved by relevant supervision institution. The Company paid attention to the risk management of the business, strictly carried out relevant operational process and approval procedures and effectively controlled the risks of external guarantee business. During the Reporting Period, the Company had no significant guarantee issue needing to be disclosed except for financial guarantee business within the business scope approved by relevant supervision institution.

IX. Performance of Social Responsibility

With a strong focus on the mission of "creating the beautiful life through finance" and the market orientation of "serving small and medium-sized enterprises, local economy and urban and rural residents", the Company included the performing of corporate social responsibility into the whole process of the development strategy and operation, established and improved social responsibility management system and explored the performance mode of social responsibility conforming to own characteristics actively; strengthened financial innovation, practiced green development, provided amicable financial service, contributed to the sustainable development of economy and society and tried to maximize the comprehensive value of economy, environment and society.

(I) Poverty alleviation

1. Goal of targeted power alleviation

With a strong focus on the goal of "obtaining recognition and praise from Party, government and farmers and realizing achievements digitalization and risk control guarantee", we carried out the activity of "Poverty Alleviation of the Bank of Jiangsu" actively, kept strengthening the financial support for rural revitalization and power alleviation in virtue of the sincere care, powerful financial support and working style of real practice and solid work and made active financial contributions to the winning of the final victory of power alleviation and building of a moderately prosperous society in all respects.

2. Measure of targeted poverty alleviation

Focused on the "Five in One" financial poverty alleviation system of industry drive, entrepreneurship support, project focus, Party member demonstration and public welfare – based poverty alleviation, we tried to drive low-income farmers to increase income and financially weak villages to shake off poverty and become prosperous. First, guarantee the financial needs of power alleviation vigorously. We increased the input in credit resources and ensured the financial accurate power alleviation loan steadily increased compared with the number at the beginning of the year; successively explored and implemented three batches of key projects for financial poverty alleviation in northern area Jiangsu province. Second, innovate the new path of industrial power alleviation. We cooperated with Huaian City, and based on the regulatory big data of "Sunshine Poverty Alleviation", made the pure-credit, full-online and low-interest rate "Sunshine Poverty Alleviation Loan" in a pilot manner to boost the cooperative spring ploughing and farming preparation assigned by low-income village. Third, exert the integration function of poverty alleviation through public welfare continuously. We further selected and dispatched cadres to take a temporary post of the first secretary of economically weak village, arranged the assistance fund for the linked assistance relationship of provincial authority, colleges and universities (scientific research institutes), large state-owned enterprise and counties (cities and districts) with relatively developed economy in southern Jiangsu area with the countries (districts) with relatively weak economy in northern Jiangsu area and subsidized poor students to accept senior high school education.

3. Achievements of targeted poverty reduction

As of the end of 2020, balance of bank-wide financial targeted poverty alleviation loans approached to RMB 25 billion, realizing a steady growth compared with the number at the beginning of the year. The number of three batches of key projects for financial poverty alleviation totaled to 200, with the amount of RMB 5 billion, which effectively drove financially weak villages and low-income villages and farmers to increase income and shake off poverty. During the

period of 2016 – 2020, the Bank accumulatively arranged the assistance fund of RMB 7 million for "Five Parties Linking Together" (the linked assistance that provincial authority, colleges and universities (including research institutes), large state-owned enterprises, relatively developed countries (cities and districts) in southern Jiangsu and relatively undeveloped counties (district) in northern Jiangsu); donated RMB 9.6 million to the "Dripping Water Building Dreams" poverty alleviation and education assistance activity for the four consecutive years and helped 3,200 poverty students in southern Jiangsu to finish their study in senior high school. In 2020, the Company won the "Top 10 Poverty Alleviation Enterprise" in the 1st Jiangsu Summit for Rural Revitalization through Finance and our "Sunshine Power Alleviation Loan" was rated as the "Top 10 Innovative Product" in this summit.

4. Subsequent targeted power alleviation program

The Company linked the consolidation and expansion of power alleviation achievements with rural revitalization effectively, implemented the regulatory working requirements in good faith and increased the credit input in agriculture-related loan, inclusive agriculture-related loan and financial targeted power alleviation loan steadily; tried to guarantee China's food security and production and supply of important agricultural products and build the online, mobile and intelligent product system of "Financing Prospers Village" and further implemented the work such as paired assistance, condolence to the needy and school donation.

(II) Environment information

The Company has intensified the environment and social risk management constantly since the adoption of the equator principle in 2017, and formed the environment and social risk management system focused on equator principle-based project management, customer ESG rating, environment pressure testing and realized the annual total investment of the projects applicable to equator principle around RMB 86.7 billion. We built customer ESG rating system intensively, established customer ESG assessment model of Bank of Jiangsu and launched customer ESG rating system; advanced Sino-British environment information disclosure pilot work for financial institutions and took the lead in finishing the environment pressure test in pharmaceutical and chemical industries in China; by formulating differentiated pricing and credit policies, supported the enterprises and projects with excellent ESG rating and strong environment pressure bearing capacity in priority and resolutely removed those enterprises with environmental protection not up to standard that polluted environment severely and were less likely to finish rectification. We also implemented the responsible investment idea duly and motivated enterprise's impetus in green transformation by intensifying the series measures of environmental and social risk management.

To serve the national green development strategy, we actively supported the key green projects such as "Great Protection of the Yangtze River", "Reclamation of Coal Mine Subsidence Area" and "Green Manufacturing" and provided professional green finance service scheme for more than 2,000 green customers. We generalized the "Gold Cup" dialogue mechanism in depth, held green finance government-bank-enterprise docking activity for 20 times and provided green financing nearly to RMB 4 billion for over 400 medium and small-sized private environmental protection enterprises to solved the financing difficulties of these enterprises. As of the end of the Reporting Period, the annual standard coal emission was reduced by 1,417,500 t in green credit support project, carbon dioxide equivalent was 930,700 t and totally 91.92 million t water was saved; with such remarkable environmental and social benefits, we won the awards such as "2020 Green Finance Bank Tianji Award" by Securities Times, "2020 Top 10 Outstanding Organization for Green Finance of Jiangsu Province" and "2020 Top 10 Innovation Case for Green Finance of Jiangsu Province" by Jiangsu Financial Association.

(III) Consumer protection

In 2020, the Company implemented the service guarantee measures during the period of epidemic prevention and control carefully and advanced all the work of consumer protection steadily focused on the goal of protecting consumers' basic rights and improving service level continuously and the key points of improving institutional construction and intensifying full-process control.

1. Keep improving the working system of consumer protection.

We implemented the latest requirements of the People's Bank of China and regulatory department about the institutional construction, and by combining our actualities, revised the *Administrative Measures for Consumer Protection Work of Bank of Jiangsu*, formulated the *Administrative Measures for Customer Complaint of Bank of Jiangsu*, *Administrative Measures for Information Disclosure of Consumer Protection of Bank of Jiangsu* and *Administrative Measures for Financial Marketing and Publicity Behaviors of Bank of Jiangsu*; kept improving institutional system and guided the work in all fields of consumer protection accurately.

2. Intensify the full-process control of product service.

We included the consumer protection idea in the full-cycle management of products and services and made prior review for innovative product, format text, management system and marketing activity; kept improving the customer opinion collection and improvement and optimization mechanisms, guaranteed to implement relevant regulations and requirements effectively in various business links such as design development, marketing promotion and after-sales management and protect consumers' legitimate rights and interests from the source. Meanwhile, we also highlighted the supervision and management for any third-party partner's links such as marketing publicity and product sales by the means such as agreement and periodic self-inspection.

3. Make information disclosure in key fields.

We intensified the information disclosure of loan business pricing, performed the duty of notice fully and protected consumers' right to know and independent choice right duly. First, we carried out the LPR publicity and interpretation work actively and organized our bodies at all levels to publicize and popularize LPR pricing mechanism and stock customer conversion policy actively to loan customers by the means such as outlet publicity, outdoor publicity and APP online publicity. Second, sort out Internet loan, credit card overdraft and rate demonstration of credit card installment business according to requirements of regulatory department for "explicitly specifying the annualized interest rate" and increase the demonstration of "annual interest rate".

4. Handle the epidemic-related complaint comprehensively.

We knew the importance for handling of epidemic-related dispute fully and kept improving the process of division of labor for complaint handling and disposal plan; unblocked the online and offline reflection channels dominated by 95319 customer service hotline and accepted the business requests and complaints related to the epidemic; oriented to the dispute centralized businesses such as personal loan, network loan and credit card, formulated the operating regulations particularly and determined the treatment method of various situations. We contacted consumer first to verify the complained contents; compared with policy first and met customer's reasonable demand; gave the feedback of treatment result first and made source analysis.

5. Implement the publicity and education of financial knowledge in depth.

We organized the implementation of "3.15" consumer protection publicity week activity, and mainly based on the online platforms such as official WeChat and official website, publicized consumer protection knowledge and the financial service policy and risk prevention knowledge during epidemic prevention and control; carried out the activity of "award-winning Q&A of consumer protection knowledge" activity and had publicity audiences reaching 2.0344 million person-times. We carried out daily financial knowledge publicity and education based on the platform of "Party members entering community", gave full play to the appeal of the Party organization, mobilized Party members and young employees to go to community, campus and street to implement various publicity and education activities and publicize and popularize financial policies, laws and regulations and financial security knowledge extensively. The theme activity was organized for 2,073 times in the whole year, with the participation of 7,497 person-times.

(IV) Financial support for epidemic prevention and control

In 2020, in the face of the sudden outbreak of COVID-19, the Company, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implemented the major policies and principles of the central government and decisions and deployments of Party committee and government of Jiangsu Province in good faith and guaranteed the smooth financial service vigorously; intensified the financial support for epidemic prevention and control, supported the overall situation of work resumption, spring ploughing and farming preparation and smooth economic circulation vigorously and boosted the "dual victories" of epidemic prevention and control and economic and social development with the thoughtful financial service.

(V) Inclusive finance

Always insisting on the development orientation of serving small and micro businesses and real economy, the Company improved financial service channel, strengthened the support for key fields and accelerated product innovation; promoted financial service to develop toward the deep, micro and agricultural directions constantly and undertook the responsibilities of era with the high-quality inclusive financial service.

(VI) Public welfare

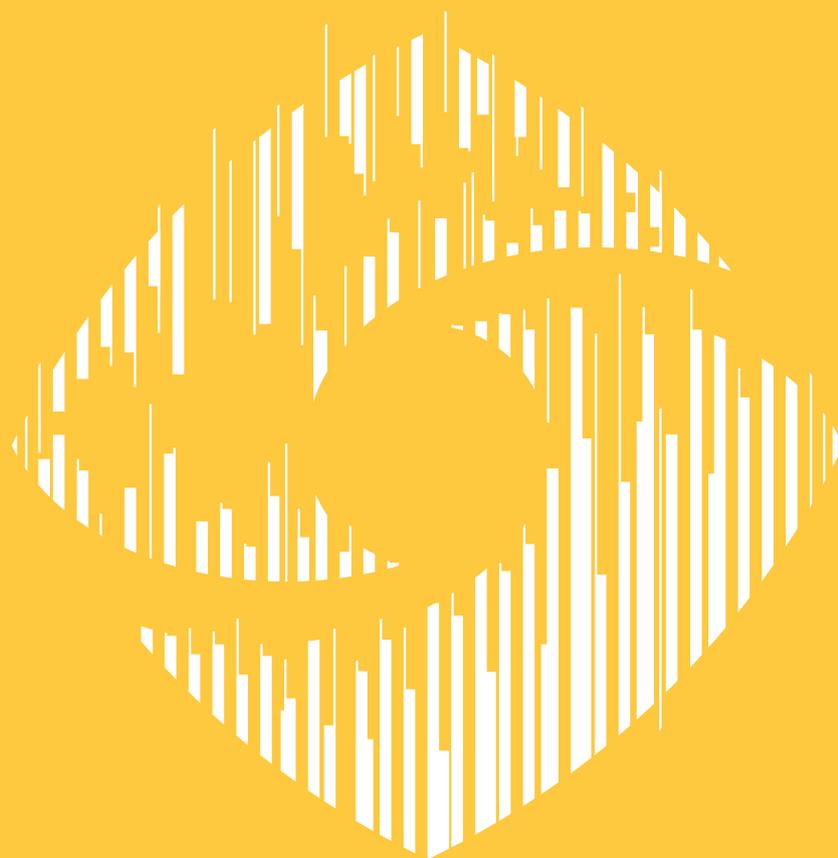
Always blending the performance of enterprise citizen's social responsibility in the development, we made contributions to the era and society and took active part in public welfare together with employees, the public and commonweal organizations.

Please refer to the full text of the Social Responsibility Report of 2020 on the website of Shanghai Stock Exchange (www.sse.com.cn) disclosed by the Company on April 29, 2021 for the details.

X. Progress of Other Important Matters during the Reporting Period

There is no progress of other important matters that should be disclosed by the Bank.

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BANK OF JIANGSU

Section V

Changes in Common shares and Shareholders Information





Changes in Common shares and Shareholders Information

I. Changes in Capital of Common shares

(I) Statement of changes in common shares

Unit: Shares

	Prior to this change		Increases and decreases in this change	After this change	
	Quantity	Ratio (%)		Quantity	Quantity
I. Shares with limited sales conditional	138,722,723	1.20	-24,480,445	114,242,278	0.99
1. Shares held by the state					
2. Shares held by state owned legal persons					
3. Shares held by other domestic holding	138,722,723	1.20	-24,480,445	114,242,278	0.99

	Prior to this change		Increases and decreases in this change	After this change	
	Quantity	Ratio (%)	Quantity	Quantity	Ratio (%)
Including: shares held by domestic nonstate-owned legal persons	46,756	0.00	-8,251	38,505	0.00
Shares held by domestic natural persons	138,675,967	1.20	-24,472,194	114,203,773	0.99
4. Foreign share holding					
II. Circulating shares without restrictions	11,405,777,258	98.80	24,503,435	11,430,280,693	99.01
1. RMB common shares	11,405,777,258	98.80	24,503,435	11,430,280,693	99.01
2. Domestic listed foreign shares					
3. Overseas listed foreign shares					
III. Total number of common shares	11,544,499,981	100.00	22,990	11,544,522,971	100.00

(II) Description of changes in common shares

On August 3, 2020, the Company issued and listed part of restricted shares for the first time, involving a total of 24.480445 million shares held by the shareholders. Please refer to the *Announcement of the Bank of Jiangsu Co., Ltd. on Explanation on Initial Public Offering of Restricted Shares for Listing and Circulation* disclosed by the Company on July 29, 2020 for details.

On September 20, 2019, the convertible corporate bonds of the Company began to be converted into shares. For details, please refer to the *Announcement of Bank of Jiangsu Co., Ltd. on the Start of Conversion of "Suyin Convertible Bonds"* disclosed by the Company on September 17, 2019. As of the end of 2020, the number of shares formed due to conversion was 72,971 shares, and in particular, the number of shares formed due to conversion during the period from January 1, 2020 to December 31, 2020 was 22,990. For details, please refer to the *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on January 3, 2020, the *Correction Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed on January 8, 2020, the *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed on April 3, 2020, the *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed on July 3, 2020, the

Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed on October 10, 2020 and the Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed on January 6, 2021.

In December 2020, the Bank distributed A-shares to all A shareholders registered after the closing of equity registration date as per the ratio of 3 shares allotted per 10 shares at a price of RMB 4.59/share. As shown upon the liquidation of Shanghai Branch of China Securities Depository and Clearing Corporation Limited, the total number of participation shareholders was 137,900, and accumulative 3,225,083,672 shares were distributed, accounting for 93.12% of the total shares. Upon the approval by Shanghai Stock Exchange, the 3,225,083,672 RMB common shares distributed at this time were listed on January 14, 2021. Upon the completion of the A-share rights issue, the total share capital of the Company would be 14,769,606,643 shares, including 114,203,773 circulating shares with sales restriction and 14.655364365 billion circulating shares without sales restriction. For details, please refer to the announcement that the Bank discloses on the website of Shanghai Stock Exchange (www.sse.com.cn).

(III) Changes in restricted shares

Unit: Shares

Name of shareholders	Number of restricted shares at the beginning of the year	Number of shares released from restriction on sales this year	Number of restricted shares as of the end of the year	Reasons for restriction of sale	Date of release
Shareholders holding initial restricted shares with lockup period of 48 months from the listing date to listing and circulation	24,480,445	24,480,445	-	Initial issuance of restricted shares	August 3, 2020
Other shareholders holding shares in restricted period	114,242,278	-	114,242,278		Lockup period of 60-96 months
Total	138,722,723	24,480,445	114,242,278	/	/

II. Situation of Issuing and Listing of Securities

(I) Situation of issuing securities as of the Reporting Period

On July 27, 2020, the *Proposal on the Scheme of Allotment of Shares* was deliberated and ratified in 2020 1st interim shareholders' meeting of the Company. On September 21, 2020, the *Proposal on Determining the Specific Allotment Ratio and Quantity in Scheme of Allotment of Shares of the Company* was deliberated and ratified in the 3rd meeting of the 5th board of directors. The approval document *Reply on Approving Allotment of Shares of Bank of Jiangsu* of China Securities Regulatory Commission (Z.J.X.K. [2020] No. 2952) has been developed for the allotment of shares. For the allotment of shares, with the cardinal number of the total number (11.544522822 billion) of A-shares of Bank of Jiangsu after closing of Shanghai Stock Exchange on the equity registration date of December 8, 2020, the Company distributed shares to all A shareholders as per the ratio of 3 shares allotted per 10 shares, and the total number of shares able to be allotted was 3.463356846 billion and the issue price was RMB 4.59/share. On January 14, 2021, the 3.225083672 billion RMB common shares allotted at this time was listed.

(II) Existing internal employee shares

The existing internal employee shares of the Company were formed before the merger and restructuring, and the issue date and issue price cannot be verified. As of the end of the Reporting Period, the Company had 114.203773 million internal employee shares, accounting for 0.99% of the general capital stock.

III. Information of Shareholders and Actual Controllers

(I) Total number of shareholders

Total number of common shareholders (accounts) as of the end of the Reporting Period	173,445
Total number of common shareholders (accounts) as of the end of the last month before the disclosure date of the Annual Report	155,692
Total number of preferred shareholders (accounts) with recovered voting rights as of the end of the Reporting Period	0
Total number of preferred shareholders (accounts) with recovered voting rights as of the end of last month before the disclosure date of the Annual Report	0

(II) Table of situation of shareholding of top 10 shareholders as of the end of the Reporting Period

Unit: Shares

Convertible corporate bonds, separate transaction convertible bonds and corporate bonds								
No.	Shareholders	Increase/ decrease during the Reporting Period	Shares held As of the end of the period	Ratio (%)	Number of held shares with restricted conditions	Situation of pledge or freezing		Nature of shareholder
						Status	Quantity	
1	Jiangsu International Trust Corporation Limited	-	928,159,286	8.04	-	None	-	State-owned legal person
2	Jiangsu Phoenix Publishing & Media Group Co., Ltd.	19,622,044	920,884,327	7.98	-	None	-	State-owned legal person
3	Huatai Securities Co., Ltd.	-	640,000,000	5.54	-	None	-	State-owned legal person
4	Wuxi Construction and Development Investment Co., Ltd.	-	546,489,186	4.73	-	None	-	State-owned legal person
5	Jiangsu Broadcasting and Television Group Co., Ltd	-	346,694,625	3.00	-	None	-	State-owned legal person
6	Hong Kong Securities Clearing Company Limited	-148,202,774	287,426,293	2.49	-	None	-	Overseas legal person
7	Jiangsu Expressway Jiangsu Expressway Co., Ltd.	-	284,260,000	2.46	-	None	-	State-owned legal person

Convertible corporate bonds, separate transaction convertible bonds and corporate bonds								
No.	Shareholders	Increase/ decrease during the Reporting Period	Shares held As of the end of the period	Ratio (%)	Number of held shares with restricted conditions	Situation of pledge or freezing		Nature of shareholder
						Status	Quantity	
8	Suzhou International Development Group Co., Ltd.	-	270,353,286	2.34	-	Pledge	70,000,000	State-owned legal person
9	Fu'anda Fund-Bank of Jiangsu- Fu'anda -Fuxiang No. 15 stock asset management plan	-19,524,734	257,800,000	2.23	-	None	-	Others
10	Jiangsu Guoxin Investment Group Limited	-	224,770,300	1.95	-	None	-	State-owned legal person
Description of preferred shareholders with recovered voting rights and the number of held shares						None		

Description of incidence relation or concerted action of the said shareholders: 1. Jiangsu Guoxin Investment Group Limited is the actual controller of Jiangsu International Trust Corporation Limited. 2. Jiangsu Guoxin Investment Group Limited holds 14.86% shares of Huatai Securities Co., Ltd. and has dispatched director to the company. 3. Jiangsu Guoxin Investment Group Limited employs Huatai Securities Co., Ltd. as a director in the meantime. 4. Director and supervisor of Huatai Securities Co., Ltd. also act as the director and chairman of the Board of Supervisors of Jiangsu Expressway Company Limited. 5. Except for the above, the Company does not know the incidence relation or concerted action among the said shareholders.

The top 10 shareholders upon the completion of A-share rights issue of the Company: In December 2020, the Bank distributed A-shares to all A shareholders registered upon the closing on the equity registration date as per the ratio of 3 shares allotted per 10 shares at a price of RMB 4.59/share. As shown upon the liquidation of Shanghai Branch of China Securities Depository and Clearing Corporation Limited, number of participation shareholders was 137,900, and accumulative 3.225 billion shares were allotted, accounting for 93.12% of the total shares able to allotted. Upon the approval of Shanghai Stock Exchange, the 3,225,083,672 billion RMB common shares that that Bank allotted at this time were listed on January 14, 2021. The Bank's total share capital was 14,769,606,643 shares upon the completion of A-share rights issue. Below shows the shareholding quantity and ratio of the top 10 shareholders:

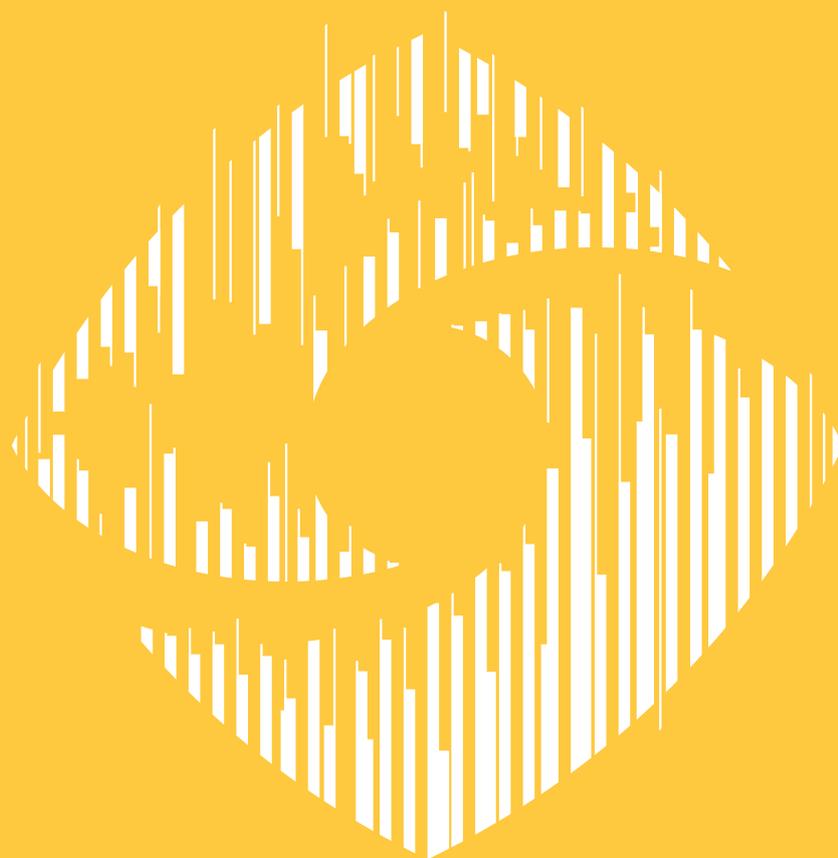
No.	Shareholders	Shareholding Quantity (Shares)	Shareholding Ratio (%)
1	Jiangsu International Trust Corporation Limited	1,206,607,072	8.17
2	Jiangsu Phoenix Publishing & Media Group Co., Ltd.	1,197,149,625	8.11
3	Huatai Securities Co., Ltd.	832,000,000	5.63
4	Wuxi Construction and Development Investment Co., Ltd.	710,435,942	4.81
5	Jiangsu Broadcasting and Television Group Co., Ltd	450,703,013	3.05
6	Jiangsu Expressway Company Limited	369,538,000	2.50
7	Suzhou International Development Group Co., Ltd.	351,459,272	2.38
8	Fu'anda Fund-Bank of Jiangsu-Fu'anda -Fuxiang No. 15 stock asset management plan	335,140,000	2.27
9	Hong Kong Securities Clearing Company Limited	332,689,380	2.25
10	Jiangsu Guoxin Investment Group Limited	292,201,391	1.98
	Total	6,077,923,695	41.15

(III) Situation of shares held by top 10 shareholders with restriction on sales

Unit: Shares

Name of shareholder	Number of shares held with restriction on sales	Listing and trading of shares with Restriction on Sales		Restriction on sales
		Time for listing and trading	Number of newly increased shares that can be listed and traded	
AI Chen	350,000	August 2, 2021	75,000	Initial public offering
JIANG Tao	349,992	August 2, 2021	74,999	Initial public offering
WANG Weibing	349,886	August 2, 2021	74,976	Initial public offering
SHAN Yi	349,824	August 2, 2021	74,963	Initial public offering
CUI Meiling	348,782	August 2, 2021	74,739	Initial public offering
YANG Yi	347,885	August 2, 2021	74,547	Initial public offering
SUN Xiren	347,392	August 2, 2021	74,441	Initial public offering
ZHANG Wenbin	347,392	August 2, 2021	74,441	Initial public offering
YU Yunfei	342,124	August 2, 2021	73,312	Initial public offering
WANG Zuhong	336,679	August 2, 2021	72,146	Initial public offering
Description of incidence relation or concerted action of the said shareholders	The Company does not know the incidence relation or concerted action among the said shareholders.			

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Section VI

Relevant Information on Convertible Corporate Bonds





Relevant Information on Convertible Corporate Bonds

I. Issuance

In February 2018, the Company's convertible bond issuance plan was reviewed and approved by the Board of Directors, and it is proposed to publicly issue A-share convertible bonds not exceeding RMB 20 billion; in May, the convertible bond issuance plan and various related proposals were reviewed and approved by the shareholders' meeting. In July 2018, the former China Banking Regulatory Commission, Jiangsu Office issued the *Reply on Matters Related to the Public Offering of A-share Convertible Bonds by Bank of Jiangsu Co., Ltd.* (S.Y.J.F. [2018] No. 144); in November, it passed the review of the Issuance Review Committee of China Securities Regulatory Commission; in December, the China Securities Regulatory Commission issued the *Reply on Approval of the Public Issuance of Convertible Bonds by Bank of Jiangsu Co., Ltd.* (Z.J.X.K. [2018] No. 2167). On March 14, 2019, the Company started the issuance of convertible bonds; on April 3, the Company's convertible bonds were listed on the Shanghai Stock Exchange; on September 20, the "Suyin Convertible Bonds" can be converted into the Bank's A-share common shares. The details are as follows:

1. Abbreviation for convertible corporate bonds: Convertible Bond of Suyin.
2. Code of convertible corporate bond: 110053.
3. Issuance quantity of convertible corporate bonds: RMB 20 billion (200 million pcs, 20 million board lots).
4. Listing quantity of convertible corporate bonds: RMB 20 billion (200 million pcs, 20 million board lots).
5. Listing place of convertible corporate bonds: Shanghai Stock Exchange.

6. Listing time of convertible corporate bonds: April 3, 2019.
7. Period of existence of convertible corporate bonds: From March 14, 2019 to March 13, 2025.
8. Conversion period of convertible corporate bonds: From September 20, 2019 to March 13, 2025.
9. Interest rate of convertible bonds: 0.2% in the first year, 0.8% in the second year, 1.5% in the third year, 2.3% in the fourth year, 3.5% in the fifth year and 4.0% in the sixth year.
10. Interest payment date of convertible corporate bonds: the interest payment date of each year is the day of each full year from the first day of issuance of the convertible bonds. If that day is a legal holiday or a rest day, it will be postponed to the next working day, and no additional interest will be made during the extended period. Each adjacent interest payment days is an interest payment year.

The registration date of interest payment in each year is the trading day before the interest payment date of each year, and the issuer shall pay the current year interest within 5 trading days after the interest payment date of each year. For convertible bonds that apply to be converted into A-share shares of the issuer before the registration date of interest payment claims (including the registration date of interest payment claims), the issuer will no longer pay interest to its holders for the interest payment year and future interest payment years.
11. Registration institution for convertible corporate bonds: Shanghai Branch of China Securities Registration and Clearing Co., Ltd.
12. Custody method: Account custody.
13. Custody quantity of registered company: RMB 20 billion.
14. Joint sponsors: BOC International (China) Co., Ltd. and Huatai United Securities Co., Ltd.

Joint lead underwriters: BOC International (China) Securities Co., Ltd., Huatai United Securities Co., Ltd., CITIC Securities Co., Ltd and Orient Citi Securities Co., Ltd.
15. Guarantee of convertible corporate bonds: no guarantee is provided for convertible corporate bonds this time
16. Credit rating and credit rating institution of convertible bonds: the credit rating of convertible bonds is AAA, and the rating institution is China Chengxin Securities Rating Co., Ltd.

For the above details, please refer to the relevant announcements on the website of Shanghai Stock Exchange (www.sse.com.cn) published by the Company.

II. Information of Convertible Bond Holders and Guarantors during the Reporting Period

Number of holders of convertible bonds As of the end of the period	15,576
Guarantor of the convertible bonds of the Company	None

Top 10 convertible bond holders are as follows:

Name of holder of convertible corporate bonds	Number of debts held As of the end of period (RMB)	Proportion of holdings (%)
Special account for bond repurchase and pledge of registration and settlement system (ICBC)	3,893,771,000	19.47
Special account for bond repurchase and pledge of registration and settlement system (BOC)	1,605,462,000	8.03
Special account for bond repurchase and pledge of registration and settlement system (CCB)	902,343,000	4.51
Special account for bond repurchase and pledge of registration and settlement system (China Merchants Bank Co., Ltd.)	618,462,000	3.09
Special account for bond repurchase and pledge of registration and settlement system (BOCOM)	598,384,000	2.99
China Merchants Bank Co., Ltd. — Hongde Zhiyuan Mixed Securities Investment Funds	493,909,000	2.47
Special account for bond repurchase and pledge of registration and settlement system (China Minsheng Banking Corp., Ltd.)	449,989,000	2.25
Special account for bond repurchase and pledge of registration and settlement system (Agricultural Bank of China)	383,233,000	1.92
Special account for bond repurchase and pledge of registration and settlement system (Shanghai Pudong Development Bank)	347,888,000	1.74
Special account for bond repurchase and pledge of registration and settlement system (China Industrial Bank)	228,640,000	1.14

III. Cumulative Conversion of Convertible Corporate Bonds after Issuance

Amount of converted shares as of the Reporting Period (RMB)	170,000
Number of shares transferred as of the Reporting Period (bonds)	22,990
Cumulative number of converted shares (bonds)	72,971
Cumulative number of converted shares accounts for the total number of shares issued by the Company before the conversion (%)	0.0006
Amount of shares not converted (RMB)	19,999,452,000
Proportion of non-converted shares to bonds in total amount of issued convertible bonds (%)	99.9973

IV. Significant Changes in Guarantor's Profitability, Asset Status and Credit Status

The Bank did not provide guarantee for this convertible corporate bond.

V. Changes in the Liabilities and Credit of the Company

The Bank is in good condition with sound financial indicators and sufficient solvency. On June 10, 2020, China Chengxin Securities Rating Co., Ltd conducted a follow-up rating on the Bank and convertible corporate bonds of the Bank. According to the evaluation result, the main credit rating of the Bank is AAA level, with stable rating outlook, and the credit rating of the convertible corporate bonds of the Bank is at AAA level. None of the above ratings have changed with favorable operation and steady financial indicator, the Bank has sufficient debt paying ability.

VI. Adjustment of Conversion Price

On June 24, 2020, the conversion price was adjusted to RMB 7.28 due to the Bank's implementation of the profit distribution of common shares of 2019. On December 18, 2020, the conversion price was adjusted to RMB 6.69 due to the Bank's allotment of shares. For details, please refer to the announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) published by the Bank.

VII. Description of Other Information

None.

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Section VII

Information of Preferred Shares





Information of Preferred Shares

I. Issuance and Listing of Preferred Shares

Unit: Shares

Code	Abbreviation of preferred shares	Issue Date	Issue price (RMB)	Nominal dividend rate (%)	Issue quantity	Listing date	Number approved of listings	Date of terminating listing
360026	Suyinyou 1	November 28, 2017	100	5.20	200,000,000	December 21, 2017	200,000,000	-

The use progress and changes of raised capital

Please refer to the *Authentication Report on Deposit and Use of Raised Capital in 2017 of Bank of Jiangsu Co., Ltd.* disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on April 16, 2018 for details.

II. Shareholders of Preferred Shares

(I) Total shareholders of preferred shares

Total shareholders of preferred shares (accounts) as of the end of the Reporting Period	11
Total shareholders of preferred shares (accounts) As of the end of previous month before the disclosure date of the Annual Report	11

(II) Situation of shares held by top 10 shareholders of preferred shares

Unit: Shares

Situation of shares held by top 10 shareholders of preferred shares						
Name of shareholder	Increase/ decrease during the Reporting Period	Shares held As of the end of the period	Ratio (%)	Category of shares held	Situation of pledge or freezing	Nature of shareholder
China Resources SZITIC Trust Co., Ltd.-CR Trust · Huicui No. 1-fund trust	-	48,320,000	24.16	Domestic preferred shares	Without pledge	Others
China Everbright Bank Co., Ltd.-Sunshine steady financial management program	-10,500,000	37,820,000	18.91	Domestic preferred shares	Without pledge	Others
AXA SPDB Investment Managers-Shanghai Pudong Development Bank Co., Ltd. Tianjin branch-AXA SPDB-No. 1 targeted asset management program	-	24,150,000	12.08	Domestic preferred shares	Without pledge	Others
BOCOM-Schroeder fund CMBC-China Minsheng Banking Co., Ltd	-	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
Bank of Hangzhou Co., Ltd.-"Happiness 99" Fengyu Yingjia No. KF01 bank financial program	-	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
Chuangjin Hexin Fund-China Merchants Bank-China Merchants Bank Co., Ltd.	-	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
BOCOM Schroeder Asset Management-BOCOM-BOCOM Schroeder Asset Management Zhuoyuan No. 2 collective asset management program	-	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
Everbright Securities Assets Management — China Everbright Bank — Xinyou Collective Asset Management Program under Everbright Securities Asset Management	5,000,000	5,000,000	2.50	Domestic preferred shares	Without pledge	Others
Everbright Securities Assets Management — China Everbright Bank — No. 2 Xinyou Collective Asset Management Program under Everbright Securities Asset Management	3,500,000	3,500,000	1.75	Domestic preferred shares	Without pledge	Others

Situation of shares held by top 10 shareholders of preferred shares						
Name of shareholder	Increase/decrease during the Reporting Period	Shares held As of the end of the period	Ratio (%)	Category of shares held	Situation of pledge or freezing	Nature of shareholder
CITICS-China Everbright Bank – CITICS Sunshine Hengyou Collective Asset Management Program	2,000,000	2,000,000	1.00	Domestic preferred shares	Without pledge	Others
If the preferred shares held by shareholders have different settings on the terms other than the distribution of dividends and distribution of surplus assets, the number of shares held shall be disclosed separately.						None
Description of the situation that the above side shareholders have the associated relations with the top 10 shareholders of common shares, or they are persons acting in concert among the top 10 shareholders of preferred shares.				The Company does not know the incidence relation or concerted action among the said shareholders.		

III. Profit Distribution of Preferred Shares

(I) Profit distribution

On November 20, 2020, the Company disclosed the *Announcement of the Bank of Jiangsu on the Implementation of Distribution of Preferred Share Dividends*, and during this period, the equity registration date of distribution of preferred stock dividend was November 27, 2020, ex-dividend date was November 27, 2020, interest value date of distribution of dividend was November 28, 2019, and dividend distribution date was November 30, 2020. Calculated as per book value dividend yield of Suyinyou 1 at 5.20%, cash dividend of RMB 5.20 (tax-inclusive) shall be distributed for each preferred share, and the total cash dividend distributed was RMB 1.04 billion (tax-inclusive) based on the distribution size of Suyinyou 1 of 200 million shares.

(II) Distribution amount and ratio of preferred shares in recent 3 years (including the reporting Period)

Unit: RMB Currency: RMB

Year	Distribution amount	Proportion of distribution (%)
2020	1,040,000,000	5.20
2019	1,040,000,000	5.20
2018	1,040,000,000	5.20

IV. Repurchase and Conversion of Preferred Shares Conducted by the Company during the Reporting Period

During the Reporting Period, no repurchase or conversion of preferred shares of the Bank occurred.

V. If the Voting Rights of Preferred Shares are Restored during the Reporting Period, the Company Shall Disclose the Restoration and Exercise of Relevant Voting Rights.

During the Reporting Period, there was no restoration or exercise of voting rights of the Bank's preferred shares.

VI. Accounting Policies and Reasons Adopted by the Company for Preferred Shares

In accordance with the contract terms of the issued preferred shares and their economic essence, the Group combines the definitions of financial assets, financial liabilities and equity instruments to classify these financial instruments or their components as financial assets, financial liabilities or equity instruments at the time of initial recognition.

The preferred shares issued by the Group which contain both equity and liability components were treated in accordance with the same accounting policies as convertible instruments with equity components. The preferred shares issued by the group without equity components were treated in accordance with the same accounting policies as other convertible instruments without equity components.

The preferred shares issued by the Group which were classified as equity instruments are included in equity according to the actually received amount. The distribution of dividends or interest during existence was treated as profit distribution. Redemption of preferred shares in accordance with the terms of the contract offset equity at the redemption price.

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Section VIII

**Directors, Supervisors,
Senior Management
Personnel and Employees**



Directors, Supervisors, Senior Management Personnel and Employees

I. Changes in shareholding and remunerations

(I) Changes in shares held by directors, supervisors and senior management personnel and their remuneration during the Reporting Period

Unit: Shares

Name	Post	Gender	Year of birth	Term of office	Shares held at the beginning of the year	Shares held As of the end of the year	Changes	Total pre-tax remuneration obtained from the Company during the Reporting Period (RMB 10,000)
XIA Ping	Chairman	Male	1963	April 2013 - Change of Term of Office	33000	33000	-	88.06
JI Ming	Executive Director	Male	1962	August 2015 - Change of Term of Office	35000	35000	-	88.29
	President			April 2015 - Change of Term of Office				

Name	Post	Gender	Year of birth	Term of office	Shares held at the beginning of the year	Shares held As of the end of the year	Changes	Total pre-tax remuneration obtained from the Company during the Reporting Period (RMB 10,000)
GU Xian	Executive Director	Female	1963	August 2015 - Change of Term of Office	25000	25000	-	79.68
	Deputy President			October 2019 - Change of Term of Office				
WU Dianjun	Executive Director	Male	1969	May 2018 - Change of Term of Office	31900	31900	-	81.20
	Deputy President			April 2019 - Change of Term of Office				
	Secretary of the Board			August 2016 - Change of Term of Office				
HU Jun	Non-executive Director	Male	1970	August 2015 - Change of Term of Office	-	-	-	0
SHAN Xiang	Non-executive Director	Male	1969	September 2017 - Change of Term of Office	-	-	-	0
JIANG Jian	Non-executive Director	Male	1966	March 2012 - Change of Term of Office	-	-	-	0
TANG Jinsong	Non-executive Director	Male	1969	December 2006 - Change of Term of Office	6635	6635	-	0
DU Wenyi	Non-executive Director	Male	1963	April 2014 - Change of Term of Office	-	-	-	0
REN Tong	Non-executive Director	Male	1967	November 2019 - Change of Term of Office	-	-	-	0
YU Chen	Independent Non-executive Director	Male	1971	August 2015 - Change of Term of Office	-	-	-	30
YANG Tingdong	Independent Non-executive Director	Male	1960	December 2015 - Change of Term of Office	-	-	-	30
DING Xiaolin	Independent Non-executive Director	Male	1963	April 2017 - Change of Term of Office	-	-	-	30

Name	Post	Gender	Year of birth	Term of office	Shares held at the beginning of the year	Shares held As of the end of the year	Changes	Total pre-tax remuneration obtained from the Company during the Reporting Period (RMB 10,000)
LI Xindan	Independent Non-executive Director	Male	1966	July 2020 - Change of Term of Office	-	-	-	12.5
HONG Lei	Independent Non-executive Director	Male	1970	July 202 - Change of Term of Office	-	-	-	12.5
ZHU Qilong	Chairman	Male	1964	February 2016 - Change of Term of Office	30000	30000	-	87.62
TANG Xiaoqing	External Supervisor	Male	1954	February 2015 - Change of Term of Office	-	-	-	28
CHEN Zhibin	External Supervisor	Male	1965	July 2020 - Change of Term of Office	-	-	-	11.67
CHEN Libiao	External Supervisor	Male	1982	July 2020 - Change of Term of Office	-	-	-	11.67
ZHENG Gang	Shareholder Supervisor	Male	1974	July 2020 - Change of Term of Office	-	-	-	0
XIANG Rong	Shareholder Supervisor	Male	1972	November 2019 - Change of Term of Office	-	-	-	0
BAO Gang	Employee Supervisor	Male	1975	July 2020 - Change of Term of Office	-	-	-	81.27
SHI Shengjiu	Employee Supervisor	Male	1969	July 2020 - Change of Term of Office	-	-	-	67.38
JIN Rui	Employee Supervisor	Male	1973	July 2020 - Change of Term of Office	-	-	-	71.13
ZHAO Hui	Deputy President	Male	1965	February 2018 - Change of Term of Office	36000	36000	-	83.15
GE Renyu	Deputy President Chief Information Officer	Male	1965	February 2018 - Change of Term of Office February 2017 - Change of Term of Office	31600	31600	-	81.68
ZHOU Kai	Deputy President	Male	1977	April 2019 - Change of Term of Office	33100	33100	-	81.06

Name	Post	Gender	Year of birth	Term of office	Shares held at the beginning of the year	Shares held As of the end of the year	Changes	Total pre-tax remuneration obtained from the Company during the Reporting Period (RMB 10,000)
LI Min	Assistant President	Male	1963	June 2009 - Change of Term of Office	50000	50000	-	231.36
WANG Weibing	Assistant President	Male	1967	April 2018 - Change of Term of Office	545438	545438	-	342.19
LIU Yuhui	Independent Non-executive Director	Male	1970	March 2014 - July 2020	-	-	-	17.5
YAN Yan	Independent Non-executive Director	Male	1972	March 2014 - July 2020	-	-	-	17.5
DU Baoqi	External Supervisor	Male	1950	April 2014 - July 2020	-	-	-	16.33
LI Xindan	External Supervisor	Male	1966	April 2017 - July 2020	-	-	-	16.33
YUAN Weijing	Shareholder Supervisor	Female	1963	April 2014 - July 2020	-	-	-	0
WU Bing	Employee Supervisor	Male	1971	November 2019 - July 2020	13200	13200	-	119.46
XU Jin	Employee Supervisor	Male	1972	November 2018 - July 2020	-	12000	12000	108.54
CHEN Jian	Employee Supervisor	Male	1961	November 2018 - July 2020	5000	5000	-	115.17

Note:

- The remuneration obtained by the newly-appointed or outgoing personnel from the Company during the Reporting Period shall be converted in accordance with the actual time in post during the Reporting Period.
 - Total pre-tax remuneration obtained by directors, supervisors and senior management personnel from the Company during the Reporting Period include various social insurance, housing fund, enterprise annuity, supplementary insurance and other unit contributions.
 - Final pre-tax remuneration of some directors, supervisors and senior management personnel of the Company remain to be confirmed, and disclosure will be carried out after confirmation is made.
 - Situations in which some non-executive directors and shareholder supervisors obtained remuneration of related parties of the Company are as follows:
 - Non-executive directors and shareholder supervisors held posts in other legal persons or organizations, which enable such legal person or organization to become a related party of the Company, and the said non-executive directors, shareholder supervisors obtain remuneration from the said related party.
 - A shareholder became a related party of the Company because of having 5% or more shares of the Company; non-executive directors can obtain remuneration from the above said related party (shareholder dispatching unit).
- No directors, supervisors and senior management personnel of the Company obtained remuneration from related parties of the Company except for the above said situations.
- The Company released an *Announcement of Bank of Jiangsu on the Resignation of Independent Directors* on April 3, 2020, informing that LIU Yuhui had resigned from the offices of independent director, member of the strategy committee of the Board of Directors and member of the nomination and remuneration committee of the Board of Directors of the Company; YAN Yan had resigned from the offices of independent director, member of the audit committee of the Board of Directors, member of the risk management committee of the Board of Directors and member of the nomination and remuneration committee of the Board of Directors of the Company. Due to the resignation of LIU and YAN, the number of independent directors of the Company was less

than one third of the number of members of Board of Directors. Therefore, LIU Yuhui and YAN Yan shall still perform their duties as independent directors in accordance with laws and regulations and the Articles of Association before the new independent directors elected in shareholders' meeting began to perform duties upon the approval by the regulatory authority on the job qualification.

6. The Company released an *Announcement of Bank of Jiangsu on the Resignation of External Supervisors* on April 3, 2020, informing that DU Baoqi had resigned from the offices of external supervisor and director of the supervision committee of the Board of Supervisors. Due to DU's resignation, the number of members of the Board of Supervisors of the Company was lower than the minimum number stipulated in the Articles of Association. Therefore, DU Baoqi shall still perform the duties of external supervisor in accordance with laws and regulations and the Articles of Association before a new supervisor was elected in shareholders' meeting.

7. The Company released an *Announcement of Bank of Jiangsu on the Resignation of Supervisors* on April 15, 2020, informing that YUAN Weijing had resigned from the offices of external supervisor and member of the nomination committee of the Board of Supervisors. Due to YUAN's resignation, the number of members of the Board of Supervisors of the Company was lower than the minimum number stipulated in the Articles of Association. Therefore, YUAN Weijing shall still perform the duties of external supervisor in accordance with laws and regulations and the Articles of Association before a new supervisor was elected in shareholders' meeting.

8. The reason for XU Jing's change in shareholding is that Xu held shares before the issuance of the Company, and during the Reporting Period, went through the formalities for confirmation and registration of securities accounts.

9. Totally 15 directors were elected for the 5th Board of Directors and 9 supervisors were elected for the 5th Board of Supervisors in the Company's 2020 1st interim shareholders' meeting. The Company received the reply document of Jiangsu Branch, China Banking and Insurance Regulatory Commission (S.Y.B.J.F. [2020] No. 440) on October 13, 2020, which approved the job qualifications of independent directors of LI Xindan and HONG Lei.

10. The Company released an *Announcement of Bank of Jiangsu on the Resignation of External Supervisors* on February 8, 2021, informing that TANG Xiaojing had resigned from the offices of external supervisor and member of the relevant committee of the Board of Supervisors. Due to TANG's resignation, the number of members of the Board of Supervisors was lower than the minimum number stipulated in the Articles of Association. Therefore, TANG shall still perform the duties of external supervisor in accordance with laws and regulations and the Articles of Association before a new supervisor was elected in shareholders' meeting.

11. The 3.225083672 billion RMB common shares allotted by the Company were listed on January 14, 2021. Table below shows the shareholding of current directors, supervisors and senior managers upon the listing of the allotted shares:

Name	Post	Number of Shares before the Issue (Shares)	Number of Shares After the Issue (Shares)
XIA Ping	Chairman	33,000	42,900
JI Ming	Chairman and President	35,000	45,500
GU Xian	Chairman and Deputy President	25,000	32,500
WU Dianjun	Chairman, Deputy President and Secretary of the Board	31,900	41,470
TANG Jinsong	Non-executive Director	6,635	8,626
ZHU Qilong	Chairman of the Board of Supervisors	30,000	39,000
ZHAO Hui	Deputy President	36,000	46,800
GE Renyu	Deputy President and Chief Information Officer	31,600	41,080
ZHOU Kai	Deputy President	33,100	43,030
LI Min	Assistant President	50,000	65,000
WANG Weibing	Assistant President	545,438	709,070

(II) Basic information of directors, supervisors and senior management personnel

Name	Basic Information
XIA Ping	A member of the Communist Party of China, Principal Senior Economist, graduated from Nanjing University of Science and Technology with a Master's Degree in Management Science and Engineering. Mr. XIA Ping once served as Deputy General Manager of International Business Department of Nanjing Branch of China Construction Bank, President of Luhe Sub-branch of China Construction Bank, President of the First Sub-branch of China Construction Bank, Assistant to General Manager and Deputy General Manager of Business Department of Jiangsu Branch of China Construction Bank, Member of the Party Committee and Deputy President of Jiangsu Branch of China Construction Bank, and Secretary of the Party Committee and President of Suzhou Branch of China Construction Bank; Deputy Secretary of the Party Committee and President of the Bank of Nanjing Co., Ltd; and Deputy Secretary of the Party Committee of the Bank of Jiangsu. He now serves as the Chairman and Secretary of Party Committee of the Bank of Jiangsu and Chairman of Suyin Financial Leasing Co., Ltd.
JI Ming	A member of the Communist Party of China, Principal Senior Economist, graduated from the Department of Geology of Nanjing University, majoring in Hydrogeology and Engineering Geology with a Bachelor's Degree in Science, and graduated from the Department of Law of Nanjing University, majoring in Law with the second Bachelor's Degree in Law. Mr. JI Ming once served as the Section-level Secretary of Party-masses Division of Policy Research office of Nanjing Municipal Committee; Section-level Organizer of City and County Cadres Division Office of Organization Department of Jiangsu Provincial Committee, Deputy Division Level Inspector and Deputy Director of the Office of Organization Department of Jiangsu Provincial Committee, Deputy Division Chief of Cadres Division I and Division Chief of Youth Cadres Division of Jiangsu Provincial Committee Organization Department; Deputy Chairman of the Board of Supervisors, Deputy Party secretary, Secretary of Committee for Discipline Inspection, Member of Party Committee, Deputy President of the Bank of Jiangsu and concurrent as General Manager of Operation and Management Department of Head Office of the Bank of Jiangsu. He now serves as the Executive Director, President and Deputy Secretary of Party Committee of the Bank of Jiangsu.
GU Xian	A member of the Communist Party of China, Senior Economist, graduated from Peking University, majoring in Ideological and Political Education and with a Bachelor's Degree in Law. Ms. GU Xian once served as the Deputy Division Chief and Division Chief of the Retail Business Division of the Jiangsu Branch of the Bank of China, General Manager of the Bank Card Department of the Jiangsu Branch of the Bank of China, General Manager of Retail Business Department of the bank of Jiangsu, Assistant to the President, member of the Party Committee, Deputy President of the Bank of Jiangsu, Deputy Secretary of the Party Committee of the Bank of Jiangsu, and Secretary of the Party Committee of the Head Office of the Bank of Jiangsu. She now serves as the Executive Director, Deputy President of the Bank of Jiangsu, Deputy Secretary of the Party Committee of Bank of Jiangsu and Secretary of the Party Committee of Head Office of the Bank of Jiangsu.
WU Dianjun	A member of the Communist Party of China, Senior Economist, graduated from Renmin University of China, majoring in National Economics Management with a Doctoral Degree in Economics. WU worked in Agricultural Bank, Agricultural Development Bank and Bank of Jiangsu in succession and once served as the Deputy Director (take charge of the work) of office of Agricultural Development Bank Jiangsu Branch, Office Director of Bank of Jiangsu, Office Director of Party committee and Head of Publicity Department. Now he serves as the Executive Director, Secretary of the Board of Directors, Deputy President and Member of the Party committee of Bank of Jiangsu.
HU Jun	A member of the Communist Party of China, Economist, graduated from China Finance Institute, majoring in Finance and with the bachelor degree, and graduated from Nanjing University Business School with a Master's Degree in Business Administration. Mr. HU Jun once served as the Section Member and Manager Assistant of Financial Department II and Manager Assistant of Jiangsu International Trust Investment Co., Ltd., and Deputy General Manager and General Manager of Jiangsu International Trust Co., Ltd. He now serves as Chairman of Jiangsu International Trust Co., Ltd., Board Director of Li'an Life Insurance Co., Ltd., and Shareholder Director of the Bank of Jiangsu.

Name	Basic Information
SHAN Xiang	A member of the Communist Party of China, Principal Senior Accountant, Chinese Certified Public Accountant, graduated from Finance and Economics School of Soochow University, majoring in finance and with the Master's degree. He once served as Section Member in Financial Planning Division of Nanjing Tourism Bureau, Chief Financial Officer of China United Travel Co., Ltd., Deputy Director (presiding over the work) of Investment Department of Jiangsu Phoenix Publishing & Media Group Co., Ltd., Director of Investment Department of Jiangsu Phoenix Publishing & Media Group Co., Ltd., Chief Accountant and Director of Accounting Department of Jiangsu Phoenix Publishing & Media Group Co., Ltd. He now serves as Deputy General Manager and Chief Accountant of Jiangsu Phoenix Publishing & Media Group Co., Ltd., General Manager of Jiangsu Phoenix Publishing & Media Group Finance Co., Ltd., and Shareholder Director of the Bank of Jiangsu.
JIANG Jian	A member of the Communist Party of China, graduated from Nanjing Agricultural University with a Master's Degree in major of Agricultural Economy and Management. He once served as Section Chief of Training and Education Section of Human Resources Department of Huatai Securities, Deputy Manager of Stock Department of Investment Bank Headquarters of Huatai Securities, Deputy General Manager of Investment Bank Department I of Huatai Securities, Senior Manager of Investment Bank Department I of Huatai Securities, Deputy General Manager of Investment Bank Headquarters and General Manager of Distribution Department of Huatai Securities, General Manager of Asset Management Department of Huatai Securities; General Manager of Nanjing Head Office of Investment Bank Business of Huatai Securities, Chairman of the Board of Supervisors of Investment Bank Business of Huatai Securities, General Manager of Shanghai Head Office of Huatai Securities, General Manager of Customer Service Department, Assistant President, Secretary of the Board, Deputy President, Member of the Party Committee, etc. JIANG now serves as a Member of the Executive Committee of Huatai Securities Co., Ltd. and Shareholder Director of the Bank of Jiangsu.
TANG Jingsong	A member of the Communist Party of China, graduated from Finance and Economics School of Soochow University with a Bachelor's Degree in major of Accounting, Certified Public Accountant and Senior Accountant. Mr. TANG Jinsong once served as the Division Chief of Economic Construction Division II of Wuxi Finance Bureau and Director of Wuxi Financial Investment Evaluation Center. He now serves as the Secretary of the Party Committee and Board Chairman of Wuxi Urban Development Group Co., Ltd., Chairman and General Manager of Wuxi Construction and Development Investment Co., Ltd., and Board Director of Wuxi Rural Commercial Bank Co., Ltd., and Shareholder Director of the Bank of Jiangsu.
DU Wenyi	A member of the Communist Party of China, has a bachelor's degree and is a Senior Economist. Mr. DU Wenyi once served as Deputy Director and Director of Financial Planning Office of Jiangsu Institute of Communications Planning and Designing, Deputy Division Chief of Financial Audit Division of Jiangsu Communications Holding Co., Ltd., Deputy Division Chief and Division Chief of Financial Audit Division and Board Director of Jiangsu Communications Industry Group Co., Ltd., Deputy General Manager of Jiangsu Expressway Co., Ltd., Minister of Financial Audit Department of Jiangsu Communications Holding Co., Ltd., Chairman of Jiangsu Communications Holding Group Finance Co., Ltd., and Deputy Chief Accountant and Minister of Financial Management Department of Jiangsu Communications Holding Co., Ltd. Du now serves as the Chief Accountant, and Member of the Party Committee of Jiangsu Communications Holding Co., Ltd., and Shareholder Director of the Bank of Jiangsu.
REN Tong	A member of the Communist Party of China, graduated from Nanjing University with a Doctor's degree in Modern Chinese History and as a senior editor. Mr. REN Tong once served as the Deputy Office Director, and Deputy Division Chief and Office Director of the Publicity Division of Jiangsu Provincial Radio and Television Administration, Deputy President of the Broadcast Media Center of Jiangsu Broadcasting Corporation, and Director of the Organization and Personnel Department (Human Resource Department) of Jiangsu Broadcasting Corporation. He now serves as Member of the Party Committee and Deputy Channel Director of Jiangsu Broadcasting Corporation, Deputy General Manager of Jiangsu Broadcasting Corporation Ltd., and Shareholder Director of Bank of Jiangsu.

Name	Basic Information
YU Chen	Holds the Bachelor's Degree in Computer of Peking University, Master's Degree in Computer of Illinois Institute of Technology, America and EMBA of Tsinghua PBC School of Finance (PBCSF). Mr. YU Chen once served as the Product Market Manager of Oracle and director of SVC Wireless, and now is the President of Yeepay Co., Ltd., and Independent Director of the Bank of Jiangsu.
YANG Tingdong	A member of the Communist Party of China, holds doctor's degree and is a Senior Engineer and Principal Senior Economist and an expert who enjoys the State Council Special Allowance. Mr. YANG Yandong once served as Teacher of Jiangsu Huaiyin Hongze Commercial Vocational School, Assistant Secretary of Policy Research Center of Huaiyin City, Jiangsu Province, Secretary, Deputy Section Chief and Section Chief of Jiangsu Huaiyin Municipal Party Committee Office, Deputy County Mayor, Member of Standing Committee of CPC County Committee, Standing Deputy County Mayor and Deputy Secretary of County Committee of Siyang County, Jiangsu Province; Secretary of the Party Committee, Chairman and General Manager of Jiangsu Yanghe Brewery Group Co., Ltd., Secretary of the Party Committee and Chairman of Jiangsu Yanghe Brewery (Group) Co., Ltd., Secretary of the Party Committee and Chairman of Jiangsu Yanghe Brewery Joint-stock Co., Ltd.(Su Wine Group), Deputy Secretary of Party Working Committee and Standing Deputy Director of Management Committee of Jiangsu Suqian Yanghe New City, Chairman of Jiangsu Yanghe Group and Chairman of Jiangsu Shuanggou Group, He now serves as the Consultant of Jiangsu Backto Ecological Agricultural Development Co., Ltd., and Independent Director of the Bank of Jiangsu.
DING Xiaolin	A member of the Communist Party of China, graduated from Nanjing University, obtained the bachelor's degree in Law and History, First-grade Lawyer, has the qualification of securities business legal service and qualification of Independent Director. He once served for Jiangsu Provincial Department of Justice, and served as Director of Jiangsu Xinhua Law Firm. Ding now serves as the Senior Partner of Co-effort Law Firm LLP -Nanjing, Arbitrator of Nanjing Arbitration Commission, and Independent Director of the Bank of Jiangsu.
LI Xindan	A member of the Communist Party of China, Finance Doctor, Professor, Doctoral Supervisor, and an expert who enjoys the special allowance granted by the State Council. Mr. LI Xindan once served as Professor of the School of Economics and Management of Southeast University and Dean of the School of Engineering Management of Nanjing University. LI now serves as Dean of School of New Finance of Nanjing University, Deputy Director of the Academic Board of Humanities and Social Sciences of Nanjing University, Director of the Academic Board of the School of Engineering Management and Director of Research Center of Financial Engineering of Nanjing University, and Independent Director of Bank of Jiangsu, and concurrently serves as the Member of Office of the Academic Degrees Committee of the State Council and National Supervisory Committee for Professional Degrees in Finance of the Ministry of Education, Director of Expert Committee for Evaluation of Science and Technology Innovation Board System, member of Listing Committee of Shanghai Stock Exchange (SSE), member of SSE Corporate Governance Index Committee, Executive Member of Chinese Finance Annual Meeting, Chairman of Jiangsu Capital Market Research Society and Deputy Chairman of Jiangsu Association of Science and Technology Innovation.
HONG Lei	A member of the Communist Party of China, holds bachelor diploma while master's degree and is a CICPA. HONG once served as the Audit Project Manager of Nanjing Accounting Firm, Director of Supervision & Training Department of Nanjing Institute of Certified Public Accountants and Deputy Director of Jiangsu Tian Hong Hua Xin Public Accounting Firm. HONG now serves as the Partner of Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership) and Independent Director of Bank of Jiangsu and concurrently as the Deputy Director of the education and training committee of Jiangsu Institute of Certified Public Accountants, Deputy Director of the technical committee of Nanjing Institute of Certified Public Accountants, External Director of Nanjing XinGong Investment Group Co. Ltd. and Independent Director of Omnijoi Media Corporation.

Name	Basic Information
ZHU Qilong	A member of the Communist Party of China, Senior Economist, holds a master degree and the lawyer qualification. Mr. ZHU Qilong once served as the Section Chief of Law Section of Jiangsu Branch Office of the People's Bank of China, Deputy Office Director and Law Office Director of Nanjing Branch of the People's Bank of China, Deputy Office Director (Division Level) of Nanjing Branch of the People's Bank of China, Division Chief of Supervision Division of City Commercial Bank of Jiangsu Banking Regulatory Bureau, Member of the Party Committee, Secretary of the Board, Assistant President, Office Director, Director of Party Committee Office and Minister of Publicity Department, Member of the Party Committee of Head Office, Secretary of the Board and Deputy President of the Bank of Jiangsu. He now serves as the Chairman of the Board of Supervisors and Member of the Party Committee of the Bank of Jiangsu.
TANG Xiaoqing	A member of the Communist Party of China, has the Doctor's Degree in Economics. Mr. TANG Xiaoqing once served as the Engineer and Deputy Division Chief of Chinese Academy of Sciences, Deputy Division Chief and Division Chief of Fiscal and Financial Department of State Development Planning Commission, Deputy General Manager of Market Development Department of the Agricultural Bank of China; Person in Charge of Plan Fund Department and Credit Management Department, Deputy Director of Non-bank Financial Institution Regulatory Department and Deputy Director of Cooperation Finance Regulatory Department of the People's Bank of China, Deputy President of Henan Branch of the People's Bank of China; Director General of China Banking Regulatory Commission, Inner Mongolia Office, Director General, Director of Supervision Department I and Director of Financial Accounting Department of China Banking Regulatory Commission, Shanxi Office; and Deputy President, Member of the Party Committee and Secretary of Committee for Discipline Inspection of Head Office of China Merchants Bank. He now serves as the External Supervisor of the Bank of Jiangsu.
CHEN Zhibin	A member of the Communist Party of China, Doctor of Management, professor and doctoral supervisor, holds the titles of National Accounting Leading Talent and New Century Excellent Talent in Universities of Ministry of Education. CHEN once served as the Professor and Doctoral Supervisor of Business School of Nanjing University and Secretary of the Party committee of Southeast University. CHEN now serves as the Dean of Comprehensive Evaluation Institute of High Quality Development, Dean of SEU -Inspur Intelligent Finance and Accounting Institute and Director of School of Finance and Accounting, Southeast University, and concurrently as the Member of National Business Management – Accounting Undergraduate Teaching Guidance Commission for Business Management – Accounting of Ministry of Education, Consulting Expert in Management Accounting of Ministry of Finance, Consulting Expert in Government Accounting of Ministry of Education, Deputy Director Member of Professional Committee on Government and Non-Profit Organizations of Accounting Society of China and Deputy Chairman of Branch of Advanced Engineering of Accounting Society of China; External Supervisor of Bank of Jiangsu.
CHEN Libiao	Postgraduate diploma and master's degree, once served as the Project Manager of Nanjing Orient Intelligence Industry Management and Consulting Co. Ltd., and now served as the Co-founder and Chairman of MobTech; External Supervisor of Bank of Jiangsu.
ZHENG Gang	A member of the Communist Party of China, holds university diploma and master's degree and is a senior economist and CICPA. ZHENG once served as the Accountant of Suzhou Mutual Inductor Factory, Deputy Section Chief of Finance Section and Section Chief of Finance Section; Manager of Finance Department, General Manager Assistant, Deputy General Manager, General Manager and Chairman of Suzhou Electric Appliance Development Industry Co., Ltd., Director, Manager of Economic Development Department of Suzhou International Development Group Co., Ltd. and General Manager of Suzhou Enterprise Credit Service Co., Ltd. ZHENG now serves as the General Manager of Capital Operation Department of Suzhou International Development Group Co., Ltd.; Shareholder Supervisor of Bank of Jiangsu.

Name	Basic Information
XIANG Rong	A member of the Communist Party of China, has a bachelor's degree and is an Economist. He once served as the Customer Service Director of Yangzhou Business Department of China Merchants Securities Co., Ltd, Manager Assistant, Deputy Manager and Manager of Investment Business Department of Yangzhou Yangtze Investment & Development Group, the Manager of Investment Business of Yangzhou Modern Financial Investment Group Co., Ltd. and the General Manager of Yangzhou Venture Capital Investment Co., Ltd., the Deputy General Manager of Yangzhou Modern Financial Investment Group Co., Ltd. and Chairman of Yangzhou Venture Capital Investment Co., Ltd., and Chairman of Yangzhou Financial Investment Technology Microfinance Ltd. XIANG now serves as the Deputy General Manager of Yangzhou Modern Financial Investment Group and Chairman of Yangzhou Financial Investment Management Co., Ltd. and Shareholder Supervisor of the Bank of Jiangsu.
BAO Gang	A member of the Communist Party of China, university diploma, an economist, once served as Deputy Section Chief of Market Customer Section of Corporate Business Department and Deputy Manager of CCB Jiangsu Branch; Manager of Risk Monitoring Team of Risk Management Department, General Manager Assistant and Deputy General Manager of Credit Approval Department, General Manager of Investment and Financing Approval Department and Deputy General Manager of Investment Banking and Asset Management Headquarters, Deputy General Manager of Investment and Financing Approval Department, Deputy General Manager (take charge of the work) and General Manager of Bank of Jiangsu. BAO now serves as the General Manager of Credit Approval Department of Bank of Jiangsu; Employee Supervisor of Bank of Jiangsu.
SHI Shengjiu	A member of the Communist Party of China and university diploma, once served as the Director of Research Office of Baoying County, Office Director of Bank of Jiangsu Yangzhou Branch, President of Baoying Sub-branch, General Manager and Office Director of Comprehensive Management Section of Head Office Business Management Department, Party Committee Member, Discipline Inspection Committee Secretary and Assistant President of Nanjing Branch and Party Committee Member, Discipline Inspection Committee Secretary and Deputy President of Nanjing Branch. SHI now serves as Deputy Director (take charge of the work) of Department of Party and Mass Work of Bank of Jiangsu and Deputy General Manager of Consumer Protection Department (take charge of the work); Employee Supervisor of Bank of Jiangsu and Deputy Secretary of Head Office Party committee.
JIN Rui	A member of the Communist Party of China, a master of accounting and economist with university diploma, once served as the Director of Accounting and Settlement Department of BOC Jiangsu Branch, President of Nanjing Grand Sub-branch, Manager of System and Information Management Team of Planning and Finance Department of Bank of Jiangsu, General Manager Assistant of Planning and Finance Department and Manager of System Management Team, General Manager Assistant of Planning and Finance Department and Manager of Statistics Team. JIN now serves as the Deputy General Manager of Planning and Finance Department of Bank of Jiangsu; Employee Supervisor of Bank of Jiangsu.
JI Jinsong	A member of the Communist Party of China, has bachelor's degree in Economics, Economist. Mr. Jinsong once served as the Section Member of Operation and Management Section of Agricultural and Industrial Department of Yangzhou Municipal Party Committee, Organizing Personnel (at the duty section level) of Organization Section of Organization Department and Organizing Personnel (at the section level) of Research Office of Yangzhou Municipal Party Committee, Organizing Personnel (at the section level), Organizing Personnel (at the deputy section level) and Deputy Researcher of Organization Division I, Deputy Division Chief of Organization Office II, Deputy Office Director, Director of Division for Retired Officials and Division Chief of Organization Division II of Jiangsu Provincial Party Committee, Secretary of Committee for Discipline Inspection, Member of the Party Committee, Authority Secretary of the Party Committee of Head Office. He now serves as Deputy Secretary of the Party Committee, and the Director of the Party Committee Patrol Office of the Bank of Jiangsu.

Name	Basic Information
ZHAO Hui	A member of the Communist Party of China, Senior Economist, graduated from Party School of the CPC Central Committee with major in Laws and is a senior MBA (Master of Business Administration) in Nanjing University of Science and Technology. Mr. ZHAO Hui once served as the Deputy Division Chief of Receipt & Payment Liquidation Division of Jiangsu Branch of the Bank of China, Deputy Division Chief, Deputy Division Chief (presiding over the work) and Division Chief of Liquidation Division of Jiangsu Branch of the Bank of China, General Manager of Operation Department of Jiangsu Branch of the Bank of China, President of Suqian Branch of the Bank of China, General Manager and Chief Operating Officer of Operation Department of the Bank of Jiangsu. ZHAO now serves as the Deputy President and Member of the Party Committee of the Bank of Jiangsu.
GE Renyu	A member of the Communist Party of China, Senior Engineer, graduated from Southeast University with a bachelor's degree in Engineering, majoring in Computer Science and Engineering. Mr. GE Renyu, once served as Section Member of Computer Division of Nanjing Branch of China Construction Bank, and Assistant to Division Chief and Deputy Division Chief of Science and Technology Division, Manager of Operation Center of Business Department of Jiangsu Branch of China Construction Bank, General Manager of Information Technology Management Department of Jiangsu Branch of China Construction Bank, General Manager of Information Technology Department of the Bank of Nanjing, General Manager of Information Technology Department of the Bank of Jiangsu. He now serves as Vice President, Chief Information Officer and Member of the Party Committee of the Bank of Jiangsu and director of City Commercial Banks Clearing.
ZHOU Kai	A member of the Communist Party of China, Principal Senior Economist, graduated from Nanjing Agricultural University as postgraduate with major in Rural Finance, and obtained the doctoral degree in Management. Mr. ZHOU Kai once served as the Section Member, Deputy Business Manager and Risk Manager (professional skill level 5) of Risk Management Department of Jiangsu Branch of China Construction Bank, Deputy General Manager, Deputy General Manager (presiding over the work) and General Manager of Risk Management Department of the Bank of Nanjing, General Manager of Risk Management Department of the Bank of Jiangsu, and Assistant President and Member of the Party Committee of the Bank of Jiangsu. He now serves as the Deputy President and Member of Party Committee of Bank of Jiangsu. (In April 2020, he took a temporary post of the Deputy Mayor of Zhenjiang City and Party archaization member of People's Government of Zhenjiang City).
YUAN Jun	A member of the Communist Party of China, has a bachelor's degree, Master in Engineering, Economist. Mr. YUAN Jun once served as a Non-bank Clerk of Inspection Division and Clerk of Supervision Office of People's Bank of China Nanjing Branch, Clerk of Ombudsman Office, Disciplinary Inspector (Deputy-section Level) of Ombudsman Office, Deputy Section Chief of Cooperation Office Financial Section of People's Bank of China Nanjing Branch, Chief Clerk of Planning and Statistics Division, Deputy Director of Business Management Division, and Deputy General Manager of Business Development Division of the Provincial Rural Credit Union, and concurrently as the Secretary of Party Committee and Director of Taizhou Rural Commercial Bank and Deputy General Manager (General Manager Level) of Business Development Division of the Provincial Rural Credit Union. He now serves as the Head of the Discipline Inspection Team at Bank of Jiangsu assigned by the Provincial Commission for Discipline Inspection and Member of the Party Committee of Bank of Jiangsu.
LI Min	A member of the Communist Party of China, Senior Economist, graduated from Shenzhen University with major in International Finance and obtained a Bachelor's Degree in Economics. Mr. LI Min once served as Bao'an District Manager of Credit Market Subsection of Shenzhen Development Bank, President of Bao'an District Sub-branch, Person in charge of Preparation Group of Shanghai Branch, Deputy President of Shanghai Branch, Deputy President (Department General Manager level) of Shanghai Branch, Deputy President (presiding over the work) of Shanghai Branch, President of Shanghai Branch, Assistant President of Head Office and President of Beijing Branch concurrently, Standing Deputy General Manager of Shenzhen Management Department (Assistant President Level of Head Office), Standing Deputy President of Shenzhen Branch, and President of Shenzhen Branch and Secretary of the Party Committee of the Bank of Jiangsu. He now serves as the Assistant President of the Bank of Jiangsu.

Name	Basic Information
WANG Weibing	A member of the Communist Party of China, Senior Economist, graduated from Suzhou Institute of Silk Textile Technology with major in Industrial Management Engineering, and obtained the Bachelor's Degree in Engineering. Mr. WANG Weibing once served as Manager of the Personnel Supervision Department of Nantong Commercial Bank, President of the Development Zone Sub-branch, Office Director, Secretary of the Board, member of the Party group and Disciplinary Inspection Team Leader of Nantong Commercial Bank; Deputy General Manager of Internal Audit Compliance Department of the Bank of Jiangsu, Secretary of the Party Committee and President Taizhou Branch, Member of the Party Committee and Deputy President of Nantong Branch, Secretary of the Party Committee and President of Yancheng Branch, Secretary of the Party Committee and President of Suzhou Branch, Senior Expert of the Head Office of the Bank of Jiangsu. He now serves as the Assistant President of the Bank of Jiangsu, President and Secretary of the Party Committee of Wuxi Branch of the Bank of Jiangsu.

II. Information of Position situations of Directors, Supervisors and Senior Management Personnel Incumbent and who had left office during the Reporting Period

(I) Office holding in legal-person shareholders

Name of the person in office	Name of legal-person shareholder	Positions held in legal-person shareholder
HU Jun	Jiangsu International Trust Corporation Limited	Chairman
SHAN Xiang	Jiangsu Phoenix Publishing & Media Group Co., Ltd.	Deputy General Manager
JIANG Jian	Huatai Securities Co., Ltd.	Member of the executive committee
TANG Jinsong	Wuxi Construction and Development Investment Co., Ltd	Chairman and general manager
DU Wenyi	Jiangsu Communications Holding Co., Ltd.	Chief Accountant and member of the Party committee
REN Tong	Jiangsu Broadcasting and Television Group Co., Ltd.	Member of the Party Committee of the Corporation, Deputy Channel Director, Deputy General Manager of the Corporation
ZHENG Gang	Suzhou International Development Group Co., Ltd.	General manager of Capital Operation Department
XIANG Rong	Yangzhou Modern Financial Investment Group Co., Ltd,	Deputy general manager
Notes to the position in the legal-person shareholder	The above said personnel are those dispatched by the legal-person shareholders to serve as the Directors and Supervisors of the Bank.	

(II) Situation of office holding in other units

Name of the person in office	Name of other units	Position held in other units
XIA Ping	Suyin Financial Leasing Co., Ltd.	Chairman
HU Jun	Li'an Life Insurance Co., Ltd.	Director
SHAN Xiang	Jiangsu Phoenix Publishing & Media Corporation Limited	Director
	Shanghai FPL New Materials Co., Ltd.	Chairman
	Jiangsu Culture Industry Group Co., Ltd	Chairman
	Jiangsu Phoenix Publishing & Media Group Finance Co., Ltd.	Chairman
	Beijing Fonghong Film Co., Ltd.	Director
	Phoenix Legend Films Co., Ltd.	Director
	Jiangsu XGL Opto Electronics Co., Ltd	Director
JIANG Jian	Huatai Zijin Investment Co., Ltd.	Chairman
TANG Jingsong	Wuxi Urban Development Group Co., Ltd.	Secretary of the Party Committee and Chairman of the Board of Directors
	Wuxi Jianrong Industrial Co., Ltd.	Chairman
	Wuxi Jianzheng Parking Management Co., Ltd.	Chairman
	Wuxi Jianzhi Media Co., Ltd.	Chairman
	Wuxi Caitong Financial Leasing Co., Ltd.	Chairman
	Wuxi Caixin Commercial Factoring Co., Ltd.	Chairman
	Wuxi Jianrong Guosu Investment Co., Ltd	Chairman
	Wuxi Taihu New City Development Group Co., Ltd.	Secretary of the Party Committee and Chairman of the Board of Directors
	Wuxi Oasis Construction Investment Co., Ltd.	Chairman
	Wuxi Rural Commercial Bank Co., Ltd.	Director
	Xijin International Co., Ltd.	Director
	Xihui International Co., Limited	Director
DU Wenyi	Jiangsu Financial Leasing Co., Ltd.	Director
	Jiangsu Railway Group Co., Ltd.	Chairman of the Board of Supervisors
	Fu'anda Fund Management Co., Ltd.	Vice Chairman
	Nanjing Yuejin Automobile Co., Ltd.	Director

Name of the person in office	Name of other units	Position held in other units
REN Tong	Jiangsu Dajiangnan Media Co., Ltd	Executive Director
	Jiangsu Sports Industry Group Co., Ltd.	Director
	Blue Sky International Communication Co., Ltd.	Executive Director and Legal Representative
	Jiangsu Join Hands Capital (limited partnership)	Director General
	Jiangsu Zijin Cultural Industry Development Fund (limited partnership)	Director
	Jiangsu Cultural Investment Management Group Co., Ltd.	Director
	Jiangsu Broadcasting International Media Co., Ltd.	Executive Director and Legal Representative
	Jiangsu Broadcasting Lizhi Media Co., Ltd.	Executive Director and Legal Representative
	Jiangsu Broadcasting Venture Capital Co., Ltd.	Executive Director, General Manager and Legal Representative
	Omnijoi Media Corporation Co., Ltd.	Director
	Nine Dragon Industrial Limited(HK)	Executive Director and Legal Representative
YU Chen	Yeepay Co., Ltd	President
YANG Yandong	Jiangsu Backto Ecological Agricultural Development Co., Ltd.	Counselor
DING Xiaolin	Co-effort Law Firm LLP -Nanjing	Senior Partner
	Nanjing Dashu Intelligent Science and Technology Co., Ltd.	Independent Director
	Jiangsu Guotai Xinhua Law Firm	Executive
LI Xindan	Youzu Network Co., Ltd.	Independent Director
	Shandong Gold Financial Holding Capital Management Co., Ltd.	Independent Director
	China Southern Fund Management Co., Ltd.	Independent Director
	C. banner International Holdings Limited	Independent Director
	Leader Technology Co., Ltd.	Independent Director
HONG Lei	Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership)	Partner
	Nanjing XinGong Investment Group Co. Ltd.	External Director
	Shanghai Dicai Construction Project Management Center	Actual Controller
	Omnijoi Media Corporation Co., Ltd.	Independent Director

Name of the person in office	Name of other units	Position held in other units
GE Renyu	City Commercial Banks Clearing Company Limited	Director
	TF Securities Co., Ltd.	Chief Economist
LIU Yuhui	Henan Jinma Energy Co., Ltd	Independent Director
	Mango Excellent Media Co., Ltd.	Independent Director
	Jincheng Bank Co., Ltd	Independent Director
	Jiangsu Netin Technologies Co., Ltd.	Independent Director
YAN Yan	Jiangsu Financial Leasing Co., Ltd.	Independent Director
	Shanghai Jinfeng Wine Co., Ltd	Independent Director
	Shanghai Baosteel Packaging Co., Ltd.	Independent Director
	Jiangsu Tongxingbao Intelligent Transportation Technology Co., Ltd.	Independent Director
	Shanghai Shineton Investment Co., Ltd.	Director
CHEN Libiao	Suyin Wealth Management Co., Ltd.	Independent Director
	Guangzhou ZhangTao Network Technology Co., Ltd. (MobTech)	Chairman
ZHENG Gang	Suzhou Trust Corporation Limited	Director
	Soochow Securities Co., Ltd	Director
	SIDVC	Director
	Suzhou Industry Investment Group Co., Ltd.	Director
	Suzhou Guofa Financing Guarantee Co., Ltd.	Director
XIANG Rong	Yangzhou Jintou Asset Management Co., Ltd.	Chairman
Notes to the position in other units	None	

III. Changes in Directors, Supervisors and Senior Management Personnel of the Company

Name	Position held	Situation of change	Reason of change
LIU Yuhui	Independent Director	Demission	Expiration of term of office
YAN Yan	Independent Director	Demission	Expiration of term of office
LI Xindan	Independent Director	Appointment	New appointment
HONG Lei	Independent Director	Appointment	New appointment
DU Baoqi	External Supervisor	Demission	Expiration of term of office
LI Xindan	External Supervisor	Demission	Work reason
YUAN Weijing	Shareholder Supervisor	Demission	Work reason
WU Bing	Employee Supervisor	Demission	Work reason
XU Jing	Employee Supervisor	Demission	Work reason
CHEN Jian	Employee Supervisor	Demission	Work reason
CHEN Zhibin	External Supervisor	Appointment	New appointment
CHEN Libiao	External Supervisor	Appointment	New appointment
ZHENG Gang	Shareholder Supervisor	Appointment	New appointment
BAO Gang	Employee Supervisor	Appointment	New appointment
SHI Shengjiu	Employee Supervisor	Appointment	New appointment
JIN Rui	Employee Supervisor	Appointment	New appointment

IV. Information of Employees of Parent Company and Subsidiaries

(I) Information of employees

Number of current employees of parent company	15,098
Number of current employees of main subsidiaries	265
Total number of current employees	15,363
Number of retired employees whose expenses shall be undertaken by parent company and main subsidiaries	2,649
Professional composition	
Category of professional composition	Number of professional composition
Management personnel	4,490
Marketing personnel	5,155
Operating personnel	5,566
Others	152
Total	15,363
Education background	
Category of educational background	Number (Person)
Postgraduate	2,497
University	10,594
Junior college	1,687
Technical secondary school or below	585
Total	15,363

(II) Remuneration policy

In accordance with regulatory requirements, the Bank has formulated salary management measures, performance pay deferment management measures and other systems, and established a unified salary management structure and system across the Bank to comprehensively regulate salary management. Significant matters of remuneration management are determined by the general meeting of shareholders and the Board of Directors or decided by the Nomination and Remuneration Committee within the authorization of the Board of Directors, and related matters are reported to the competent authorities for approval and filing. The remuneration management of directors, supervisors and senior management personnel belonging to the scope of the heads of Jiangsu Province's provincially-managed financial enterprises is implemented in accordance with the relevant policies on the remuneration management of the heads of Jiangsu Province's provincially-managed financial enterprises, which consists of annual basic salary, annual performance salary and tenure incentive income linked to the tenure evaluation.

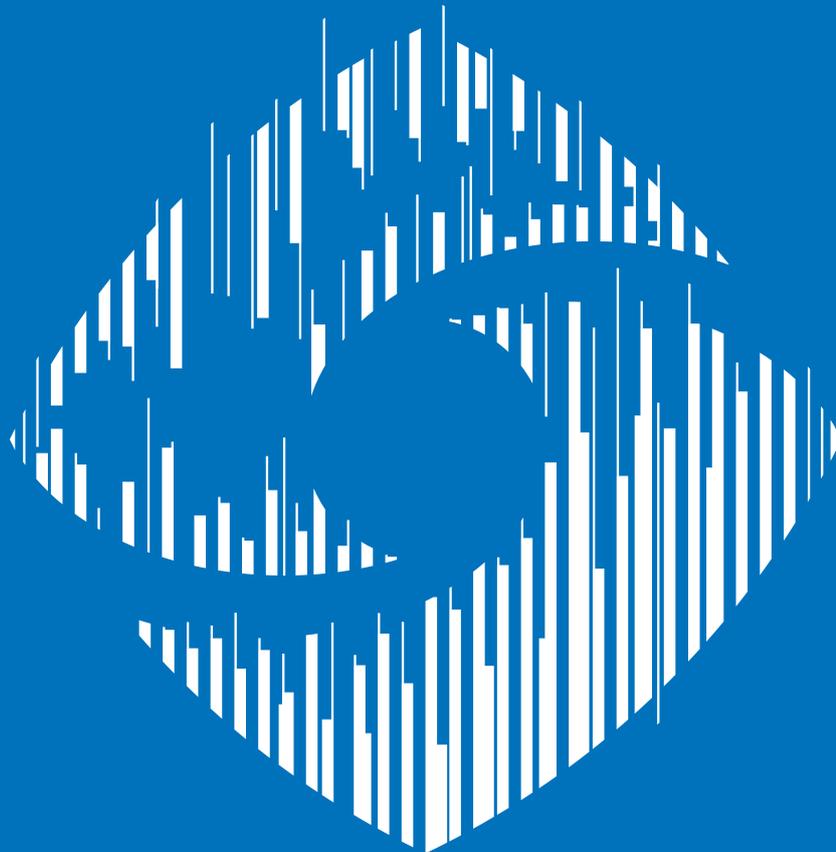
(III) Training plan

During the Reporting Period, the Company (including its subsidiaries) actively conducted training for middle and senior management, young and middle-aged cadres, branch presidents, middle managers, business executives, account managers, tellers and new college students at all levels, holding 3,983 training sessions of all kinds throughout the year, with 247,537 participants; the average number of training hours per participant was 129.20, of which 74.75 hours per participant were offline and 54.45 hours per participant were online (including cloud learning: 42.93 credit hours; e-classroom micro-class learning (138.28 courses): 11.52 credit hours). In 2021, the Company will deepen the idea of strengthening moral education and cultivating people and accelerate the change towards business knowledge skill, political accomplishment, comprehensive quality and comprehensive development of human beings that is focused on the training of business knowledge and skills, so as to provide the powerful support for the Bank's high-quality development and cultivation of the high-quality cadre team having both political integrity and professional competence and the new-type financial talent team.

(IV) Labor outsourcing

Total hours of labor outsourcing	9,811,530 h
Total remuneration paid for labor outsourcing	RMB 644,150,000

2020



ANNUAL REPORT

BANK OF JIANGSU

Section IX

Corporate Governance





Corporate Governance

I. Description of Relevant Situation of Corporate Governance

During the Reporting Period, the Company kept advancing the establishment of corporate governance system with more effective check and balance, more scientific decision, more effective supervision and more standard operation according to the regulatory requirements and our actualities. We constantly optimized the corporate governance architecture consisting of the Shareholders' Meeting, Board of Directors, Board of Supervisors and management in which decision, implementation and supervision are separated from each other and checked and balanced with each other and improved corporate governance operation mechanism for which various governance bodies had clear division of responsibilities and performed their own duties. We responded to the requirements of the *Three-Year Action Scheme on Improving the Governance of Banking and Insurance Companies* of China Banking and Insurance Regulatory Commission actively, promoted the organic integration of Party leadership and corporate governance continuously and implemented the requirement of taking the research and discussion of Party committee as a prepositive procedure for deciding significant business matter in good faith. We also carried out the normalized self-assessment for corporate governance and improved the compliance and effectiveness of corporate governance duly.

The corporate governance of the Bank had no significant difference with the requirement stipulated by China Securities Regulatory Commission during the Reporting Period.

II. Convening of Shareholders' Meeting

During the Reporting Period, the Company convened 2 Shareholders' Meetings in total, which were convened by the Board of Directors, and at which, 21 proposals were deliberated and approved, including Final Financial Report for 2019 and 2020 Financial Budget; Annual Profit Distribution Arranged Plan of 2019, Annual Associated Transaction Report of 2019, Expected Limit of daily Association Transaction of Part of Related Parties of 2020, Plan on Allotment of Shares, Use of the Funds Previously Raised by the Company, the Company's Shareholder Return Plan in Future Three Years (2020-2022), Election at Expiration of Office Terms of Board of Directors and Election at Expiration of Office Terms of Board of Supervisors.

Meeting session	Date of convening	Inquiry index of appointed website which resolutions published on	Date of resolutions on disclosure of publishing
Shareholders' Meeting of 2019	May 8, 2020	www.sse.com.cn	May 9, 2020
The 1st interim Shareholders' Meeting of 2020	July 27, 2020	www.sse.com.cn	July 28, 2020

III. Performance of Duties by Directors

(I) Directors' attendance in Board meetings and Shareholder' Meetings

Board Director Name	Independent Director or not	Attendance in Board meetings						Attendance in shareholders' meetings
		Times of due attendance this year	Times of attendance in person	Times of attendance in communication mode	Times of delegated attendance	Times of absence	Fail to be present in person for successive 2 times or not	Times of attendance in Shareholders' Meetings
XIA Ping	No	13	13	9	0	0	No	2
JI Ming	No	13	13	9	0	0	No	2
GU Xian	No	13	13	9	0	0	No	1
WU Dianjun	No	13	13	9	0	0	No	2
HU Jun	No	13	11	9	2	0	No	0
SHAN Xiang	No	13	12	9	1	0	No	1
JIANG Jian	No	13	13	9	0	0	No	1
TANG Jinsong	No	13	13	9	0	0	No	0
DU Wenyi	No	13	13	9	0	0	No	0
REN Tong	No	11	11	7	0	0	No	0
YU Chen	Yes	13	12	9	1	0	No	0
YANG Tingdong	Yes	13	13	9	0	0	No	0
DING Xiaolin	Yes	13	13	9	0	0	No	2
LI Xindan	Yes	4	4	3	0	0	No	0
HONG Lei	Yes	4	4	3	0	0	No	0
LIU Yuhui	Yes	5	5	3	0	0	No	0
YAN Yan	Yes	5	5	3	0	0	No	0

(II) Convening of the Board Meetings

During the Reporting Period, the Board of Directors abided by laws and regulations, regulatory provisions and the Articles of Association in good faith and intensified the continuous improvement of construction, scientific decision and operation efficiency. It convened and held meeting as per standards, and totally held 13 board meetings in the whole year, at which, 74 proposals and reports were deliberated, such as the donation to Jiangsu medial team supporting Hubei, Assessment Report for the 2019 Implementation of 2019-2023 Development Strategy Plan, 2019 Internal Control Evaluation Report, 2019 Comprehensive Risk Management Report, 2019 Social Responsibility Report, 2019 Working Report for Consumer Protection and 2020 Key Working Points, the Proposal for Shareholders' Meeting Authorizing the Board of Directors to Handle the Relevant Affairs of Allotment of Shares, general election of the Board of Directors, revision of the administrative measures for personal Internet loan business, rectification plan for wealth management stock assets, dividend distribution of preferred shares, 2020 assessment report for institutional money laundering risk and revision of the administrative measures for credit guarantee of Bank of Jiangsu, and the 2020 notification of regulatory comments was listened to.

Times of board meetings held during the year	13
Including: Times of onsite meetings	4
Times of meetings held by means of communication	9
Times of meetings held onsite combining with means of communication	0

(III) Convening of special committees of the Board

The Board of Directors of the Company consists of 6 special committees: the Strategy Committee, the Audit Committee, the Related Transaction Control Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Consumer Protection Committee. Among them, in the Audit Committee, the Related Transaction Control Committee and the Nomination and Remuneration Committee, the Independent Non-Executive Directors accounted for more than half of their members, and serve as their chairmen. All special committees could exchange company management and risks with senior management and departments periodically and put forward the opinions and suggestions and provide professional opinions for the Board of Directors or make decision on the professional matter according to authorization of the Board of Directors. During the Reporting Period, the special committees performed their duties as follows:

The Strategy Committee should formulate the Company's management goal and the long-term development strategy and supervise and check the implementation of annual business plan and investment scheme. In 2020, it held two meetings, at which seven proposals and reports were deliberated, such as the Assessment Report for the Strategy Implementation in 2019, 2021-2023 Capital Plan of the Group, 2020 Management Plan on Capital Adequacy Ratio and 2019 Report on Capital Adequacy Ratio.

The Audit Committee should check the Company's risks and compliance, accounting policy, financial statement procedure and financial status, finish the Company's annual audit work, put forward the employment proposal of an external audit agency, make judgment report for the audited financial statement information authentically, accurately, completely and timely and submit it to the Board of Directors for deliberation. In 2020, it held six meetings, at which 15

proposals and reports were deliberated and ratified, such as internal audit regulations of the Company, 2019 Working Report for Internal Audit, Project Approval Report for 2020 Internal Audit Project Plan, Annual Report and Abstracts for 2019, 2019 Financial Report, 2019 Financial Statements and 2020 Financial Budget, and listened to the 2019 Work Report of Head of Finance Department and 2019 Work Report of Head of Internal Audit Department.

The Related Transaction Control Committee should manage, review and approve related transactions and control risks of the related transactions. In 2020, it held five meetings, at which seven proposals and reports totally were deliberated and ratified, such as the Confirmation for Name List of Related Parties as of the End of 2019, 2019 Report on Related Transactions and Amount Estimate for 2020 Daily Transactions of Part of Related Parties.

The Risk Management Committee should perform the risk management function authorized by the Board of Directors, supervise the control of senior management for the risks such as credit risk, liquidity risk and market risk, assess the Company's risk policy, management status and risk tolerance regularly and put forward the opinions on improving the Company's risk management and internal control. In 2020, it held six meetings, at which 13 proposals and reports were deliberated and ratified totally, such as the outsourcing of non-core operation business of the Company's Assets Custody Department, outsourcing for the setup of investment and supervision indicators of investment custody department, Adequacy Assessment Report for the Group's Internal Capital in 2019, 2019 Report on Comprehensive Risk Management and 2020 Risk limit Scheme.

The Nomination and Remuneration Committee should review the job qualifications of directors and senior management preliminarily, formulate the remuneration scheme for directors and senior management personnel, put forward the suggestion about remuneration scheme to the Board of Directors and supervise the scheme implementation. In 2020, it held two meetings, at which totally seven proposals and reports were deliberated and ratified, such as the 2019 Evaluation Report for Directors' Performance of Duties, 2019 Work Report of Independent Director, 2019 Remuneration Scheme for Senior Management Personnel and general selection of the Board of Directors.

The Consumer Protection Committee should formulate the working plan on consumer protection, urge senior management to implement relevant work effectively and listen to the special report on the implementation of consumer protection regularly. In 2020, it held two meetings, at which four proposals and reports were deliberated and ratified, such as the Evaluation Report for the Consumer Protection Work in 2019, Report on the 2019 Work in Consumer Protection and Key Working Points of 2020.

(IV) Work performance of Directors and Independent Directors

During the Reporting Period, all directors of the Company performed their duties in strict accordance with the laws and regulations, as well as the Articles of Association and the working system of independent directors, with prudence, conscientiousness, diligence and integrity, and gained an in-depth understanding of the Company's operation and management through listening to reports, investigation and research, study of materials and communication with various parties; Conscientiously participated in the various work affairs of the Board of Directors and the special committees, and if unable to attend in person, they were authorized to express their opinions and suggestions in accordance with the relevant regulations; actively participated in various trainings held by the Shanghai Stock Exchange, to continuously improve their ability to perform their duties, effectively perform their decision-making functions and safeguard the interests of all shareholders and the Company as a whole.

All independent directors gave full play to their professional expertise and expressed their opinions independently;

intensively concerned the matters such as profits distribution plan, management of connected transactions, external guarantees, election at expiration of office terms of board of directors, nomination and remuneration of senior management, further employment of accounting firm, matters about allotment of shares, sight return on dilution of securities issued through allotment of shares and the filling measures and commitments of related entities and shareholder return plan and played an important role in promoting scientific decision-making by the Board of Directors and safeguarding the rights and interests of small and medium-sized shareholders and financial consumers.

IV. Performance of Duties by Supervisors

(I) Composition of the Board of Supervisors and attendance in meetings of the Board of Supervisors and Shareholders' Meetings

Supervisor Name	External Supervisor or not	Attendance in meetings of the Board of Supervisors						Attendance in Shareholders' Meetings	
		Times of due attendance this year	Times of attendance in person	Times of attendance in communication mode	Times of delegated attendance	Times of absence	Fail to be present in person for successive 2 times or not	Times of attendance in Shareholders' Meetings	
ZHU Qilong	No	7	7	3	0	0	No	2	
TANG Xiaoqing	Yes	7	6	3	1	0	No	0	
CHEN Zhibin	Yes	3	3	2	0	0	No	0	
CHEN Libiao	Yes	3	3	2	0	0	No	0	
ZHENG Gang	No	3	2	2	1	0	No	0	
XIANG Rong	No	7	7	3	0	0	No	1	
BAO Gang	No	3	3	2	0	0	No	0	
SHI Shengjiu	No	3	3	2	0	0	No	0	
JIN Rui	No	3	3	2	0	0	No	0	
Times of meetings of the Board of Supervisors held during the year								7	
Including: Times of onsite meetings								4	
Times of meetings held by means of communication								3	
Times of meetings held on site combining with means of communication								0	

(II) Work performance of Supervisors and External Supervisors

During the Reporting Period, all Supervisors of the Company actively attended various meetings and carefully deliberated all proposals, diligently performed legal duties. Those who could not attend the meetings in person performed the formalities for authorized entrustment according to the relevant provisions; earnestly carried out supervision and inspection activities to promote and perfect the corporate governance; continuously improved professional level, constantly enriched the duty performance modes and effectively maintained the overall interests of all shares and the company. The External Supervisor earnestly attended the meetings of the Board of Supervisors and the meetings of special committees, participated in the study and decision making of important matters of the meetings of the Board of Supervisors; actively attended the Board meetings as nonvoting delegates, attended the special research and inspection activities of the branches and subsidiaries organized and carried out by the Board of Supervisors to effectively bring their expertise into full play, actively offered advice and suggestions, diligently performed the duties of supervisors, and made active contribution to the effective performance of the supervisory duties of the Board of Supervisors.

V. Establishment and Implementation of Evaluation System and Incentive Mechanism on Senior Management Personnel during the Reporting Period

Senior management personnel of the Company should directly report to the Board of Directors of the Company and accept the assessment conducted by the Board of Directors. During the Reporting Period, the Nomination and Remuneration Committee under the Board of Directors enhanced evaluation on senior management personnel in terms of compliance operation, risk control, management benefit, development transformation as well as social responsibility indicators and personal indicators in accordance with supervision requirements and the *Remuneration Assessment Method of Senior Management Personnel of the Bank of Jiangsu*. It was found, from the evaluation, that senior management of the Company completed various targets assigned by the Board of Directors well in 2020, and annual assessment level given by the Board of Directors to all senior management personnel was A. The Board of Supervisors of the Company carried out evaluation on performance of duties in 2020 of senior management personnel according to regulatory requirements and related rules and regulations of the Company. Assessment results of senior management personnel given by the Board of Directors and evaluation opinions on senior management personnel given by the Board of Supervisors were important basis of incentive and constraint of senior management personnel.

VI. Whether Disclose self-evaluation Report on Internal Control

The Company disclosed the full text of the self-evaluation report on internal control of 2020 on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 29, 2021.

VII. Description of the Internal Control Audit Report

The Company disclosed the full text of the internal control audit report on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 29, 2021.

VIII. Information Disclosure and Investor Relations

(I) Information disclosure

The Board of Directors and the management of the Company attached great importance to the information disclosure work and established and completed the systems, strengthened the examination and approval and other important links, and optimized the operating process strictly according to the relevant regulatory requirements and work practice of the Company; and organized whole personnel to study and popularized the knowledge of information disclosure through online and offline modes to further enhance the compliance awareness, and ensured the truthfulness, accuracy and completeness of the information disclosed. During the Reporting Period, the Company totally disclosed 4 periodical reports, 76 temporary reports and 117 network files for various kinds.

During the Reporting Period, information disclosure index of the Bank is as follows:

No.	Announcement Name
2020-001	Announcement of the Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2020-002	Correction Announcement of the Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2020-003	Announcement of the Bank of Jiangsu on Annual Preliminary Performance Estimate of 2019
2020-004	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-005	Announcement of the Bank of Jiangsu on the 2020 Payment of Interest of "Suyin Convertible Bond"
2020-006	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-007	Announcement of the Bank of Jiangsu on the Resolutions of Board of Supervisors
2020-008	Announcement of the Bank of Jiangsu on Obtaining the Approval for the Issue of Unfixed Term Capital Bonds
2020-009	Announcement of the Bank of Jiangsu on the Resignation of Independent Directors
2020-010	Announcement of the Bank of Jiangsu on the Resignation of External Directors
2020-011	Announcement of the Bank of Jiangsu on the Completion of the Issue of Unfixed Term Capital Bonds
2020-012	Announcement of the Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2020-013	Announcement of the Bank of Jiangsu on the Approval of Job Qualification of Director Obtained from the Regulatory Authority
Periodical report	2019 Annual Report of Bank of Jiangsu
2020-014	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-015	Announcement of the Bank of Jiangsu on the Resolutions of Board of Supervisors

No.	Announcement Name
2020-016	Announcement of the Bank of Jiangsu on the Amount Estimate for 2020 Daily Transactions of Part of Related Parties
2020-017	Announcement of the Bank of Jiangsu on 2019 Profits Distribution Scheme
2020-018	Announcement of the Bank of Jiangsu on the Renewal of the Employment for Accounting Firm
2020-019	Announcement of the Bank of Jiangsu on Holding Performance Exchange
2020-020	Announcement of the Bank of Jiangsu on the Resignation of Supervisors
2020-021	Announcement of the Bank of Jiangsu on Holding 2019 Shareholders' Meeting
2020-022	Announcement of the Bank of Jiangsu on the Board Resolutions
Periodical report	2020 Q1 Report of Bank of Jiangsu
2020-023	Announcement of the Bank of Jiangsu on the Resolutions of 2019 Shareholders' Meeting
2020-024	Announcement of the Bank of Jiangsu on the 2020 Tracking Rating Results of A-share Convertible Corporate Bonds
2020-025	Informative Announcement of the Bank of Jiangsu on the Implementation of 2019 A-share Dividend Distribution and the Continuous Suspension for the Conversion of "Suyin Convertible Bonds" into Shares
2020-026	Announcement of the Bank of Jiangsu on Implementing 2019 Equity Distribution
2020-027	Announcement of the Bank of Jiangsu on the Adjustment of the Conversion Price of A-share Convertible Corporate Bonds under the 2018 Profit Distribution Plan
2020-028	Announcement of the Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2020-029	Announcement of the Bank of Jiangsu on Major Shareholders and Persons Acting in Concert Increasing the Holding of the Company's Shares
2020-030	Correction Announcement of the Bank of Jiangsu on Major Shareholders and Persons Acting in Concert Increasing the Holding of the Company's Shares
2020-031	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-032	Announcement of the Bank of Jiangsu on the Resolutions of Board of Supervisors
2020-033	Notice of Bank of Jiangsu on Holding 2020 1st Interim Shareholders' Meeting
2020-034	Announcement of the Bank of Jiangsu on Electing Employee Supervisors
2020-035	Announcement of the Bank of Jiangsu on the Resolutions of 2020 1st Interim Shareholders' Meeting
2020-036	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-037	Announcement of the Bank of Jiangsu on the Resolutions of Board of Supervisors

No.	Announcement Name
2020-038	Announcement of the Bank of Jiangsu on Initial Public Offering of Restricted Sales Stock for Listing and Circulation
Periodical report	2020 Semiannual Report of Bank of Jiangsu
2020-039	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-040	Announcement of the Bank of Jiangsu on the Resolutions of Board of Supervisors
2020-041	Announcement of the Bank of Jiangsu on Obtaining the Approval of the Establishment of the Wholly-Owned Subsidiary Suyin Wealth Management Co., Ltd.
2020-042	Announcement of the Bank of Jiangsu on Obtaining Approval of Jiangsu Branch, China Banking and Insurance Regulatory Commission regarding the Application of Allotment of A-shares
2020-043	Announcement of the Bank of Jiangsu on Receiving the Administrative License Application Acceptance Sheet of China Securities Regulatory Commission
2020-044	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-045	Announcement of the Bank of Jiangsu on the Revision Description for the Plan of Allotment of Shares
2020-046	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-047	Announcement of the Bank of Jiangsu on the Feedback Opinion Reply of Application Document for Allotment of Shares
2020-048	Announcement of the Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2020-049	Announcement of the Bank of Jiangsu on Obtaining the Approval of the Establishment of the Subsidiary Suyin KGI Consumer Finance
2020-050	Announcement of the Bank of Jiangsu on the Approval of Job Qualification of Independent Director Obtained from the Regulatory Authority
2020-051	Announcement of the Bank of Jiangsu on the Board Resolutions
Periodical report	2020 Q3 Report of Bank of Jiangsu
2020-052	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-053	Announcement of the Bank of Jiangsu on the Resolutions of Board of Supervisors
2020-054	Announcement of the Bank of Jiangsu on Changing Accounting Policy
2020-055	Announcement of the Bank of Jiangsu on the Approval of the Application for Allotment of A-shares Obtained from CSRC Issuance Examination Committee
2020-056	Announcement of the Bank of Jiangsu on the Board Resolutions
2020-057	Announcement of the Bank of Jiangsu on the Approval of Allotment of A-shares Obtained from China Securities Regulatory Commission

No.	Announcement Name
2020-058	Announcement of the Bank of Jiangsu on the Dividend Distribution of Preferred Shares
2020-059	Informative Announcement of the Bank of Jiangsu on the Continuous Suspension of Shares Conversion during the A-share Rights Issue Period
2020-060	Informative Announcement of the Bank of Jiangsu on the Continuous Suspension of Shares Conversion during the A-share Rights Issue Period
2020-061	Informative Announcement of the Bank of Jiangsu on the Continuous Suspension of Shares Conversion during the A-share Rights Issue Period
2020-062	Informative Announcement of the Bank of Jiangsu on the Continuous Suspension of Shares Conversion during the A-share Rights Issue Period
2020-063	Informative Announcement of the Bank of Jiangsu on the Continuous Suspension of Shares Conversion during the A-share Rights Issue Period
2020-064	Announcement of the Bank of Jiangsu on the A-share Rights Issue
2020-065	Prospectus of Bank of Jiangsu on the Allotment of Shares
2020-066	Online Roadshow Announcement of the Bank of Jiangsu on the Allotment of Shares
2020-067	Informative Announcement of the Bank of Jiangsu on the Suspension and Resumption of Stocks, Preferred Shares and Convertible Corporate Bonds
2020-068	Informative Announcement of the Bank of Jiangsu on Allotment of Shares
2020-069	Informative Announcement of the Bank of Jiangsu on Allotment of Shares
2020-070	Informative Announcement of the Bank of Jiangsu on Allotment of Shares
2020-071	Informative Announcement of the Bank of Jiangsu on Allotment of Shares
2020-072	Informative Announcement of the Bank of Jiangsu on Allotment of Shares
2020-073	Announcement of the Bank of Jiangsu on the Results of A-share Rights Issue
2020-074	Announcement of the Bank of Jiangsu on the Adjustment of Conversion Price of "Suyin Convertible Bonds"
2020-075	Announcement of the Bank of Jiangsu on Adjusting Forced conversion price
2020-076	Announcement of the Bank of Jiangsu on the Board Resolutions

(II) Investor relations

The Bank has attached great importance to the management of investor relations, given priority to investors, focused on market dynamics, and hot spots in the market, disseminated information of the Bank to the market in a comprehensive, objective and positive manner and maintained favorable exchange status with various investors and analysts. During the Reporting Period, the Bank held 1 annual performance presentation meeting, the management of the Bank introduced the operation and investment value of the Bank, and answered the questions of key attention in the market one by one. The Bank received foreign and domestic securities traders, funds, insurance, asset management and other institutions, and went out on 18 roadshows both in online and offline forms, with more than 300 investors participating in the exchange. The Company made communication with various investors for nearly 2,000 times by phone, mail, SSE e interactive platform, etc.

Financial Report

I. Auditors' Report

See the attachment for details.

II. Financial Statements

See the attachment for details.

Section XI

Contents of Documents Available for Reference

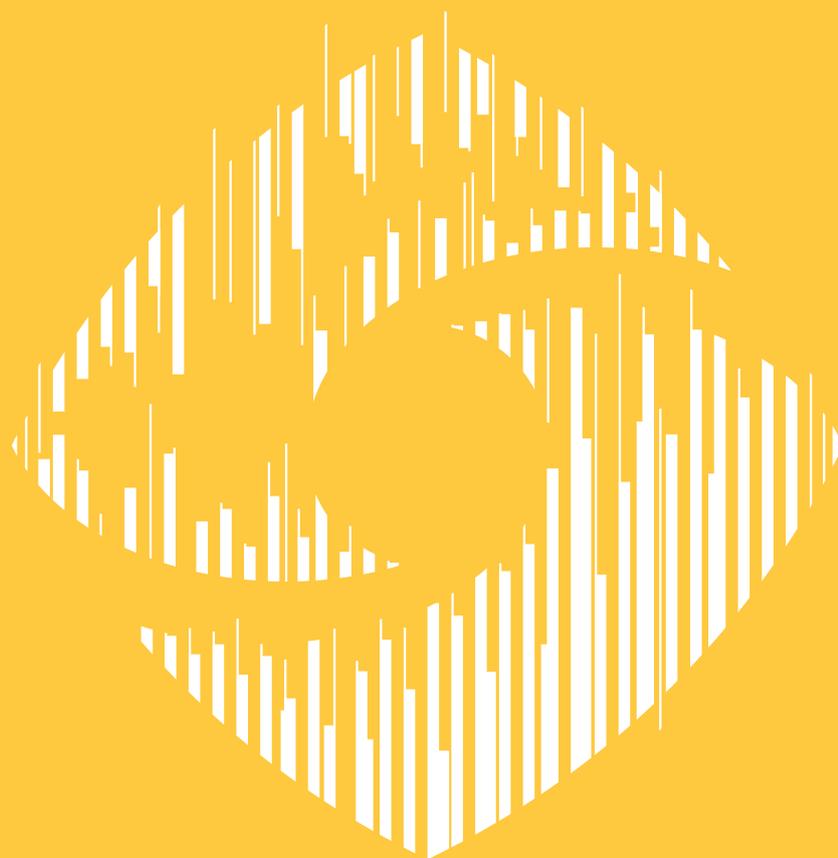
Contents of Documents Available for Reference	Original of Annual Report signed by directors and senior management personnel of the Company
	The accounting statement signed and stamped by the Company's legal representative, the person in charge of accounting work, and the person in charge of the accounting organization
	Original of Audit Report stamped by accounting agency and signed and stamped by certified public accountants
	Original of all documents and originals of announcements publicly disclosed on newspapers appointed by China Securities Regulatory Commission during the Reporting Period

Chairman of the Bank of Jiangsu Co., Ltd.: XIA Ping



Date of submission approved by the Board of Directors: April 28, 2021

2020



ANNUAL REPORT

BANK OF JIANGSU

Section X

Financial Report





Bank of Jiangsu Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2020 TO 31 DECEMBER 2020
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE
VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

AUDITORS' REPORT



毕马威华振审字第 2100829 号

All Shareholders of Bank of Jiangsu Company Limited:

Opinion

We have audited the accompanying financial statements of Bank of Jiangsu Company Limited ("the Bank") and its subsidiaries ("the Group") set out on pages 1 to 135, which comprise the consolidated and the Bank's balance sheet as at 31 December 2020, the consolidated and the Bank's income statements, the consolidated and the Bank's cash flow statements, the consolidated and the Bank's statement of changes in shareholders' equity 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 Group's and the Bank's financial position as at 31 December 2020, and the Group's and the Bank's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("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 the Group in accordance with the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and financial investments measured at amortised cost

Refer to accounting policies in "Note 3(7)(f) to the Financial Statements: Impairment of the Financial Assets" and "Note 3(27)(a) to the Financial Statements: Significant accounting estimates and judgements" of the accounting policy to the financial statements, "Note 5(6) to the Financial Statements: Loans and advances to customers" and "Note 5(7)(b) Financial investments measured at amortised cost".

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group has adopted the expected credit loss model according to New financial instruments standards ("CAS 22").</p> <p>Impairment of loans and financial investments measured at amortised cost is a subjective area due to the degree of judgement applied by management in determining impairment allowances. From the Group's perspective, the determination of the loss allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy, and the judgments in determining the loss given default or the assessment of recoverable cash flows relating to individual loans and financial investments measured at amortised cost, where loans and financial investments measured at amortised cost were unsecured or were subject to potential collateral shortfalls. The economic impact of New Coronavirus pneumonia has increased the degree of uncertainty associated with accounting estimates</p> <p>The Group classifies financial instruments into three stages and recognises an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether an asset is considered to be credit-impaired respectively.</p>	<p>Our audit procedures to assess ECL for loans and advances to customers and financial investments at amortized cost included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of the key internal controls over financial reporting related to ECL measurement for loans and advances to customers and financial investment at amortized cost; <ul style="list-style-type: none"> — Understanding and evaluating the design and operating effectiveness of the key internal controls of the financial reporting process, including credit approval, recording, monitoring, periodic re-evaluation of credit grading, and the accrual of loss allowance; in particular, we assessed the design and operating effectiveness of the key internal controls over financial reporting related to the classification of loans by credit quality across all stages and financial investment at amortized cost; — Involving our information technology risk management specialists in understanding and evaluating the design and operating effectiveness of information system controls, including: general information technology control, completeness of key internal historical data, inter-system data transmission, mapping of parameters of ECL model, and system calculation logic of loss allowance for ECL for loans and advances to customers and financial investments at amortized cost. • Involving our financial risk management specialists in evaluating the reliability of ECL models and parameters used, including prudently evaluating classification of stages, probability of default, loss given default, exposure at default, discount rate, forwar adjustment and other adjustment factors, and evaluating the reasonableness of key management judgments involved; including whether the macroeconomic situation under the influence of New Coronavirus pneumonia is considered. • Evaluating the completeness and accuracy of key data used by the ECL models. For key internal data related to the original business files, we compared the respective amount of loans and advances to customers and financial investments at amortized cost used by the management to evaluate the loss allowances with the general ledger amounts, in order to assess the completeness of lists. We select samples and compare the information of the loans and advances to customers and financial investment at amortized cost with relevant agreements and other relevant documents to assess the accuracy of the lists. For key external data, we compared it with public information to check its accuracy;

Impairment of loans and financial investments measured at amortised cost

Refer to accounting policies in "Note 3(7)(f) to the Financial Statements: Impairment of the Financial Assets" and "Note 3(27)(a) to the Financial Statements: Significant accounting estimates and judgements" of the accounting policy to the financial statements, "Note 5(6) to the Financial Statements: Loans and advances to customers" and "Note 5(7)(b) Financial investments measured at amortised cost".

The Key Audit Matter	How the matter was addressed in our audit
<p>The loss allowance for loans and advances to customers, other than those corporate loans and advances financial investments measured at amortised cost which are credit-impaired, is measured using the risk parameters method. The key parameters include probability of default (PD), loss given default (LGD) and exposure at default (EAD), which are derived from considerations including the historical overdue data, historical loss ratio, internal credit grading and other adjustment factors.</p> <p>Loss allowances for the credit-impaired corporate loans and advances and financial investments measured at amortised cost are measured using the discounted cash flow method. Management exercises judgment in determining recoverable cash flow based on a range of factors. These factors include available remedies for recovery, the financial situation of the borrowers, collateral valuation, the seniority of the claim and the existence and cooperativeness of other creditors. Whilst the Group appoints an external appraiser for the valuation of certain property and other illiquid collateral, enforceability, timing and means of realisation also affect the ultimate collectability and thereby the amount of expected credit loss allowances at the end of the reporting period.</p> <p>We identified the loss allowance for expected credit losses as a key audit matter because of the inherent uncertainty and management judgments involved, and because the loss allowance is significant to the financial results and capital of the Group.</p>	<ul style="list-style-type: none"> • Evaluating key parameters involving subjective judgments by seeking evidence from external sources and comparing it with internal records including historical loss scenarios and security types. As part of these procedures, we inquired management about the reasons for modifications of key estimates and parameters input relative to the previous period and the transition period, and assessed the consistency of judgement used by management. We compared economic factors and market information used in the model to evaluate whether it was consistent with the market and economic development, and assess whether signs of management bias exist; • For key internal data which was generated by the system calculation, we selected samples and compared the input data used in the system with the original business files to evaluate the accuracy of the data input. In addition, involving our information technology risk management specialists, we selected samples and tested the logic of preparing overdue information of loans and advances to customers; • Selecting samples to assess the reasonableness of management judgement on whether the credit risk has increased significantly since initial recognition and whether credit impairment has occurred. Selecting samples for credit review based on risk-oriented methods. We analysed the loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments by industry sector to select samples in industries sensitive to the current business cycle and regulatory policies; We also focused on loans with perceived higher risk and selected samples from credit impaired corporate loans and advances, credit impaired financial investments at amortized cost, overdue but credit unimpaired corporate loans and advances and borrowers with negative warning signs or adverse press coverage. On the basis of sample selection, we reviewed the business documents, checked the overdue information, inquired customer managers about the operation conditions of borrowers, checked the financial information of the borrower and searched for market information about the borrower's business and operation. • Performing credit assessments for the selected credit impaired corporate loans and advances and financial investments measured at amortised cost by assessing the forecast of recoverable cash flows through inquiry, applying judgment and our own research. We evaluated the timing and means of realisation of collateral and considered other sources of repayment asserted by management. We also evaluated the consistency of management's application of key assumptions and compared them with our own data sources. • Selecting samples and reviewing the calculation of ECL to assess the application of ECL model by the Group; • Evaluating whether the disclosures relating to ECL meet the disclosure requirements of the prevailing accounting standards.

Consolidation of structured entities

Refer to "Note 3(4): Consolidated financial statements" and "Note 3(27)(b): Significant accounting estimates and judgements" of the accounting policy to the financial statements, "Note 6(2): Interests in structured entities not included in the consolidated financial statements" to the Group's and the Bank's financial statements.

The Key Audit Matter

Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.

The Group may acquire an ownership interest in, or act as a sponsor to a structured entity, through issuing a wealth management product, a trust plan, an asset management plan, an investment fund or an asset-backed security.

In determining whether the Group should consolidate a structured entity, management is required to consider the risks and rewards retained, the power the Group is able to exercise over the activities of the entity and its ability to influence the Group's own returns from the entity. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.

We identified the consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and nature of each entity.

How the matter was addressed in our audit

Our audit procedures to assess the consolidation of structured entities included the following:

- Learning and assessing the design, implementation and operating effectiveness of key internal controls over consolidation of structured entities;
- Selecting samples on significant structured entities and performing the following procedures for each structured entity selected:
 - Inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;
 - Inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or variable returns from the Group's involvement in such an entity;
 - Evaluating management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to influence its own returns from the structured entity;
 - Assessing management's judgement over whether the structured entity should be consolidated or not;
- Evaluating the disclosures in the consolidated financial statements in relation to the consolidation of structured entities with reference to the requirements of the prevailing accounting standards;

Other Information

The Group's management is responsible for the other information. The other information comprises all the information included in 2020 annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 the Group'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 the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Huazhen LLP



Beijing, China

Certified Public Accountants
Registered in the People's Republic of China

Shi Haiyun (Engagement Partner)



Wang Yang



28 April 2021


 Bank of Jiangsu Company Limited
 Consolidated and the Bank's balance sheet as at 31 December 2020
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Assets					
Cash and deposits with central bank	5(1)	147,073,643	132,252,100	146,697,185	132,186,194
Deposits with banks and other financial institutions	5(2)	43,147,476	33,103,578	42,136,606	32,872,265
Placements with banks and other financial Institutions	5(3)	47,121,635	32,914,906	49,393,560	36,670,434
Derivative financial assets	5(4)	2,600,601	1,827,159	2,600,601	1,827,159
Financial assets held under resale agreements	5(5)	6,464,697	6,159,533	6,025,194	5,035,562
Loans and advances to customers	5(6)	1,165,964,075	1,010,901,288	1,164,662,057	1,009,693,836
Financial investments:	5(7)				
Financial investments measured at fair value through profit or loss		244,914,470	229,755,366	238,054,176	229,510,772
Financial investments measured at amortised cost		507,528,658	476,973,498	506,611,957	477,038,147
Financial investments measured at fair value through other comprehensive income		93,269,900	76,082,306	93,269,900	76,082,306
Financial investments designated at fair value through other comprehensive income		194,970	137,676	194,970	137,676
Long-term receivables	5(8)	53,623,665	47,874,891	-	-
Long-term equity investments	5(9)	-	-	4,533,800	2,533,800
Fixed assets	5(10)	5,227,446	5,327,040	4,970,243	5,246,994
Intangible assets	5(11)	599,205	635,588	595,692	631,290
Deferred tax assets	5(12)	14,156,463	8,861,428	13,681,437	8,567,559
Other assets	5(13)	6,006,010	2,252,030	5,933,605	2,107,143
Total assets		2,337,892,914	2,065,058,387	2,279,360,983	2,020,141,137

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.

  Xia Ping Legal Representative	  Ji Ming The person in charge of accounting affairs	  Luo Feng The head of the accounting department
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The notes on pages 152 to 251 form part of these financial statements.


Bank of Jiangsu Company Limited
Consolidated and the Bank's balance sheet as at 31 December 2020 (continued)
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Liabilities and shareholders' equity					
Liabilities					
Borrowings from central bank		195,611,850	123,517,336	195,322,053	123,517,336
Deposits from banks and other financial institutions	5(15)	125,229,961	136,782,794	125,386,102	136,820,771
Borrowings from banks and other financial institutions	5(16)	51,472,417	41,215,852	16,564,959	12,368,492
Financial liabilities held for trading	5(17)	344,031	21	40,504	21
Derivative financial liabilities	5(4)	2,555,317	1,763,479	2,555,317	1,763,479
Financial assets sold under repurchase agreements	5(18)	12,487,400	39,434,273	8,164,428	38,879,263
Deposits from customers	5(19)	1,329,869,837	1,205,562,442	1,328,999,901	1,204,809,619
Employee benefits payable	5(20)	7,140,406	5,461,019	7,056,292	5,404,989
Taxes payable	5(21)	6,546,401	3,701,526	6,250,537	3,453,936
Debt securities issued	5(22)	412,999,027	360,021,324	408,430,417	357,483,073
Provision	5(23)	660,582	589,761	660,542	589,717
Other liabilities	5(24)	10,896,412	10,572,639	3,573,720	3,508,170
Total liabilities		2,155,813,641	1,928,622,466	2,103,004,772	1,888,598,866
Equity					
Share capital	5(25)	14,769,607	11,544,500	14,769,607	11,544,500
Other equity instruments	5(26)	42,762,639	22,765,734	42,762,639	22,765,734
Including: Preference shares		19,977,830	19,977,830	19,977,830	19,977,830
Perpetual bonds		19,996,928	-	19,996,928	-
Capital reserve	5(27)	27,699,318	16,152,196	27,619,538	16,072,416
Other comprehensive income	5(28)	1,304,697	1,644,851	1,304,697	1,644,851
Surplus reserve	5(29)	19,859,396	17,034,028	19,859,396	17,034,028
General reserve	5(30)	32,381,679	28,385,510	31,585,692	27,754,420
Retained earnings	5(31)	39,260,403	35,265,566	38,454,642	34,726,322
Total equity attributable to shareholders of the Bank		178,037,739	132,792,385	176,356,211	131,542,271
Non-controlling interests		4,041,534	3,643,536	-	-
Total shareholders' equity		182,079,273	136,435,921	176,356,211	131,542,271
Total liabilities and shareholders' equity		2,337,892,914	2,065,058,387	2,279,360,983	2,020,141,137

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.








Xia Ping

Ji Ming

Luo Feng

Legal Representative

The person in charge of accounting affairs

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.


 Bank of Jiangsu Company Limited
 Consolidated and the Bank's income statement
 for the year ended 31 December 2020
 (Expressed in thousands of Renminbi, unless otherwise stated)

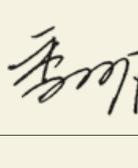
	Note	The Group		The Bank	
		2020	2019	2020	2019
Interest income		92,403,625	82,842,210	88,337,934	79,394,671
Interest expenses		(55,417,110)	(55,825,418)	(54,183,689)	(54,492,405)
Net interest income	5(32)	36,986,515	27,016,792	34,154,245	24,902,266
Fee and commission income		5,694,156	4,814,454	5,674,039	4,811,836
Fee and commission expenses		(337,634)	(271,675)	(325,812)	(248,792)
Net fee and commission income	5(33)	5,356,522	4,542,779	5,348,227	4,563,044
Investment income	5(34)	8,282,728	12,971,956	8,408,219	12,971,021
Other income		251,638	131,133	246,797	129,887
Net gains / (losses) from changes in fair value	5(35)	514,404	(183,011)	555,858	(189,099)
Net foreign exchange gains		312,902	342,602	312,902	342,602
Other operating income		66,244	49,629	23,292	21,960
Gains from asset disposals		255,242	102,134	255,242	102,049
Operating income		52,026,195	44,974,014	49,304,782	42,843,730
Taxes and surcharges		(641,086)	(526,780)	(628,175)	(513,048)
General and administrative expenses	5(36)	(12,204,764)	(11,530,571)	(12,034,827)	(11,406,903)
Impairment losses on credit	5(37)	(22,389,035)	(17,215,920)	(21,248,310)	(16,348,001)
Other operating expenses		(26,681)	(21,913)	(9,822)	(10,623)
Operating expenses		(35,261,566)	(29,295,184)	(33,921,134)	(28,278,575)
Operating profit		16,764,629	15,678,830	15,383,648	14,565,155
Add: Non-operating income		41,930	19,393	41,851	19,372
Less: Non-operating expenses		(58,553)	(82,737)	(56,961)	(82,287)
Profit before income tax		16,748,006	15,615,486	15,368,538	14,502,240
Less: Income tax expenses	5(38)	(1,128,263)	(655,707)	(734,207)	(375,394)
Net profit for the year		15,619,743	14,959,779	14,634,331	14,126,846

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.


Xia Ping

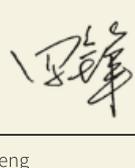


Ji Ming





The person in charge of accounting affairs





Luo Feng

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.


 Bank of Jiangsu Company Limited
 Consolidated and the Bank's income statement
 for the year ended 31 December 2020 (continued)
 (Expressed in thousands of Renminbi, unless otherwise stated)

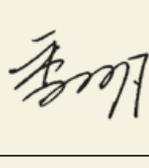
	Note	The Group		The Bank	
		2020	2019	2020	2019
Net profit for the year		15,619,743	14,959,779	14,634,331	14,126,846
Attributable to:					
Shareholders of the Bank		15,065,745	14,618,609	14,634,331	14,126,846
Non-controlling interests		553,998	341,170	-	-
Other comprehensive income, net of tax	5(28)	(340,154)	(866,656)	(340,154)	(866,656)
Other comprehensive income (net of tax) attributable to shareholders of the Bank		(340,154)	(866,656)	(340,154)	(866,656)
Items that may not be reclassified to profit or loss:					
Changes in fair value of financial investments designated at FVOCI		42,970	8,970	42,970	8,970
Items that may be reclassified to profit or loss					
Changes in fair value of financial investments measured at FVOCI		(847,514)	(947,457)	(847,514)	(947,457)
Credit losses of financial investments measured at FVOCI		464,390	71,831	464,390	71,831
Other comprehensive income (net of tax) attributable to non-controlling interests		-	-	-	-
Total comprehensive income for the year		15,279,589	14,093,123	14,294,177	13,260,190

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.



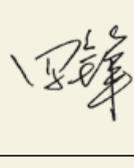

Xia Ping

Legal Representative




Ji Ming

The person in charge of accounting affairs




Luo Feng

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.


 Bank of Jiangsu Company Limited
 Consolidated and the Bank's income statement
 for the year ended 31 December 2020 (continued)
 (Expressed in thousands of Renminbi, unless otherwise stated)

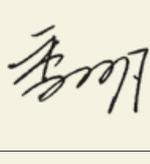
	Note	The Group		The Bank	
		2020	2019	2020	2019
Total comprehensive income for the year		15,279,589	14,093,123	14,294,177	13,260,190
Attributable to:					
Shareholders of the Bank		14,725,591	13,751,953		
Non-controlling interests		553,998	341,170		
Earnings per share					
Basic earnings per share (RMB yuan)	5(39)	1.21	1.18		
Diluted earnings per share (RMB yuan)	5(39)	1.04	1.04		

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.




Xia Ping

Legal Representative




Ji Ming

The person in charge of accounting affairs




Luo Feng

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.


Bank of Jiangsu Company Limited
Consolidated and the Bank's cash flow statement
for the year ended 31 December 2020
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2020	2019	2020	2019
Cash flows from operating activities:					
Net decrease in deposits with central bank, banks and other financial institutions		-	2,764,950	-	2,857,059
Net increase in borrowings from central bank		71,505,120	11,540,000	71,215,530	11,710,000
Net increase in deposits from customers, banks and other financial institutions		109,934,197	76,532,953	109,939,380	76,154,812
Net increase in placements from banks and other financial institutions		-	4,414,790	-	-
Interest, fee and commission receipts		83,089,034	77,949,458	79,241,519	73,185,132
Proceeds from other operating activities		1,281,801	1,436,887	429,840	218,316
Sub-total of cash inflows		265,810,152	174,639,038	260,826,269	164,125,319
Net increase in deposits with domestic central bank and other financial institutions		(12,689,514)	-	(11,825,159)	-
Net increase in loans and advances to customers		(169,871,925)	(155,046,997)	(169,713,384)	(154,855,951)
Net decrease in borrowings from banks and other financial institutions		(26,877,888)	-	(40,247,792)	(2,152,090)
Net increase in financial assets held for trading purpose		(9,939,468)	(8,177,456)	(7,648,446)	(8,177,456)
Interest, fee and commission payments		(40,593,227)	(41,699,522)	(39,439,035)	(40,500,085)
Payment to and for employees		(6,662,733)	(7,613,218)	(6,570,579)	(7,528,598)
Payment of various taxes		(8,016,208)	(5,962,459)	(7,408,054)	(5,582,228)
Payment for other operating activities		(10,442,919)	(14,097,153)	(3,496,853)	(3,343,988)
Sub-total of cash outflows		(285,093,882)	(232,596,805)	(286,349,302)	(222,140,396)
Net cash inflows from operating activities	5(40) (a)	(19,283,730)	(57,957,767)	(25,523,033)	(58,015,077)

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.








Xia Ping

Ji Ming

Luo Feng

Legal Representative

The person in charge of accounting affairs

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.


 Bank of Jiangsu Company Limited
 Consolidated and the Bank's cash flow statement
 for the year ended 31 December 2020 (continued)
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2020	2019	2020	2019
Cash flows from investing activities:					
Proceeds from disposal of investments		2,418,426,669	3,468,677,015	2,421,863,340	3,468,501,084
Investments returns received		24,869,992	24,168,542	25,047,309	24,153,935
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		401,778	239,187	401,762	239,084
Sub-total of cash inflows		2,443,698,439	3,493,084,744	2,447,312,411	3,492,894,103
Payment for acquisition of investments		(2,476,835,430)	(3,443,599,234)	(2,475,203,958)	(3,443,599,234)
Payment for increasing capitals in a subsidiary		-	-	-	(500,000)
Payment for establishment of a subsidiary		-	-	(2,000,000)	-
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(740,256)	(701,857)	(541,889)	(677,519)
Sub-total of cash outflows		(2,477,575,686)	(3,444,301,091)	(2,477,745,847)	(3,444,776,753)
Net cash outflows from investing activities		(33,877,247)	48,783,653	(30,433,436)	48,117,350
Cash flows from financing activities:					
Proceeds from establishment of a subsidiary		14,772,048	1,500,000	14,772,048	-
Including: Proceeds from non-controlling shareholders of subsidiaries		-	1,500,000	-	-
Cash inflows from issuance of other equity instruments		19,996,928	-	19,996,928	-
Proceeds from issuance of debt securities		470,072,950	535,899,776	468,086,916	535,649,776
Sub-total of cash inflows		504,841,926	537,399,776	502,855,892	535,649,776
Repayment of debt securities		(426,760,000)	(516,510,000)	(426,760,000)	(516,510,000)
Payment for dividends, profits distributions or interest		(6,652,261)	(8,194,445)	(6,385,261)	(8,087,459)
Sub-total of cash outflows		(433,412,261)	(524,704,445)	(433,145,261)	(524,597,459)
Net cash inflows from financing activities		71,429,665	12,695,331	69,710,631	11,052,317

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.



Xia Ping

Legal Representative



Ji Ming

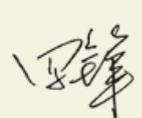
The person in charge of accounting affairs





Luo Feng

The head of the accounting department





The notes on pages 152 to 251 form part of these financial statements.

Bank of Jiangsu Company Limited
Consolidated and the Bank's cash flow statement
for the year ended 31 December 2020 (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)



	Note	The Group		The Bank	
		2020	2019	2020	2019
Effect of foreign exchange rate changes on cash and cash equivalents		(1,065,644)	126,936	(1,065,644)	126,936
Net decrease in cash and cash equivalents	5(40)(b)	17,203,044	3,648,153	12,688,518	1,281,526
Add: Cash and cash equivalents at the beginning of the year		51,383,938	47,735,785	53,818,749	52,537,223
Cash and cash equivalents at the end of the year	5(40)(c)	68,586,982	51,383,938	66,507,267	53,818,749

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.



Xia Ping

Legal Representative



Ji Ming

The person in charge of accounting affairs



Luo Feng

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.

Bank of Jiangsu Company Limited
Consolidated statement of changes in shareholders' equity
for the year ended 31 December 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Attributable to shareholders of the Bank							Total		
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings		Sub-total	Non-controlling interests
Balance at 1 January 2020		11,544,500	22,765,734	16,152,196	1,644,851	17,034,028	28,385,510	35,265,566	132,792,385	3,643,536	136,435,921
Changes in equity during the year											
1. Total comprehensive income		-	-	-	(340,154)	-	-	15,065,745	14,725,591	553,998	15,279,589
2. Shareholders' contributions of capital											
(1) Contribution by ordinary shareholders	5(25), (27)	3,225,084	-	11,546,964	-	-	-	-	14,772,048	-	14,772,048
(2) Contribution by holders of other equity instruments	5(26)	-	19,996,928	-	-	-	-	-	19,996,928	-	19,996,928
3. Convertible bonds conversion	5(22), (27)	23	(23)	158	-	-	-	-	158	-	158
4. Appropriation of profits											
(1) Appropriation for surplus reserve	5(29)	-	-	-	-	2,825,368	-	(2,825,368)	-	-	-
(2) Appropriation for general reserve	5(30)	-	-	-	-	(3,996,169)	-	(3,996,169)	-	-	-
(3) Ordinary share dividend distribution	5(31)	-	-	-	-	-	-	(3,209,371)	(3,209,371)	(156,000)	(3,365,371)
(4) Preference share dividend distribution	5(31)	-	-	-	-	-	-	(1,040,000)	(1,040,000)	-	(1,040,000)
Balance at 31 December 2020		14,769,607	42,762,639	27,699,318	1,304,697	19,859,396	32,381,679	39,260,403	178,037,739	4,041,534	182,079,273

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.

			
			
Xia Ping	Ji Ming	Luo Feng	
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	

The notes on pages 152 to 251 form part of these financial statements.

Bank of Jiangsu Company Limited

Consolidated statement of changes in shareholders' equity (continued)
for the year ended 31 December 2019

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Attributable to shareholders of the Bank									
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Sub-total	Non-controlling interests	Total
Balance at 31 December 2018		11,544,450	19,977,830	16,075,278	578,161	14,475,708	25,376,162	34,596,885	122,624,474	1,880,452	124,504,926
Changes in Accounting Policy		-	-	-	1,933,346	-	-	(3,417,147)	(1,483,801)	(1,506)	(1,485,307)
Balance at 1 January 2019		11,544,450	19,977,830	16,075,278	2,511,507	14,475,708	25,376,162	31,179,738	121,140,673	1,878,946	123,019,619
Changes in equity during the year											
1. Total comprehensive income					(866,656)			14,618,609	13,751,953	341,170	14,093,123
2. Capital injection by other equity instruments holders	5(26)		2,787,957						2,787,957		2,787,957
3. Convertible bonds conversion	5(22),(27)	50	(53)	338					335		335
4. Capital injection by non-controlling shareholders	5(27)			76,580					76,580	1,423,420	1,500,000
5. Appropriation of profits											
(1) Appropriation for surplus reserve	5(29)							(2,558,320)			
(2) Appropriation for general reserve	5(30)						3,009,348				
(3) Ordinary share dividend distribution	5(31)							(3,925,113)	(3,925,113)		(3,925,113)
(4) Preference share dividend distribution	5(31)							(1,040,000)	(1,040,000)		(1,040,000)
Balance at 31 December 2019		11,544,500	22,765,734	16,152,196	1,644,851	17,034,028	28,385,510	35,265,566	132,792,385	3,643,536	136,435,921

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.








Xia Ping

Legal Representative

Ji Ming

The person in charge of accounting affairs

Luo Feng

The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.

Bank of Jiangsu Company Limited
Statement of changes in shareholders' equity
for the year ended 31 December 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
Balance at 1 January 2020		11,544,500	22,765,734	16,072,416	1,644,851	17,034,028	27,754,420	34,726,322	131,542,271
Changes in equity during the year									
1. Total comprehensive income									
2. Shareholders' contributions of capital									
(1) Contribution by ordinary shareholders	5(25), (27)	3,225,084	-	11,546,964	-	-	-	-	14,294,177
(2) Contribution by holders of other equity instruments	5(26)	-	19,996,928	-	-	-	-	-	19,996,928
3. Convertible bonds conversion	5(22), (27)	23	(23)	158	-	-	-	-	158
4. Appropriation of profits									
(1) Appropriation for surplus reserve	5(29)	-	-	-	-	2,825,368	-	(2,825,368)	-
(2) Appropriation for general reserve	5(30)	-	-	-	-	-	3,831,272	(3,831,272)	-
(3) Ordinary share dividend distribution	5(31)	-	-	-	-	-	-	(3,209,371)	(3,209,371)
(4) Preference share dividend distribution	5(31)	-	-	-	-	-	-	(1,040,000)	(1,040,000)
Balance at 31 December 2020		14,769,607	42,762,639	27,619,538	1,304,697	19,859,396	31,585,692	38,454,642	176,356,211

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.



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Legal Representative



Ji Ming
The person in charge of accounting affairs




Luo Feng
The head of the accounting department

The notes on pages 152 to 251 form part of these financial statements.

Bank of Jiangsu Company Limited
Statement of changes in shareholders' equity (continued)
for the year ended 31 December 2019
(Expressed in thousands of Renminbi, unless otherwise stated)

Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
Balance at 31 December 2018	11,544,450	19,977,830	16,072,078	578,161	14,475,708	24,903,706	34,389,724	121,941,657
Changes in Accounting Policy	-	-	-	1,933,346	-	-	(3,416,101)	(1,482,755)
Balance at 1 January 2019	11,544,450	19,977,830	16,072,078	2,511,507	14,475,708	24,903,706	30,973,623	120,458,902
Changes in equity during the year								
1. Total comprehensive income	-	-	-	(866,656)	-	-	14,126,846	13,260,190
2. Capital injection by other equity instrument holders	-	2,787,957	-	-	-	-	-	2,787,957
3. Convertible bonds conversion	50	(53)	338	-	-	-	-	335
4. Appropriation of profits								
(1) Appropriation for surplus reserve	-	-	-	-	2,558,320	-	(2,558,320)	-
(2) Appropriation for general reserve	-	-	-	-	-	2,850,714	(2,850,714)	-
(3) Ordinary share dividend distribution	-	-	-	-	-	-	(3,925,113)	(3,925,113)
(4) Preference share dividend distribution	-	-	-	-	-	-	(1,040,000)	(1,040,000)
Balance at 31 December 2019	11,544,500	22,765,734	16,072,416	1,644,851	17,034,028	27,754,420	34,726,322	131,542,271

These financial statements were approved by the Board of Directors of the Bank on 28 April 2021.

 Xia Ping



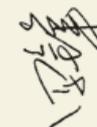
Xia Ping

Legal Representative

Ji Ming

The person in charge of accounting affairs

 Ji Ming



Luo Feng

The head of the accounting department

 Luo Feng

The notes on pages 152 to 251 form part of these financial statements.

Bank of Jiangsu Company Limited
Notes to the financial statements
 (Expressed in thousands of Renminbi, unless otherwise stated)

1. General information

Upon the approval from the former China Banking Regulatory Commission ("CBRC") Jiangsu Office, Bank of Jiangsu Company Limited (hereinafter referred to as the "Bank") was incorporated in December 2006 with a financial business certificate of No. B0243H232010001. The Bank obtained a business license issued by the Jiangsu Municipal Administration of Industry and Commerce on 22 January 2007. The Bank's unified social credit code is 91320000796544598E. The registered address was No. 26 Zhonghua Road, Nanjing.

The Bank is listed on the Shanghai Stock Exchange and A-share stock code is 600919.

The principal activities of the Bank and its subsidiaries (hereinafter collectively referred to as the "Group") including corporate and personal financial services, settlement, treasury, investment banking, financial leasing and other financial services.

2. Basis of preparation

The financial statements have been prepared on the basis of going concern.

The Group has implemented the Accounting Standards for Business Enterprises No. 22 – recognition and measurement of financial instruments and other new financial instrument standards and the Accounting Standard for Business Enterprises No. 14 – Revenue revised by the Ministry of Finance (MOF) of the People's Republic of China (PRC) in 2017 since 1 January 2019 and 1 January 2020 respectively (see Note 3(28)(a)).

The Group has not yet adopted "Accounting Standard for Business Enterprises No. 21 – Leases" issued by the Ministry of Finance ("MOF") of the People's Republic of China in 2018 respectively.

3. Significant accounting policies and accounting estimates

(1) Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards ("CAS") for Business Enterprises issued by the Ministry of Finance (hereinafter referred to as the "MOF") of the People's Republic of China. These financial statements present truly and completely the consolidated financial position and financial position of the Bank as at 31 December 2020, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Bank for the year then ended.

These financial statements also comply with disclosure requirements of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission ("CSRC") in 2014.

(2) Accounting year

The accounting year of the Group is from 1 January to 31 December.

(3) Functional currency

The Bank's functional currency is Renminbi ("RMB") and these financial statements are presented in RMB. Functional currency is determined by the Bank and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

(4) Consolidated financial statements

(a) General principle

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Bank and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening balance of owners' equity of the subsidiary, the excess is allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Bank, the Bank makes necessary adjustments to the financial statements of the subsidiary based on the Bank's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

(b) Changes in non-controlling interests

Where the Bank acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-restricted deposits with central bank, short-term deposits and placements with banks and other financial institutions, financial assets held under resale agreements, and short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(6) Foreign currency transactions and translation of financial statements denominated in foreign currencies

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, such as the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to RMB using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of available-for-sale financial assets, which are recognised in other comprehensive income.

(7) 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.

(a) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with Note 3(22).

(b) Classification and subsequent measurement of financial assets

(i) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Unless the group changes the business mode of managing financial assets, in which case, all affected relevant financial assets shall be reclassified on the first day of the first reporting period after the change of business mode, otherwise, financial assets shall not be reclassified after initial recognition.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual

terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(ii) Subsequent measurement of financial assets

Financial assets measured at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

Debt instruments measured at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments measured at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(c) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL and amortised cost.

Financial liabilities measured at FVTPL

A financial liability is classified as measured at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gains and losses (including any interest expense) are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

Financial guarantee liabilities

Financial guarantees are contracts that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss in accordance with the accounting policies set out in Note 3(22).

A financial guarantee liability is measured at the higher of:

- the amount of the loss allowance determined in accordance with impairment policies of financial instruments (see Notes 3.7(f)); and

- the amount initially recognised less the cumulative amount of income.

Financial liabilities at amortised cost

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

(d) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- The Group currently has a legally enforceable right to set off the recognised amounts;
- The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(e) Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the financial assets meet one of the following conditions:

- the contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income for the part derecognized.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(f) Impairment

The Group recognises loss allowances for ECL on:

- Financial assets measured at amortised cost;
- Debt instruments measured at FVOCI;
- Lease receivables; and
- Loan commitments and financial guarantee contracts issued, which are not measured at FVTPL;

Financial assets measured at fair value, including debt instruments or equity instruments measured at FVTPL, equity instruments designated as at FVOCI and derivative financial assets, are not subject to the ECL assessment.

(i) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the end of the reporting period (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

The Group classifies financial instruments into three stages and makes provisions for expected credit losses accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition, whether credit impairment has occurred.

The three risk stages are defined as follows:

Stage 1: A financial instrument of which the credit risk has not significantly increase since initial recognition. The amount equal to 12-month expected credit losses is recognised as loss allowance.

Stage 2: A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired. The amount equal to lifetime expected credit losses is recognised as loss allowance. Refer to Note 10(1) for the description of how the Group determines when a significant increase in credit risk has occurred.

Stage 3: A financial instrument is considered to be credit-impaired as at the end of the reporting period. The amount equal to lifetime expected credit losses is recognised as loss allowance. Refer to Note 10(1) for the definition of credit-impaired financial assets.

(ii) Presentation of allowance for ECL

ECLs are remeasured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for financial instruments measured at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account; for debt instruments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income. Refer to Note 5(23) the Group recognises loss allowances for loan commitments and financial guarantee contracts issued, which are not measured at FVTPL through other liabilities.

(iii) Write-off

The book value of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(g) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Bank for repurchasing self-issued equity instruments are deducted from shareholders' equity.

(h) Convertible instruments

Convertible instruments containing an equity component

Convertible instruments issued by the Group that can be converted to equity shares, where the number of shares to be issued and the value of consideration to be received at that time do not vary, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The amount recognised in the equity is the difference between the fair value of the instrument as a whole and the separately determined fair value of the liability component (including the value of any embedded derivatives other than the equity component). Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at FVTPL. The equity component is not re-measured.

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or directly recognised in equity if it relates to the equity component.

(i) Preference shares and perpetual bonds

At initial recognition, the Group classifies the preference shares and perpetual bonds issued or their components as financial assets, financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial assets, financial liabilities and equity instruments.

Preference shares and perpetual bonds issued containing both equity and liability components are accounted for using the accounting policy for convertible instruments containing an equity component. Preference shares and perpetual bonds issued not containing an equity component are accounted for using the accounting policy for other convertible instruments not containing an equity component.

Preference shares and perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the preference shares and perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

(8) Financial assets held under resale agreements and financial assets sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the balance sheet. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the balance sheet.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses respectively.

(9) Long-term equity investments

Long-term equity investments of the Bank are the long-term equity investments in the subsidiaries.

In the Bank's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Bank recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses (Note 3(13)).

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note 3(4).

(10) Fixed assets and construction in progress

Fixed assets represent tangible assets held by the Group for the conduct of business with useful lives over one accounting year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(13)). Construction in progress is stated in the balance sheet at cost less impairment loss (see Note 3(13)).

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in different patterns, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

The carrying amount of a fixed asset is derecognised:

- When the fixed asset is holding for disposal; or
- When no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

The cost of fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life. The estimated useful lives, residual values and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life	Estimated residual value rate	Depreciation rate
Premises and buildings	20 years	3% - 5%	4.75% - 4.85%
Electronic equipment	3 - 5 years	3% - 5%	19.00% - 31.67%
Motor vehicles	4 - 20 years	3% - 15%	25.00% - 23.75%
Other equipment	5 years	3% - 5%	19.00% - 19.40%

Useful lives, estimated residual values and depreciation methods are reviewed at least each year-end.

The cost of self-constructed fixed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to working condition for its intended use. A self-constructed fixed asset is classified as construction in progress and transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

(11) Intangible assets

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 3(13)). For an intangible asset with finite useful life, its cost less estimated net residual value and accumulated impairment is amortised using straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

Class	Amortisation period
Land use right	40 – 70 years
Software	2 – 10 years

Useful lives and amortisation methods of intangible asset with finite useful life are reviewed at least at each year-end.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

(12) Repossessed assets

Repossessed assets are physical assets or property rights obtained by the Group from debtors, warrantors or third parties following the enforcement of its creditor's rights. If a repossessed asset is a financial asset, it recognized and measured according to notes 3.(7). Non-financial repossessed assets are initially recognised at fair value of abandoned debt and the tax and other costs directly attributable to the asset, and subsequently carried at lower of the carrying amount and the recoverable amount. If the recoverable amount of a repossessed asset is less than its carrying amount on balance sheet date, an impairment loss should be charged to profit or loss (see Note 3(13)).

(13) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at the end of the balance sheet based on internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets and construction in progress
- intangible assets
- long-term equity investments
- repossessed assets

The Group conducted impairment tests on assets. If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated.

The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value (Note 3(14)) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly related to cash-generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the

carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

(14) Fair value measurement

Unless otherwise stated, the Group measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

(15) Employee benefits

(a) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(b) Post-employment benefits – defined contribution plans

The defined contribution plans which the Group participates include:

- Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan and unemployment insurance plans in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

- According to the "Trial Measures for Enterprise Annuity" (Order of the Ministry of Labor and Social Security of the People's Republic of China No.20), the Group's employees participate in the enterprise annuity plan that is approved by the Board of Directors and submitted to the labor and social security authority. The amount of the annuity contribution is calculated in accordance with the annuity plan.

The Group recognises the contribution amount during the accounting period in which the employee provide service as liabilities and recognises them in profit or loss or costs of related assets in the same period.

(c) Termination benefits

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(d) Other long-term employee benefits

The Group recognises the deferred award provided to employees based on business performance during the accounting period in which the employee provide service as liabilities and recognises them in profit or loss or costs of related assets in the same period.

(16) Government Grant

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

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.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is offset against the carrying amount of the related asset or recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income or offset against related expenses in the periods in which the expenses or losses are recognised. Or included in other income or non-operating income or offset against the related expenses directly.

(17) Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items that are recognised directly in equity including other comprehensive income.

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss).

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax assets and current tax liabilities;
- they relate to income taxes levied by the same tax authority on either:

- the same taxable entity; or
- different taxable entities which intend either to settle the current tax assets and current tax liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

(18) Operating lease and finance lease

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

(a) Operating lease charges

Rental payments under operating leases are recognised as part of the cost of another related asset or as expenses on a straight-line basis over the lease term. Contingent rental payments are expensed as incurred.

(b) Assets leased out under operating leases

Fixed assets leased out under operating leases are depreciated in accordance with the Group's depreciation policies described in Note 3(10) and its impairment losses are accounted for in accordance with the accounting policies described in Note 3(13). Income derived from operating leases is recognised in the profit or loss using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately. Contingent rentals are recognised as income as they are earned.

(c) Assets leased out under finance leases

At the commencement of the lease term, the Group recognises the aggregate of the minimum lease receipts determined at the inception of a lease and the initial direct costs as finance lease receivable, and recognises unguaranteed residual value at the same time. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the aggregate of their present value is recognised as unearned finance income.

Unearned finance income is allocated to each accounting period during the lease term using the effective interest method. At the balance sheet date, finance lease receivables, net of unearned finance income, are analysed and separately presented as long-term receivables or non-current assets due within one year.

Contingent rentals are recognised as income when they are earned.

(19) Provisions

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. 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. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- when the contingency involves a single item, the best estimate is the most likely outcome.
- where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

(20) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Liabilities arising from financial guarantees are recognised initially at fair value and the initial fair value is amortised over the life of the guarantee. The liabilities are measured at the higher of the amount of the loss allowance determined in accordance with impairment policies of financial instruments (refer to Note 3(7)(f) and the amount initially recognised less the cumulative amount of income when a payment under the contracts has become probable.

(21) Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

The Group enters into entrusted loan agreements with customers, whereby the customers provide funding ("entrusted funds") to the Group, and the Group grants loans to third parties ("entrusted loans") under instructions of the customers. As the Group does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, the entrusted loans and funds are recorded as off-balance sheet items at their principal amount. No provision for impairment loss is made for entrusted loans.

(22) Revenue recognition

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in an increase in shareholder's equity, other than an increase relating to contributions from shareholders.

(a) Interest income

For all financial instruments measured at amortised cost and interest-generating financial instruments classified as financial assets measured at FVOCI, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, where appropriate, to the book value of the financial asset, or the amortised cost of financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

Interest income is calculated by applying the effective interest rate to the book value of financial assets and is included in interest income, except for:

- For purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit adjusted effective interest rate to their amortised cost; and
- Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their book value.

(b) Fee and commission income

The group charges fee and commission by providing various services to clients. The fee and commission income recognized by the group reflects the amount of consideration expected to be entitled to receive for providing services to customers, and it is recognized when the group satisfies the performance obligation in the contract by transferring the control over relevant services to the customers.

The Group satisfies a performance obligation over time if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or

- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

Otherwise, a performance obligation is satisfied at a point in time.

(c) Dividend income

Dividend income from unlisted equity investment is recognised in profit or loss on the date when the Group's right to receive payment is established. Dividend income from a listed equity investment is recognised when the share price of the investment goes ex-dividend.

(23) Expenses

(a) Interest expense

Interest expenses from financial liabilities are accrued on a time proportion basis in line with the amortised cost and the applicable effective interest rate.

(b) Other expenses

Other expenses are recognised on an accrual basis.

(24) Profit distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

(25) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Bank is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Bank determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

Meanwhile, the Group determined related parties in accordance to the Administrative Measures on Affiliated Transactions between Commercial Banks and their Insiders or Shareholders and Provisional Measures on Administration of Equities of Commercial Banks issued by former CBRC.

(26) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of providing products and services, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

(27) Significant accounting estimates and judgements

The preparation of Financial Information requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Significant accounting estimates

Except for accounting estimates relating to depreciation and amortisation of fixed assets and intangible assets (See Note 3(10) and Note 3(11)) and impairment of all types of assets (See Note 5(2), (3), (5), (6), (7), (8), (9), (10), (11), (13)), other significant accounting estimates are as follows:

- (i) Note 5(12): Recognition of deferred tax assets; and
 - (ii) Note 11: Fair value measurement of financial instruments.
- (b) Significant accounting judgements

Significant judgements made by the Group in the application of accounting policies are as follows:

- (i) Note 5(26): Preference shares, perpetual bonds and convertible instruments classified as financial liabilities or equity instruments; and
- (ii) Note 6: Significant judgements and assumptions in whether having control, joint control or significant influence over other entities.

(28) Changes in significant accounting policies and accounting estimates

In 2020, the group implemented the following accounting standards for business enterprises and the revision of statement format issued by the MOF in recent years:

- The Accounting Standard for Business Enterprises No. 14 – Revenue (revised) (hereinafter referred to as "the New Revenue Standard")
- CAS Bulletin No.13 (Caikuai [2019] No.21)
- The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10)

Further information about those changes that are expected to affect the Group is as follows:

(a) New financial instrument standards

The New Revenue Standard replaces the Accounting Standard for Business Enterprises No. 14 – Revenue and No. 15 – Construction Contracts (collectively referred to as "the Original Revenue Standard") issued by the Ministry of Finance ("MOF") of the People's Republic of China in 2006.

Under the original revenue standard, the group takes the risk reward transfer as the judgment criteria of revenue recognition time point.

Under the new revenue standard, the group takes the service control transfer as the judgment criteria of revenue recognition time point. The group recognises revenues when it fulfills the performance obligation in the contract by transferring the control over relevant services to the customers. A performance obligation is fulfilled by the group over time if certain criteria is met, otherwise, it is fulfilled at a point in time.

According to provisions of the new revenue standard, the group presents contract assets or contract liabilities in the balance sheet according to the relationship between performance obligation and customer payment. At the same time, the group provides more disclosure of information related to revenue in accordance with the new revenue standard.

The adoption of the new revenue standard does not have any significant effect on the financial position and financial performance of the group.

(b) CAS Bulletin No.13

CAS Bulletin No.13 has amended the three elements of constituting a business, provides specific guidance on the determination of a business, and introduces an optional concentration test when the acquirer determine whether an acquired set of assets that not involving enterprises under common control constitute a business.

In addition, CAS Bulletin No.13 further clarifies that related parties of an enterprise also include joint ventures or joint ventures of other member units (including parent company and subsidiary company) of the enterprise group to which the enterprise belongs, and other joint ventures or joint ventures of investors who jointly control the enterprise.

CAS Bulletin No.13 takes effect on 1 January 2020. The Bank has adopted the accounting policy change prospectively. The adoption of CAS Bulletin No.13 does not have any significant effect on the financial position, financial performance or related party disclosures of the Bank.

(c) Caikuai [2020] No.10

Caikuai [2020] No.10 provides a practical expedient under certain conditions for rent concessions occurring as a direct consequence of the Covid-19 pandemic. If an entity elects to apply the practical expedient, the entity does not need to assess whether a lease modification has occurred or to reassess the lease classification.

Caikuai [2020] No.10 takes effect on 24 June 2020 (the implementation date). The entity is allowed to adjust the related rent concessions that occurred between 1 January 2020 and the implementation date. The adoption of Caikuai [2020] No.10 does not have any significant effect on the financial position or financial performance of the Bank.

4. Taxation

The Bank and its subsidiaries' main applicable taxes and tax rates are as follows:

Tax type	Tax rate
Value-added tax ("VAT")	Output VAT is calculated as 6% of taxable revenue based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT in the same period, is VAT payable. Some part of output VAT is calculated as 2% - 16% of product sales and taxable services revenue. VAT is calculated as 3% of taxable revenue based on the simple taxation method for Jiangsu Danyang Rural Bank Ltd. ("Suyin County Bank of Danyang", formerly "Danyang Baode Village and Township Bank."), a subsidiary of the Bank.
City maintenance and construction tax	5%-7% of VAT actually paid
Education surcharges	5% of VAT actually paid
Income tax	25% of taxable income

5. Notes to the financial statement

(1) Cash and deposits with central bank

	Note	The Group		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Cash on hand		1,489,586	1,379,061	1,480,624	1,375,142
Deposits with domestic central bank					
- Statutory deposit reserves	(i)	128,093,748	121,948,409	127,751,837	121,890,852
- Surplus deposit reserves	(ii)	16,353,412	7,152,150	16,327,857	7,147,744
- Fiscal deposits		558,923	1,203,192	558,923	1,203,192
- Foreign exchange risk reserves	(iii)	515,941	515,550	515,941	515,550
Sub-total		145,522,024	130,819,301	145,154,558	130,757,338
Accrued interest		62,033	53,738	62,003	53,714
Total		147,073,643	132,252,100	146,697,185	132,186,194

(i) Statutory deposit reserves with central bank represent the deposits placed with the People's Bank of China ("the PBOC") in accordance with the relevant regulations, which are not available for use in daily business. As at 31 December 2020, the reserve ratio for RMBdeposits of the Bank is 10% (31 December 2019: 10.5%), and the reserve ratio for foreign currency deposits of the Bank is 5% (31 December 2019: 5%). The reserve ratio for RMBdeposits of the Bank's subsidiary, Suyin County Bank of Danyang, is 6% (31 December 2019: 7.5%).

(ii) The surplus deposit reserves are maintained with the PBOC for clearing purposes.

(iii) The foreign exchange risk reserves are the amount deposited by the Group in accordance with the relevant PBOC requirements on the sale of the foreign exchange forward business.

(2) Deposits with banks and other financial institutions

Analysed by location of counterparties and type

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Deposits in mainland China				
- Banks	27,524,388	28,091,165	26,513,188	27,859,300
Deposits outside mainland China				
- Banks	16,638,364	5,735,898	16,638,364	5,735,898
Sub-total	44,162,752	33,827,063	43,151,552	33,595,198
Accrued interest	130,340	124,481	130,188	124,880
Less: Provision for impairment losses	(1,145,616)	(847,966)	(1,145,134)	(847,813)
Total	43,147,476	33,103,578	42,136,606	32,872,265

As at 31 December 2020, deposits placed with banks in mainland China of the Group and the Bank included RMB42 million pledged deposits (31 December 2019: RMB41 million pledged deposits for the Group and the Bank).

(3) Placements with banks and other financial institutions

Analysed by location and type of counterparties

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Placements in mainland China				
- Banks	9,404,975	5,142,510	9,404,975	5,142,510
- Other financial institutions	37,382,353	27,717,953	39,632,353	31,467,953
Sub-total	46,787,328	32,860,463	49,037,328	36,610,463
Placements outside mainland China				
- Banks	486,055	-	486,055	-
Sub-total	47,273,383	32,860,463	49,523,383	36,610,463
Accrued interest	411,601	151,087	433,506	156,615
Less: Provision for impairment losses	(563,349)	(96,644)	(563,329)	(96,644)
Total	47,121,635	32,914,906	49,393,560	36,670,434

(4) Derivative financial assets and liabilities

The Group and the Bank

	31 December 2020			31 December 2019		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest rate derivatives	248,344,192	493,875	(395,622)	30,019,125	220,904	(231,351)
Currency derivatives	212,453,968	2,106,060	(2,155,092)	306,516,157	1,606,255	(1,526,645)
Credit derivatives	460,000	666	(4,603)	525,000	-	(5,483)
Total	461,258,160	2,600,601	(2,555,317)	337,060,282	1,827,159	(1,763,479)

The notional amount of derivative financial instruments is the outstanding volume of contractual transactions as at balance sheet date and does not represent for the amount of market risk undertaken.

(5) Financial assets held under resale agreements

(a) Analysed by type of collateral

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Bonds				
- Bonds issued by banks and other financial institutions	3,569,164	3,822,790	3,569,164	2,994,560
- Bonds issued by Chinese government	2,512,913	1,748,400	2,472,913	1,550,400
- Bills	414,475	-	414,475	-
- Bonds issued by other institutions	399,000	597,000	-	500,000
Sub-total	6,895,552	6,168,190	6,456,552	5,044,960
Accrued interest	743	3,967	231	3,171
Less: Provision for impairment losses	(431,598)	(12,624)	(431,589)	(12,569)
Total	6,464,697	6,159,533	6,025,194	5,035,562

(b) Analysed by location and type of counterparties.

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
In mainland China				
- Banks	3,042,150	6,168,190	2,742,150	5,044,960
- Other financial institutions	3,853,402	-	3,714,402	-
Sub-total	6,895,552	6,168,190	6,456,552	5,044,960
Accrued interest	743	3,967	231	3,171
Less: Provision for impairment losses	(431,598)	(12,624)	(431,589)	(12,569)
Total	6,464,697	6,159,533	6,025,194	5,035,562

(6) Loans and advances to customers

(a) Analysed by nature

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<i>Measured at amortised cost</i>				
Loans and advances to corporates	635,446,408	572,361,083	634,383,707	571,348,680
Loans and advances to individuals				
- Property mortgages	223,808,967	172,850,177	223,597,464	172,701,952
- Personal consumption loans	198,814,733	162,767,536	198,793,096	162,742,580
- Personal business loans	24,921,002	22,011,540	24,852,481	21,959,023
- Credit cards	22,366,631	18,320,562	22,366,631	18,320,562
Sub-total	469,911,333	375,949,815	469,609,672	375,724,117
Discounted bills	403,519	11,007,498	403,519	11,007,498
Sub-total	1,105,761,260	959,318,396	1,104,396,898	958,080,295
<i>Measured at FVOCI</i>				
Loans and advances to corporates	1,497,635	24,791	1,497,635	24,791
Discounted bills	94,350,534	81,154,091	94,350,534	81,154,091
Sub-total	95,848,169	81,178,882	95,848,169	81,178,882
Accrued interest	4,939,601	3,825,959	4,937,035	3,823,513
Less: Provision for impairment losses	(40,584,955)	(33,421,949)	(40,520,045)	(33,388,854)
Carrying amount	1,165,964,075	1,010,901,288	1,164,662,057	1,009,693,836

As at the balance sheet date, part of the above loans and advances to customers were pledged for repurchase agreements (see Note 5(41)(a) for details).

(b) Analysed by type of collateral (Excluding accrued interest)

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Unsecured loans	399,088,360	239,289,247	399,067,821	239,273,036
Guaranteed loans	337,011,255	306,868,120	336,234,312	306,112,245
Loans secured by tangible assets	375,848,773	303,788,510	375,291,373	303,323,234
Loans secured by monetary assets	89,661,041	190,551,401	89,651,561	190,550,662
Total	1,201,609,429	1,040,497,278	1,200,245,067	1,039,259,177

(c) Analysed by economic sector (Excluding accrued interest)

	The Group		The Group		The Bank		The Bank	
	31 December 2020		31 December 2019		31 December 2020		31 December 2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Leasing and commercial services	148,724,739	12.38	131,822,520	12.67	148,681,338	12.39	131,783,520	12.68
Manufacturing	129,109,532	10.74	122,876,823	11.81	128,673,729	10.72	122,484,556	11.79
Real estate	89,337,212	7.43	58,452,939	5.62	89,337,212	7.44	58,452,939	5.62
Wholesale and retail	84,448,615	7.03	86,477,933	8.31	84,295,185	7.02	86,362,263	8.31
Public utilities	65,421,712	5.44	59,488,699	5.72	65,122,012	5.43	59,183,999	5.69
Construction	39,480,864	3.29	33,609,940	3.23	39,422,964	3.28	33,519,590	3.23
Transportation, storage and postal services	18,356,249	1.53	18,392,971	1.77	18,354,428	1.53	18,390,970	1.77
Electricity, thermo power, gas and water supply	13,631,663	1.13	12,820,728	1.23	13,631,663	1.14	12,820,728	1.23
Agriculture, forestry, husbandry and fishery	10,084,951	0.84	11,390,106	1.09	10,035,837	0.84	11,343,436	1.09
Information transmittal, software and information technology service	9,751,131	0.81	9,795,077	0.94	9,746,131	0.81	9,790,077	0.94
Scientific research and technological services	7,428,373	0.62	6,419,209	0.61	7,428,373	0.62	6,414,309	0.62
Resident services, repairs and other services	5,433,820	0.45	5,166,247	0.50	5,427,288	0.45	5,164,402	0.50
Culture, sports and entertainment	4,995,892	0.42	4,012,093	0.39	4,987,892	0.42	4,004,093	0.39
Hygiene and social work	2,972,426	0.25	2,702,597	0.26	2,972,426	0.25	2,702,597	0.26
Education	2,447,029	0.20	2,274,778	0.22	2,447,029	0.20	2,274,778	0.22
Hospitality and catering	2,101,976	0.17	2,588,935	0.25	2,099,976	0.17	2,586,935	0.25
Mining	1,319,013	0.11	1,471,950	0.14	1,319,013	0.11	1,471,950	0.14
Others	1,898,846	0.16	2,622,329	0.25	1,898,846	0.16	2,622,329	0.25
Sub-total of Loans and advances to corporates	636,944,043	53.00	572,385,874	55.01	635,881,342	52.98	571,373,471	54.98
Loans and advances to individuals	469,911,333	39.11	375,949,815	36.13	469,609,672	39.13	375,724,117	36.15
Discounted bills	94,754,053	7.89	92,161,589	8.86	94,754,053	7.89	92,161,589	8.87
Total	1,201,609,429	100.00	1,040,497,278	100.00	1,200,245,067	100.00	1,039,259,177	100.00

(d) Analysed by geographical sector (Excluding accrued interest)

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Jiangsu	991,840,970	850,818,769	990,476,608	849,580,668
Bohai Rim	65,811,733	66,528,742	65,811,733	66,528,742
Yangtze River Delta (excluding Jiangsu)	82,398,586	66,263,909	82,398,586	66,263,909
Pearl River Delta	61,558,140	56,885,858	61,558,140	56,885,858
Total	<u>1,201,609,429</u>	<u>1,040,497,278</u>	<u>1,200,245,067</u>	<u>1,039,259,177</u>

(e) Overdue loans and advances analysed by type of collateral type and overdue period (Excluding accrued interest)

The Group

	As at 31 December 2020				
	Overdue within three months (inclusive)	Overdue between three months and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	Total
Unsecured loans	2,026,393	1,803,065	459,072	131,601	4,420,131
Guaranteed loans	1,045,993	1,778,517	2,543,071	423,991	5,791,572
Loans secured by tangible assets	596,138	780,544	2,010,653	489,185	3,876,520
Loans secured by monetary assets	385	314,531	51,398	-	366,314
Total	<u>3,668,909</u>	<u>4,676,657</u>	<u>5,064,194</u>	<u>1,044,777</u>	<u>14,454,537</u>

	As at 31 December 2019				
	Overdue within three months (inclusive)	Overdue between three months and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	Total
Unsecured loans	1,331,712	960,439	555,844	88,120	2,936,115
Guaranteed loans	695,893	3,623,466	3,040,584	506,235	7,866,178
Loans secured by tangible assets	800,645	2,288,303	843,707	656,336	4,588,991
Loans secured by monetary assets	13,879	90,195	2,608	-	106,682
Total	<u>2,842,129</u>	<u>6,962,403</u>	<u>4,442,743</u>	<u>1,250,691</u>	<u>15,497,966</u>

The Bank

	As at 31 December 2020				Total
	Overdue within three months (inclusive)	Overdue between three months and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	
Unsecured loans	2,026,281	1,803,065	459,072	131,601	4,420,019
Guaranteed loans	1,037,353	1,778,517	2,543,071	423,991	5,782,932
Loans secured by tangible assets	596,138	779,944	2,010,653	489,185	3,875,920
Loans secured by monetary assets	385	314,531	51,398	-	366,314
Total	3,660,157	4,676,057	5,064,194	1,044,777	14,445,185

	As at 31 December 2019				Total
	Overdue within three months (inclusive)	Overdue between three months and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	
Unsecured loans	1,331,712	960,439	555,844	88,120	2,936,115
Guaranteed loans	695,893	3,611,336	3,040,584	506,235	7,854,048
Loans secured by tangible assets	800,645	2,288,303	843,047	656,336	4,588,331
Loans secured by monetary assets	13,879	90,195	2,608	-	106,682
Total	2,842,129	6,950,273	4,442,083	1,250,691	15,485,176

Overdue loans represent loans and advances to customers, of which the whole or part of the principal or interest was overdue for one day or more.

(f) Movements of provision for impairment losses

(i) Loans and advances to customers measured at amortised cost

The Group

	2020			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(18,096,998)	(5,642,151)	(9,682,800)	(33,421,949)
Transfer:				
- to stage 1	(1,569,803)	1,543,681	26,122	-
- to stage 2	673,449	(1,026,299)	352,850	-
- to stage 3	37,498	1,107,295	(1,144,793)	-
Charge	(3,520,072)	(2,690,911)	(9,169,167)	(15,380,150)
Write-offs	-	-	8,733,270	8,733,270
Recoveries	-	-	(522,301)	(522,301)
Others	3,198	1,249	1,728	6,175
As at 31 December	(22,472,728)	(6,707,136)	(11,405,091)	(40,584,955)

	2019			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(12,184,518)	(5,477,135)	(6,961,980)	(24,623,633)
Transfer:				
- to stage 1	(2,125,834)	2,111,623	14,211	-
- to stage 2	846,045	(1,030,332)	184,287	-
- to stage 3	22,278	1,432,097	(1,454,375)	-
Charge	(4,654,969)	(2,678,404)	(5,338,237)	(12,671,610)
Write-offs	-	-	4,071,922	4,071,922
Recoveries	-	-	(198,628)	(198,628)
As at 31 December	(18,096,998)	(5,642,151)	(9,682,800)	(33,421,949)

The Bank

	2020			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(18,076,993)	(5,638,726)	(9,673,135)	(33,388,854)
Transfer:				
- to stage 1	(1,569,771)	1,543,649	26,122	-
- to stage 2	665,050	(1,017,900)	352,850	-
- to stage 3	37,452	1,106,996	(1,144,448)	-
Charge	(3,497,838)	(2,678,242)	(9,139,975)	(15,316,055)
Write-offs	-	-	8,700,308	8,700,308
Recoveries	-	-	(521,619)	(521,619)
Others	3,198	1,249	1,728	6,175
As at 31 December	(22,438,902)	(6,682,974)	(11,398,169)	(40,520,045)

	2019			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(12,155,626)	(5,467,791)	(6,954,324)	(24,577,741)
Transfer:				
- to stage 1	(2,124,000)	2,111,169	12,831	-
- to stage 2	845,693	(1,028,635)	182,942	-
- to stage 3	21,925	1,428,814	(1,450,739)	-
Charge	(4,664,985)	(2,682,283)	(5,311,141)	(12,658,409)
Write-offs	-	-	4,045,924	4,045,924
Recoveries	-	-	(198,628)	(198,628)
As at 31 December	(18,076,993)	(5,638,726)	(9,673,135)	(33,388,854)

(ii) Loans and advances to customers measured at FVOCI

The Group and The Bank

	2020			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(927,997)	(10,061)	-	(938,058)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	3,166	(3,166)	-	-
- to stage 3	-	-	-	-
Charge/(Reverse)	(422,672)	5,126	-	(417,546)
As at 31 December	(1,347,503)	(8,101)	-	(1,355,604)

	2019			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(775,262)	(22,767)	-	(798,029)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	2,352	(2,352)	-	-
- to stage 3	-	-	-	-
Charge/(Reverse)	(155,087)	15,058	-	(140,029)
As at 31 December	(927,997)	(10,061)	-	(938,058)

Provision for impairment losses of loans and advances to customers measured at FVOCI is recognised in other comprehensive income. Impairment losses is recognised in profit or loss for the current period and will not influence the carrying amount of the financial asset in the balance sheet.

(7) Financial investment

	Note	The Group		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Financial investments measured at FVTPL	(a)	244,914,470	229,755,366	238,054,176	229,510,772
Financial investments measured at amortised cost	(b)	507,528,658	476,973,498	506,611,957	477,038,147
Financial investments measured at FVOCI	(c)	93,269,900	76,082,306	93,269,900	76,082,306
Financial investments designated at FVOCI	(d)	194,970	137,676	194,970	137,676
Total		845,907,998	782,948,846	838,131,003	782,768,901

(a) Financial investments measured at FVTPL

Analysed by type of issuer and geographical location

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Debt instruments				
Issued in mainland China:				
- Government	5,669,568	3,170,442	4,429,562	3,170,442
- Policy banks	10,553,986	8,995,485	7,558,536	8,995,485
- Banks and other financial institutions	8,328,404	930,921	6,939,254	930,921
- Other institutions	12,405,290	6,796,600	12,302,474	6,796,600
Sub-total	36,957,248	19,893,448	31,229,826	19,893,448
Issued outside mainland China				
- Banks and other financial institutions	4,504,500	1,006,474	4,504,500	1,006,474
- Other institutions	210,693	44,494	210,693	44,494
Sub-total	4,715,193	1,050,968	4,715,193	1,050,968
Sub-total of debt instruments	41,672,441	20,944,416	35,945,019	20,944,416
Fund investments	135,197,054	126,890,447	135,197,054	126,890,447
Wealth management products	49,048,939	67,350,600	48,658,070	67,350,600
Asset management and trust fund	1,715,220	11,303,458	1,456,351	11,058,864
Asset-backed securities	2,258,499	815,124	2,186,266	815,124
Equity investments	443,869	409,818	443,869	409,818
Other investments	14,578,448	2,041,503	14,167,547	2,041,503
Total	244,914,470	229,755,366	238,054,176	229,510,772

(b) Financial investments measured at amortised cost

(i) Analysed by type of issuer and geographical location

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Debt instruments				
Issued in mainland China:				
- Government	252,446,052	225,367,857	251,746,975	225,367,857
- Policy banks	19,971,416	17,776,504	19,971,416	17,776,504
- Banks and other financial institutions	2,269,927	3,369,912	2,269,927	3,369,912
- Other institutions	6,961,250	18,685,872	6,736,144	18,685,872
Sub-total	281,648,645	265,200,145	280,724,462	265,200,145
Issued outside mainland China				
- Banks and other financial institutions	-	486,452	-	486,452
- Other institutions	15,549,946	14,414,499	15,549,946	14,414,499
Sub-total	15,549,946	14,900,951	15,549,946	14,900,951
Sub-total of debt instruments	297,198,591	280,101,096	296,274,408	280,101,096
Asset management and trust fund	171,788,957	193,161,121	171,803,407	193,260,522
Asset-backed securities	27,814,628	7,918,876	27,814,628	7,918,876
Other investments	18,423,026	71,596	18,351,430	-
Sub-total	515,225,202	481,252,689	514,243,873	481,280,494
Accrued interest	5,635,886	5,545,026	5,628,652	5,546,072
Less: Provision for impairment losses	(13,332,430)	(9,824,217)	(13,260,568)	(9,788,419)
Total	507,528,658	476,973,498	506,611,957	477,038,147

At the balance sheet date, some of the debt instruments were pledged as collateral for repurchase transactions (see Note 5(41)(a) for details). No other investments were subject to material restriction on realisation.

(ii) Movements of provision for impairment losses

The Group

	2020			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(3,897,242)	(3,544,062)	(2,382,913)	(9,824,217)
Transfer:				
- to stage 1	(167,120)	167,120	-	-
- to stage 2	1,951,695	(1,951,695)	-	-
- to stage 3	677,898	891,465	(1,569,363)	-
Charge/(Reverse)	(2,615,837)	527,605	(1,925,093)	(4,013,325)
Written-offs and transfer out and other movements	537	(446,671)	951,246	505,112
As at 31 December	(4,050,069)	(4,356,238)	(4,926,123)	(13,332,430)

	2019			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(4,889,887)	(1,774,216)	(581,169)	(7,245,272)
Transfer:				
- to stage 1	(1,248,256)	1,248,256	-	-
- to stage 2	902,048	(902,048)	-	-
- to stage 3	42,330	4,619	(46,949)	-
Charge/(Reverse)	1,296,523	(2,120,673)	(1,754,795)	(2,578,945)
As at 31 December	(3,897,242)	(3,544,062)	(2,382,913)	(9,824,217)

The Bank

	2020			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(3,897,242)	(3,544,062)	(2,347,115)	(9,788,419)
Transfer:				
- to stage 1	(167,120)	167,120	-	-
- to stage 2	1,951,695	(1,951,695)	-	-
- to stage 3	677,898	891,465	(1,569,363)	-
Charge/(Reverse)	(2,615,571)	527,605	(1,889,295)	(3,977,261)
Written-offs and transfer out and other movements	537	(446,671)	951,246	505,112
As at 31 December	(4,049,803)	(4,356,238)	(4,854,527)	(13,260,568)

	2019			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(4,886,428)	(1,774,216)	(581,169)	(7,241,813)
Transfer:				
- to stage 1	(1,248,256)	1,248,256	-	-
- to stage 2	902,048	(902,048)	-	-
- to stage 3	42,330	4,619	(46,949)	-
Charge/(Reverse)	1,293,064	(2,120,673)	(1,718,997)	(2,546,606)
As at 31 December	(3,897,242)	(3,544,062)	(2,347,115)	(9,788,419)

(c) Financial investments measured at FVOCI

(i) Analysed by type of issuer and geographical location

The Group and the Bank

	31 December 2020	31 December 2019
Debt instruments		
Issued in mainland China:		
- Government	36,174,777	37,646,663
- Policy banks	26,430,764	24,531,394
- Banks and other financial institutions	8,041,088	501,547
- Other institutions	5,955,757	2,129,836
Sub-total	76,602,386	64,809,440
Issued outside mainland China		
- Commercial banks and other financial institutions	313,286	-
- Other institutions	14,203,081	7,663,569
Sub-total	14,516,367	7,663,569
Sub-total of debt instruments	91,118,753	72,473,009
Asset-backed securities	624,796	14,497
Other investments	67,651	2,421,468
Sub-total	91,811,200	74,908,974
Accrued interest	1,458,700	1,173,332
Total	93,269,900	76,082,306

At the balance sheet date, some of the debt instruments were pledged as collateral for repurchase transactions (see Note 5(41)(a) for details). No other investments were subject to material restriction on realisation.

(ii) Movements of provision for impairment losses

The Group and the Bank

	2020			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(76,716)	-	-	(76,716)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	27,790	(27,790)	-	-
- to stage 3	371,166	116,250	(487,416)	-
Reverse	(400,459)	(99,245)	298,063	(201,641)
As at 31 December	(78,219)	(10,785)	(189,353)	(278,357)

	2019			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(120,971)	-	-	(120,971)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Reverse	44,255	-	-	44,255
As at 31 December	(76,716)	-	-	(76,716)

Provision for impairment losses of measured at financial investments FVOCI is recognised in other comprehensive income. Impairment losses is recognised in profit or loss for the current period and will not influence the carrying amount of the financial asset in the balance sheet.

(d) Financial investments designated at FVOCI

The Group and the Bank

	31 December 2020	31 December 2019
Equity investments	194,970	137,676

The Group designates non-trading equity investments as financial investments measured at FVOCI. During the year, dividend income recognised for such equity investments was RMB4.56 million (2019: RMB3.8 million).

(8) Long-term receivables

The Group

	31 December 2020	31 December 2019
Minimum financial leasing receivables	62,408,345	54,968,770
Less: Unearned financial leasing income	(6,077,892)	(5,081,460)
Finance leasing receivables	56,330,453	49,887,310
Less: Provision for impairment losses	(2,706,788)	(2,012,419)
Carrying amount	53,623,665	47,874,891

Long-term receivables analysed by remaining terms before repayment as follows:

	31 December 2020			31 December 2019		
	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables
Overdue	482,275	(67,339)	414,936	645,866	(90,002)	555,864
Within 1 year	22,167,032	(2,411,597)	19,755,435	17,960,352	(1,269,141)	16,691,211
1 year to 2 years	17,481,301	(1,965,440)	15,515,861	15,264,270	(1,942,523)	13,321,747
2 years to 3 years	13,477,150	(1,080,376)	12,396,774	10,609,671	(1,109,966)	9,499,705
3 years to 5 years	8,061,850	(471,544)	7,590,306	10,148,404	(637,640)	9,510,764
Above 5 years	738,737	(81,596)	657,141	340,207	(32,188)	308,019
Total	62,408,345	(6,077,892)	56,330,453	54,968,770	(5,081,460)	49,887,310

At the balance sheet date, some of long-term receivables were pledged as collateral for repurchase transactions (see Note 5(41) (a) for details).

(9) Long-term equity investments

The Bank

	31 December 2020	31 December 2019
Investments in subsidiaries		
Suyin Finance Leasing	2,460,000	2,460,000
Suyin Wealth Management	2,000,000	N/A
Suyin County Bank of Danyang	73,800	73,800
Carrying amount	<u>4,533,800</u>	<u>2,533,800</u>

Movements of Long-term equity investments:

Investments in subsidiaries	31 December 2020			
	Balance at 1 Januar	Additional investment	Balance at 31 December	Balance of provision for impairment losses at 31 December
Suyin Finance Leasing	2,460,000	-	2,460,000	-
Suyin Wealth Management	N/A	2,000,000	2,000,000	-
Suyin County Bank of Danyang	73,800	-	73,800	-
Total	<u>2,533,800</u>	<u>2,000,000</u>	<u>4,533,800</u>	<u>-</u>

See Note 6(1) for details of the Bank's subsidiaries and others.

(10) Fixed assets

The Group

	Premises and buildings	Construction in progress	Electronic equipment	Motor vehicles	Other equipment	Total
Cost						
As at 1 January 2020	6,615,246	812,043	755,141	112,925	869,647	9,165,002
Additions	97,553	116,126	78,020	164,931	92,240	548,870
Transfers in / (out) of construction in progress	679,993	(679,993)	-	-	-	-
Disposals	(261,059)	(5,784)	(71,513)	(13,670)	(58,268)	(410,294)
As at 31 December 2020	<u>7,131,733</u>	<u>242,392</u>	<u>761,648</u>	<u>264,186</u>	<u>903,619</u>	<u>9,303,578</u>
Accumulated depreciation						
As at 1 January 2020	(2,563,101)	-	(601,810)	(80,664)	(587,607)	(3,833,182)
Charge for the year	(340,700)	-	(68,424)	(11,385)	(90,194)	(510,703)
Disposals	141,065	-	68,110	13,116	50,242	272,533
As at 31 December 2020	<u>(2,762,736)</u>	<u>-</u>	<u>(602,124)</u>	<u>(78,933)</u>	<u>(627,559)</u>	<u>(4,071,352)</u>
Provision for impairment loss						
As at 1 January 2020	(4,780)	-	-	-	-	(4,780)
As at 31 December 2020	<u>(4,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,780)</u>
Carrying amount						
As at 1 January 2020	4,047,365	812,043	153,331	32,261	282,040	5,327,040
As at 31 December 2020	<u>4,364,217</u>	<u>242,392</u>	<u>159,524</u>	<u>185,253</u>	<u>276,060</u>	<u>5,227,446</u>

	Premises and buildings	Construction in progress	Electronic equipment	Motor vehicles	Other equipment	Total
Cost						
As at 1 January 2019	6,182,218	1,238,125	742,614	134,368	825,597	9,122,922
Additions	41,677	174,916	97,101	10,547	116,211	440,452
Transfers in / (out) of construction in progress	541,427	(541,427)	-	-	-	-
Disposals	(150,076)	(59,571)	(84,574)	(31,990)	(72,161)	(398,372)
As at 31 December 2019	6,615,246	812,043	755,141	112,925	869,647	9,165,002
Accumulated depreciation						
As at 1 January 2019	(2,357,707)	-	(632,922)	(98,111)	(574,843)	(3,663,583)
Charge for the year	(293,219)	-	(49,728)	(12,651)	(80,928)	(436,526)
Disposals	87,825	-	80,840	30,098	68,164	266,927
As at 31 December 2019	(2,563,101)	-	(601,810)	(80,664)	(587,607)	(3,833,182)
Provision for impairment loss						
As at 1 January 2019	(4,780)	-	-	-	-	(4,780)
As at 31 December 2019	(4,780)	-	-	-	-	(4,780)
Carrying amount						
As at 1 January 2019	3,819,731	1,238,125	109,692	36,257	250,754	5,454,559
As at 31 December 2019	4,047,365	812,043	153,331	32,261	282,040	5,327,040

As at 31 December 2020, there was no significant amounts of temporarily idle fixed assets (as at 31 December 2019: nil).

As at 31 December 2020, title deeds were not yet finalised for the Group's premises and buildings with the book value of RMB28 million (as at 31 December 2019: RMB256 million). The Group's management believed that the Group had the right to legally and effectively occupy or use the above-mentioned premises and buildings.

As at 31 December 2020, for above fixed assets, the book value of the transport and other equipment leased out by the group through operating leases in the process is RMB279 million (as at 31 December 2019: RMB87 million).

(11) Intangible assets

The Group

	Land use right	Software	Total
Cost			
As at 1 January 2020	757,975	424,448	1,182,423
Additions	-	48,576	48,576
Disposals	(11,781)	(882)	(12,663)
As at 31 December 2020	746,194	472,142	1,218,336
Accumulated amortization			
As at 1 January 2020	(183,407)	(363,268)	(546,675)
Charge for the year	(19,085)	(57,099)	(76,184)
Disposals	3,018	870	3,888
As at 31 December 2020	(199,474)	(419,497)	(618,971)
Provision for impairment loss			
As at 1 January 2020	(160)	-	(160)
As at 31 December 2020	(160)	-	(160)
Carrying amount			
As at 1 January 2020	574,408	61,180	635,588
As at 31 December 2020	546,560	52,645	599,205
Cost			
As at 1 January 2019	737,952	365,237	1,103,189
Additions	26,870	59,549	86,419
Disposals	(6,847)	(338)	(7,185)
As at 31 December 2019	757,975	424,448	1,182,423
Accumulated amortization			
As at 1 January 2019	(166,315)	(314,552)	(480,867)
Charge for the year	(18,616)	(48,770)	(67,386)
Disposals	1,524	54	1,578
As at 31 December 2019	(183,407)	(363,268)	(546,675)
Provision for impairment loss			
As at 1 January 2019	(160)	-	(160)
As at 31 December 2019	(160)	-	(160)
Carrying amount			
As at 1 January 2019	571,477	50,685	622,162
As at 31 December 2019	574,408	61,180	635,588

(12) Deferred tax assets and liabilities

(a) Analysed by nature

The Group

Deferred tax assets

	Note	31 December 2020				Net balance
		Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	
Provision for Impairment losses		53,457,341	13,364,335	-	-	13,364,335
Employees benefits payable		2,549,845	637,461	-	-	637,461
Fair value change		-	-	(360,581)	(90,145)	(90,145)
Others	(i)	979,247	244,812	-	-	244,812
Total		56,986,433	14,246,608	(360,581)	(90,145)	14,156,463

	Note	31 December 2019				Net balance
		Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	
Provision for Impairment losses		35,440,629	8,860,157	-	-	8,860,157
Employees benefits payable		2,232,881	558,220	-	-	558,220
Fair value change		-	-	(1,374,748)	(343,687)	(343,687)
Others	(i)	-	-	(853,049)	(213,262)	(213,262)
Total		37,673,510	9,418,377	(2,227,797)	(556,949)	8,861,428

(i) Others mainly represented the temporary differences arising from the difference in property assessment in the restructuring of the Bank between accounting policy and taxation requirement for fixed assets, as well as the cross periods settlement of receivables and payables.

(b) Movements of deferred tax

The Group

Deferred tax assets

	Note	2020			
		1 January 2020	Recognised in profit or loss	Recognised in equity	31 December 2020
Deferred tax					
- Provision for Impairment losses	(i)	8,860,157	4,658,975	(154,797)	13,364,335
- Employee benefits Payables		558,220	79,241	-	637,461
- Fair value change	(ii)	(343,687)	(27,151)	280,693	(90,145)
- Others		(213,262)	458,074	-	244,812
Net balance		8,861,428	5,169,139	125,896	14,156,463
	Note	2019			
		1 January 2019	Recognised in profit or loss	Recognised in equity	31 December 2019
Deferred tax					
- Provision for Impairment losses	(i)	6,020,448	2,863,653	(23,944)	8,860,157
- Employee benefits Payables		469,947	88,273	-	558,220
- Fair value change	(ii)	(623,713)	(54,552)	334,578	(343,687)
- Others		(150,501)	(62,761)	-	(213,262)
Net balance		5,716,181	2,834,613	310,634	8,861,428

(i) The Group made provision for impairment losses on financial assets. The provision for impairment losses was determined based on the expected recoverable amount of the relevant assets as at the balance sheet date. The amounts deductible for income tax purposes are calculated based on the relevant PRC tax rules at the balance sheet.

(ii) Fair value changes of financial instruments are subject to tax when realised.

(13) Other assets

The Group

	Note	31 December 2020	31 December 2019
Settlement and liquidation		4,400,258	1,252,532
Prepayments	(a)	681,822	397,715
Long-term deferred expenses	(b)	294,565	272,952
Cash paid as collateral		267,718	35,377
Interest receivables		208,002	54,962
Other receivables	(c)	101,070	116,559
Tax assets		46,272	115,630
Debt-expiated assets	(d)	6,303	6,303
Total		6,006,010	2,252,030

(a) Prepayments mainly included prepaid rental expenses, prepaid decoration expenses and other prepaid system project expenses.

(b) Long-term deferred expenses

The Group

	2020				
	As at 1 January	Additions	Amortisation charged for the year	Other decreases	As at 31 December
Long-term deferred expenses	272,952	162,218	(140,417)	(188)	294,565

	2019				
	As at 1 January	Additions	Amortisation charged for the year	Other decreases	As at 31 December
Long-term deferred expenses	261,109	127,887	(114,260)	(1,784)	272,952

Long-term deferred expenses mainly included lease improvement and prepaid lease expenses.

(c) Other receivables analysed by aging schedules

The Group

	31 December 2020	31 December 2019
Within 1 year (inclusive)	70,272	81,999
Over 1 year but within 2 years (inclusive)	42,542	31,932
Over 2 years but within 3 years (inclusive)	25,205	20,046
Over 3 years	131,612	127,311
Sub-total	269,631	261,288
Less: Provision for bad and doubtful debts	(168,561)	(144,729)
Total	101,070	116,559

(d) Debt-expiated assets mainly included premises and buildings. As at 31 December 2020, the Group and the Bank's provision for impairment losses for debt-expiated assets is nil. (as at 31 December 2019: Nil).

(14) Provision for impairment losses

The Group

Impaired items	Note	2020			As at 31 December 2020
		As at 1 January 2020	Charge/(Recoveries) for the year	Write-off and others	
Deposits with banks and other financial institutions	5(2)	847,966	299,964	(2,314)	1,145,616
Placements with banks and other financial institutions	5(3)	96,644	467,498	(793)	563,349
Financial assets held under resale agreements	5(5)	12,624	418,974	-	431,598
Loans and advances to customers measured at amortised cost	5(6)	33,421,949	15,380,150	(8,217,144)	40,584,955
Loans and advances to customers measured at FVTOCI	5(6)	938,058	417,546	-	1,355,604
Financial investments measured at amortised cost	5(7)	9,824,217	4,013,325	(505,112)	13,332,430
Financial investments measured at FVOCI	5(7)	76,716	201,641	-	278,357
Long-term receivables	5(8)	2,012,419	1,039,202	(344,833)	2,706,788
Fixed assets	5(10)	4,780	-	-	4,780
Intangible assets	5(11)	160	-	-	160
Other assets	5(13)	144,729	51,812	(27,980)	168,561
Total		47,380,262	22,290,112	(9,098,176)	60,572,198

Impaired items	Note	2019			As at 31 December 2019
		As at 1 January 2019	Charge/(Recoveries) for the year	Write-off and others	
Deposits with banks and other financial institutions	5(2)	3,414	844,552	-	847,966
Placements with banks and other financial institutions	5(3)	4,019	92,625	-	96,644
Financial assets held under resale agreements	5(5)	1,220	11,404	-	12,624
Loans and advances to customers measured at amortised cost	5(6)	24,623,633	12,671,610	(3,873,294)	33,421,949
Loans and advances to customers measured at FVTOCI	5(6)	798,029	140,029	-	938,058
Financial investments measured at amortised cost	5(7)	7,245,272	2,578,945	-	9,824,217
Financial investments measured at FVOCI	5(7)	120,971	(44,255)	-	76,716
Long-term receivables	5(8)	1,190,126	822,293	-	2,012,419
Fixed assets	5(10)	4,780	-	-	4,780
Intangible assets	5(11)	160	-	-	160
Other assets	5(13)	145,283	26,373	(26,927)	144,729
Total		34,136,907	17,143,576	(3,900,221)	47,380,262

The Bank

Impaired items	Note	2020			As at 31 December 2020
		As at 1 January 2020	Charge/(Recoveries) for the year	Write-off and others	
Deposits with banks and other financial institutions	5(2)	847,813	299,635	(2,314)	1,145,134
Placements with banks and other financial institutions	5(3)	96,644	467,478	(793)	563,329
Financial assets held under resale agreements	5(5)	12,569	419,020	-	431,589
Loans and advances to customers measured at amortised cost	5(6)	33,388,854	15,316,055	(8,184,864)	40,520,045
Loans and advances to customers measured at FVTOCI	5(6)	938,058	417,546	-	1,355,604
Financial investments measured at amortised cost	5(7)	9,788,419	3,977,261	(505,112)	13,260,568
Financial investments measured at FVOCI	5(7)	76,716	201,641	-	278,357
Fixed assets		4,780	-	-	4,780
Intangible assets		160	-	-	160
Other assets		142,544	50,747	(27,019)	166,272
Total		45,296,557	21,149,383	(8,720,102)	57,725,838

Impaired items	Note	2019			As at 31 December 2019
		As at 1 January 2019	Charge/(Recoveries) for the year	Write-off and others	
Deposits with banks and other financial institutions	5(2)	3,403	844,410	-	847,813
Placements with banks and other financial institutions	5(3)	4,019	92,625	-	96,644
Financial assets held under resale agreements	5(5)	1,220	11,349	-	12,569
Loans and advances to customers measured at amortised cost	5(6)	24,577,741	12,658,409	(3,847,296)	33,388,854
Loans and advances to customers measured at FVTOCI	5(6)	798,029	140,029	-	938,058
Financial investments measured at amortised cost	5(7)	7,241,813	2,546,606	-	9,788,419
Financial investments measured at FVOCI	5(7)	120,971	(44,255)	-	76,716
Fixed assets		4,780	-	-	4,780
Intangible assets		160	-	-	160
Other assets		143,017	26,454	(26,927)	142,544
Total		32,895,153	16,275,627	(3,874,223)	45,296,557

(15) Deposits from banks and other financial institutions

Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
In mainland China				
- Banks	19,004,215	26,509,521	19,087,622	26,543,451
- Other financial institutions	105,467,946	108,781,582	105,540,588	108,785,602
Sub-total	124,472,161	135,291,103	124,628,210	135,329,053
Accrued interest	757,800	1,491,691	757,892	1,491,718
Total	125,229,961	136,782,794	125,386,102	136,820,771

(16) Borrowings from banks and other financial institutions

Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
In mainland China				
- Banks	44,251,556	28,817,987	13,357,556	11,967,987
- Other financial institutions	3,700,000	11,620,000	-	-
Sub-total	47,951,556	40,437,987	13,357,556	11,967,987
Outside mainland China				
- Banks	3,110,093	181,761	3,110,093	181,761
Sub-total	51,061,649	40,619,748	16,467,649	12,149,748
Accrued interest	410,768	596,104	97,310	218,744
Total	51,472,417	41,215,852	16,564,959	12,368,492

(17) Financial liabilities held for trading

	Note	The Group		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Non-controlling interests in consolidated structured entities	(a)	303,527	-	-	-
Financial liabilities related to precious metals		40,504	21	40,504	21
Total		344,031	21	40,504	21

(a) Non-controlling interests in consolidated structured entities is classified as measured at fair value through profit or loss ("FVTPL"). As at 31 December 2020, the above fair value profit or loss does not have any significant change due to credit risk change.

(18) Financial assets sold under repurchase agreements

(a) Analysed by type of collateral

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Securities				
- Government bonds	6,422,972	16,426,000	2,100,000	16,426,000
- Bank and other financial institution bonds	-	7,560,000	-	7,560,000
- Other bonds	-	7,810,000	-	7,810,000
Commercial bills	6,063,999	7,063,011	6,063,999	7,063,011
Long term receivables	-	550,298	-	-
Sub-total	12,486,971	39,409,309	8,163,999	38,859,011
Accrued interest	429	24,964	429	20,252
Total	12,487,400	39,434,273	8,164,428	38,879,263

(b) Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
In mainland China				
- Central bank	5,865,618	21,976,893	5,865,618	21,976,893
- Banks	6,321,353	16,632,416	1,998,381	16,082,118
- Other financial institutions	300,000	800,000	300,000	800,000
Sub-total	12,486,971	39,409,309	8,163,999	38,859,011
Accrued interest	429	24,964	429	20,252
Total	12,487,400	39,434,273	8,164,428	38,879,263

(19) Deposits from customers

	Note	The Group		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Demand deposits					
- Corporate customers		366,686,784	326,458,502	366,424,070	326,265,211
- Individual customers		80,893,653	67,131,218	80,865,141	67,107,573
Sub-total		447,580,437	393,589,720	447,289,211	393,372,784
Time deposits (include call deposits)					
- Corporate customers		498,752,271	453,701,748	498,524,119	453,472,717
- Individual customers		278,442,589	226,403,333	278,124,104	226,144,343
Sub-total		777,194,860	680,105,081	776,648,223	679,617,060
Pledged deposits					
- Bank acceptances		34,411,855	21,509,504	34,404,855	21,476,195
- Guarantees		4,604,755	5,669,073	4,604,755	5,669,072
- Letters of credit		4,533,207	2,869,189	4,533,207	2,869,189
- Letters of Guarantee		4,200,418	2,832,865	4,200,418	2,832,865
- Others		27,738,823	27,383,665	27,738,623	27,383,665
Sub-total		75,489,058	60,264,296	75,481,858	60,230,986
Wealth-management fund	(i)	1,413,850	42,734,437	1,413,850	42,734,437
Treasury Deposit		3,615,000	7,563,000	3,615,000	7,563,000
Fiscal deposits		37,495	405,260	37,495	405,260
Inward remittance		229,331	171,289	222,271	170,349
Outward remittance		673,603	647,412	673,603	647,412
Sub-total		1,306,233,634	1,185,480,495	1,305,381,511	1,184,741,288
Accrued interest		23,636,203	20,081,947	23,618,390	20,068,331
Total		1,329,869,837	1,205,562,442	1,328,999,901	1,204,809,619

(i) As at 31 December 2020, the carrying amount of the Group's and the Bank's wealth-management fund for individual customers was RMB1.414 billion (31 December 2019: RMB13.648 billion). The carrying amount for individual customers was nil (31 December 2019: RMB40 billion).

(20) Employee benefits payable

The Group

	Note	31 December 2020	31 December 2019
Short-term employee benefits	(i)	3,878,804	3,714,631
Post-employment benefits - defined contribution plans	(ii)	15,091	30,778
Termination benefits		599,064	107,234
Other long-term employee benefits	(iii)	2,647,447	1,608,376
Total	(iv)	7,140,406	5,461,019

(i) Short-term employee benefits

	2020			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Salaries, bonuses, allowances	3,419,761	4,504,822	(4,108,908)	3,815,675
Staff welfare	364	455,805	(456,169)	-
Social insurance				
- Medical insurance	253,940	245,346	(480,585)	18,701
- Work-related injury insurance	1,504	1,298	(1,176)	1,626
- Maternity insurance	533	20,976	(18,402)	3,107
Housing fund	2,840	415,320	(415,575)	2,585
Labour union fee, staff and workers' education fee	35,689	137,449	(136,028)	37,110
Total	3,714,631	5,781,016	(5,616,843)	3,878,804

	2019			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Salaries, bonuses, allowances	3,303,948	5,024,231	(4,908,418)	3,419,761
Staff welfare	204	373,297	(373,137)	364
Social insurance				
- Medical insurance	34,872	525,091	(306,023)	253,940
- Work-related injury insurance	1,359	5,147	(5,002)	1,504
- Maternity insurance	470	22,953	(22,890)	533
Housing fund	4,280	365,860	(367,300)	2,840
Labour union fee, staff and workers' education fee	48,726	148,298	(161,335)	35,689
Total	3,393,859	6,464,877	(6,144,105)	3,714,631

(ii) Post-employment benefits – defined contribution plans

	2020			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Basic pension insurance	11,218	89,896	(95,563)	5,551
Unemployment insurance	2,157	3,078	(2,873)	2,362
Annuity and supplemental pension insurance	17,403	418,864	(429,089)	7,178
Total	30,778	511,838	(527,525)	15,091

	2019			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Basic pension insurance	10,932	473,834	(473,548)	11,218
Unemployment insurance	2,153	13,953	(13,949)	2,157
Annuity and supplemental pension insurance	290,848	280,252	(553,697)	17,403
Total	303,933	768,039	(1,041,194)	30,778

(iii) Other long-term employee benefits

Other long-term employee benefits included deferred payment of employee salaries measured at amortised cost after being discounted.

(iv) There were no arrears balance among the Group's employee benefits payable.

(21) Taxes payable

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Income tax payable	5,214,771	2,566,761	4,922,076	2,321,250
Value-added tax and surcharges payable	1,263,423	1,026,720	1,261,096	1,026,016
Others	68,207	108,045	67,365	106,670
Total	6,546,401	3,701,526	6,250,537	3,453,936

(22) Debt securities issued

Analysed by types of debt securities issued

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Inter-bank certificates of deposits issued	346,725,593	290,624,008	346,725,593	290,624,008
Other financial debts securities issued	23,483,471	27,494,408	18,997,072	24,995,886
Subordinated debts issued	22,997,847	22,997,960	22,997,847	22,997,960
Convertible bonds issued	18,786,718	17,928,401	18,786,718	17,928,401
Sub-total	411,993,629	359,044,777	407,507,230	356,546,255
Accrued interest	1,005,398	976,547	923,187	936,818
Total	412,999,027	360,021,324	408,430,417	357,483,073

Analysis of the movement of Debt securities issued (excluding accrued interest):

The Group

	Note	2020				31 December 2020
		1 January 2020	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	
Inter-bank certificates of deposits issued	(a)	290,624,008	468,086,916	(420,760,000)	8,774,669	346,725,593
Other financial debts securities issued	(b)	27,494,408	1,986,034	(6,000,000)	3,029	23,483,471
Subordinated debts issued	(c)	22,997,960	-	-	(113)	22,997,847
Convertible bonds issued	(d)	17,928,401	-	(158)	858,475	18,786,718
Total		359,044,777	470,072,950	(426,760,158)	9,636,060	411,993,629

	Note	2019				31 December 2019
		1 January 2019	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	
Inter-bank certificates of deposits issued	(a)	293,026,821	485,704,661	(497,010,000)	8,902,526	290,624,008
Other financial debts securities issued	(b)	24,747,669	10,245,680	(7,500,000)	1,059	27,494,408
Subordinated debts issued	(c)	15,000,000	19,999,000	(12,000,000)	(1,040)	22,997,960
Convertible bonds issued	(d)	-	17,162,478	(335)	766,258	17,928,401
Total		332,774,490	533,111,819	(516,510,335)	9,668,803	359,044,777

The Bank

		2020				
	Note	1 January 2020	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2020
Inter-bank certificates of deposits issued	(a)	290,624,008	468,086,916	(420,760,000)	8,774,669	346,725,593
Other financial debts securities issued	(b)	24,995,886	-	(6,000,000)	1,186	18,997,072
Subordinated debts issued	(c)	22,997,960	-	-	(113)	22,997,847
Convertible bonds issued	(d)	17,928,401	-	(158)	858,475	18,786,718
Total		356,546,255	468,086,916	(426,760,158)	9,634,217	407,507,230

		2019				
	Note	1 January 2019	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2019
Inter-bank certificates of deposits issued	(a)	293,026,821	485,704,661	(497,010,000)	8,902,526	290,624,008
Other financial debts securities issued	(b)	22,500,000	9,995,680	(7,500,000)	206	24,995,886
Subordinated debts issued	(c)	15,000,000	19,999,000	(12,000,000)	(1,040)	22,997,960
Convertible bonds issued	(d)	-	17,162,478	(335)	766,258	17,928,401
Total		330,526,821	532,861,819	(516,510,335)	9,667,950	356,546,255

(a) As at 31 December 2020, the Group and the Bank held 151 unmaturing negotiable certificates of deposit that were issued in the inter-bank market. The maximum maturity is 366 days. The interest rate ranges from 1.68% to 3.45% (As at 31 December 2019, the Group and the Bank held 131 unmaturing negotiable certificates of deposit that were issued in the inter-bank market. The maximum maturity is 366 days. The interest rate ranges from 3.00% to 3.40%).

(b) As at the balance sheet date, details other financial debts securities issued by the Group and the Bank are shown as follows (excluding accrued interest):

	Note	31 December 2020	31 December 2019
Fixed rate ordinary financial bonds maturing in July 2020	(i)	-	6,000,000
Fixed rate ordinary financial bonds maturing in August 2021	(ii)	2,499,413	2,498,522
Fixed rate green financial bonds maturing in April 2022	(iii)	9,997,072	9,995,886
Fixed rate ordinary financial bonds maturing in July 2022	(iv)	4,000,000	4,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(v)	5,000,000	5,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(vi)	1,986,986	-
Total		23,483,471	27,494,408

(i) The Bank issued 3-years fixed interest rate ordinary financial bonds on 28 July 2017. The coupon interest rate per annum is 4.30% and the interest is settled once a year.

(ii) The Bank's subsidiary Suyin Finance Leasing issued a 3-years fixed interest rate non-banking ordinary financial bonds on 20 August 2018. The coupon interest rate per annum is 4.44% and the interest is settled once a year.

(iii) The Group issued 3-years fixed interest rate green financial bonds on 22 April 2019. The coupon interest rate per annum is 3.60% and the interest is settled once a year.

(iv) The Bank issued 5-years fixed interest rate ordinary financial bonds on 28 July 2017. The coupon interest rate per annum is 4.50% and the interest is settled once a year.

(v) The Bank issued 5-years fixed interest rate ordinary financial bonds on 2 April 2018. The coupon interest rate per annum is 5.00% and the interest is settled once a year.

(vi) The bank's subsidiaries, Suyin Finance Leasing issued 3-years fixed interest rate non-bank financial bonds on 2 April 2020, The coupon interest rate per annum is 2.90% and the interest is settled once a year.

(c) As at the balance sheet date, tier 2 capital bonds issued by the Group and the Bank are as follows:(Excluding accrued interest) :

	Note	31 December 2020	31 December 2019
Subordinated fixed rate bonds maturing in September 2026	(i)	3,000,000	3,000,000
Subordinated fixed rate bonds maturing in September 2029	(ii)	19,997,847	19,997,960
Total		22,997,847	22,997,960

(i) The Bank issued 15-years fixed interest rate bonds on 9 September 2011. The coupon interest rate per annum is 6.48% and the interest is settled once a year. After obtaining approval from regulators, the Group has the right to redeem all of the bonds at face value on 9 September 2021.

(ii) The Bank issued 10-years fixed interest rate bonds on 26 September 2019. The coupon interest rate per annum is 4.18% and the interest is settled once a year. After obtaining approval from regulators, the Group has the right to redeem all of the bonds at face value on 26 September 2024.

(d) As at the balance sheet date, details convertible bonds issued by the Group and the Bank are shown as follows (excluding accrued interest):

	31 December 2020	31 December 2019
6-years fixed rate convertible bonds issued in March 2019	18,786,718	17,928,401

Equity and liability components allocation:

	Liability Components	Equity Components	Total
1 January 2020	17,928,401	2,787,904	20,716,305
Amortisation charged for the year	858,475	-	858,475
Convertible bonds conversion during the year	(158)	(23)	(181)
31 December 2020	18,786,718	2,787,881	21,574,599

(i) Approved by the China Banking and Insurance Regulatory Commission (hereinafter referred to as "the CBIRC") and other relevant agencies, the Bank issued RMB20 billion of A-shares convertible corporate bonds publicly (hereinafter referred to as "convertible bond") on March 14, 2019. The duration of this convertible bond is 6 years, that is, from March 14, 2019 to March 13, 2025. The coupon rate of the convertible bond is 0.2% in the first year, 0.8% in the second year, 1.5% in the third year, 2.3% in the fourth year, 3.5% in the fifth year,

and 4% in the sixth year. Convertible bonds holders may, within the period from the first trading day subsequent to six months after the end of the issuance to the maturity date of the convertible bond (hereinafter referred to as the "conversion period"), the right to convert this convertible bond into ordinary shares of the Bank according to the conversion price for the current period. Within five trading days after the expiration of the convertible bonds issued, the Bank will redeem all unconverted bonds at the price of 111% of the face value of the convertible bonds issued (including the last annual interest).

(ii) During the conversion period, if the closing price of the Bank's A-share stocks for at least 15 trading days in any 30 consecutive trading days is not less than 130% (including 130%) of the current conversion price, the Bank has the right to redeem all or part of the convertible bonds that have not been converted into shares at the price of the bond's face value plus current interest accrued with the approval of relevant regulatory authorities (if necessary). If a conversion price adjustment occurs due to ex-rights or ex-dividends within the aforementioned 30 trading days, on trading days before adjustment, it is calculated according to the conversion price and the closing price before adjustment. On subsequent trading days, it is calculated based on the conversion price and the closing price after adjustment. In addition, when the total par value of the convertible bonds issued is less than RMB30 million, the Bank has the right to redeem all the convertible bonds at the face value plus the interest accrued in the current period.

(iii) According to the calculation of the conversion price on the convertible bond prospectus, the initial conversion price is 7.90 yuan per share, which is not less than the average price of 20 trading days before the announcement date of the prospectus (if any stock price adjustment due to ex-rights and ex-dividends occurred within the 20 trading days, the price on the trading day before the adjustment is calculated at the price after the corresponding ex-rights and ex-dividends adjustments) and average price of stock transactions on the previous trading day, as well as the latest audited net assets per share and par value of stocks. As at 31 December 31 2020, the latest conversion price was RMB6.69 per share (as at 31 December 31 2019: RMB7.56 per share).

(iv) As at 31 December 2020, RMB548,000 of the convertible corporate bonds were converted into A-shares ordinary shares, with a cumulative number of 72,971 shares.

(23) Estimated Liabilities

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Provision for credit commitments impairment losses	593,425	494,502	593,385	494,458
Provision for estimated liabilities on unresolved litigations and disputes	67,157	95,259	67,157	95,259
Total	660,582	589,761	660,542	589,717

(24) Other liabilities

The Group

	31 December 2020	31 December 2019
Deposits for financial leasing and fulfilment payment	5,092,222	4,364,846
Suspense account for clearing	3,832,621	4,076,569
Contract liabilities	1,330,087	1,650,167
Dividend payable	72,310	67,961
Others	569,172	413,096
Total	10,896,412	10,572,639

(25) Share capital

The Bank

	31 December 2019	Convertible bonds conversion	Rights issue	31 December 2020
RMB common stocks (A - Share)	11,544,500	23	3,225,084	14,769,607

With the approval of the China Banking and Insurance Regulatory Commission and other relevant agencies, the bank issued 3,225,083,672 of ordinary shares to the original A-share shareholders in December 2020, increasing the share capital by RMB3,225,083,672.

As referred to in Note 5(22)(4), approved by the China Banking and Insurance Regulatory Commission and other relevant agencies, the Bank issued RMB20 billion of A-shares convertible corporate bonds publicly on March 14, 2019. In 2020, the convertible corporate bonds of Bank of Jiangsu with a par value of RMB170,000 were converted into A-share common shares, with 22,990 shares (from March 14, 2019 (the issue date) to 31 December 2019, the convertible corporate bonds with par value of RMB378,000 were converted into A-shares ordinary shares, with a cumulative number of 49,981 shares).

(26) Other equity instruments

The Group and the Bank

	Note	31 December 2020	31 December 2019
Preference shares	(1)	19,977,830	19,977,830
Perpetual bonds	(2)	19,996,928	-
Equity components of convertible bonds issued	5(22)(d)	2,787,881	2,787,904
Total		42,762,639	22,765,734

(1) Preference shares

(i) Preference shares that remain outstanding at the end of the year are set out as follows:

Outstanding financial instruments	Issuance date	Accounting classification	Dividend or interest rate	Issuance price (RMB)	Quantity (million share)	Amount (RMB million Yuan)	Maturity	Conditions for conversion	Conversion
Domestic Preference Share	2017-11-28	Equity	5.20%	100/share	200	20,000	None	Mandatory	No
Less: Issue fees						(22)			
Book value						19,978			

(ii) Major terms

(a) Dividend

Fixed rate for a certain period (5 years) after issuance. Dividend thereafter reset every 5 years (the sum of the benchmark rate and the Fixed Spread). The Fixed Spread will be equal to the spread between the dividend rate at the time of issuance and the benchmark rate. The Fixed Spread will remain unchanged throughout the term of the Preference Shares. Dividends will be paid annually.

(b) Conditions to distribution of dividends

The Group could pay dividends while the Group still has distributable after-tax profit after making up previous years' losses, contributing to the statutory reserve and making general provisions, and the Group's capital adequacy ratio meets regulatory requirements. Preference shareholders of the Group are senior to the ordinary shareholders on the right to dividends.

The Group may elect to cancel any dividend, but such cancellation will require a shareholder's resolution to be passed.

(c) Dividend stopper

If the Group cancels all or part of the dividends to the preference shareholders, the Group shall not make any dividend distribution to ordinary shareholders before the Group pays the dividends for the current dividend period to the preference shareholders in full.

(d) Order of distribution and liquidation method

The preference shareholders will be subordinated to the depositors, ordinary creditors, and holders of Tier 2 capital bonds of the Group, but will be senior to the ordinary shareholders.

(e) Mandatory conversion trigger events

Upon the occurrence of an Additional Tier 1 Capital Trigger Event (Core Tier 1 Capital Adequacy Ratio of the Group falling to 5.125% or below), the Group shall have the right to convert all or part of the preference shares into A shares, in order to restore the Core Tier 1 Capital Adequacy Ratio of the Group to above 5.125%;

Upon the occurrence of a Non-Viability Trigger Event (Earlier of the two situations: (1) CBRC has determined that the Group would become non-viable if there is no conversion or write-down of capital; or (2) the relevant authorities have determined that a public sector injection of capital or equivalent support is necessary, without which the Group would become nonviable), the Group shall have the right to convert all preference shares into A shares.

If preference shares were converted to A shares, they may not be converted to preference shares again.

(f) Redemption

After five years have elapsed since the date of issuance under the premise of obtaining the approval of the CBRC and compliance with regulatory requirements, the Group has right to redeem all or some of domestic preference shares. Redemption price is equal to book value plus accrued dividend in current period.

The redemption period of preference shares ranges from the start date of redemption to the date of full redemption or conversion.

(g) Dividend setting mechanism

Non cumulative dividend is a dividend on preference shares which does not cumulate upon omission of payment so as to require payment of a passed or omitted dividend of one year out of earnings of a following year. After receiving dividend at agreed dividend rate, preference shareholders of the Group will not participate the distribution of residual profits with ordinary shareholders. Preference shareholders of the Group are senior to the ordinary shareholders on the right to dividends.

The Group shall distribute dividends for the preference shares in cash, based on the total amount of the issued and outstanding preference shares on the corresponding times (i.e. the product of the issue price of preference shares and the number of the issued and

outstanding preference shares).

(iii) Changes in preference shares outstanding

The preference shares issued by the bank remained unchanged during the year.

For details of dividends declared to holders of the Bank's preference shares, refer to Note 5 (31).

(2) Perpetual bonds

(i) Perpetual bonds that remain outstanding at the end of the year are set out as follows:

Outstanding financial instruments	Issuance date	Accounting classification	Dividend or interest rate	Issuance price (RMB)	Quantity (million share)	Amount (RMB million Yuan)	Maturity	Conditions for conversion	Conversion
Domestic Perpetual Bonds	2020-4-1	Equity	3.80%	100/share	200	20,000	Perpetual	None	No
Less: Issue fees						(22)			
Book value						19,997			

(ii) Major terms

With the approvals of relevant regulatory authorities, the Bank issued RMB20 billion undated capital bonds (hereinafter referred to as "Perpetual Bond") in China's national inter-bank bond market on 1 April 2020. Each Perpetual Bond has a par value of RMB100, and the annual coupon rate of the Bonds for the first five years is 3.80%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread. The fixed spread is the difference between the distribution rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period.

The duration of the Perpetual Bond is the same as the continuing operation of the Bank. 5 years after the issuance date of the Perpetual Bond, the Bank shall have the right to redeem the Perpetual Bond in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). Upon the issuance of the Perpetual Bond, in the event that the Perpetual Bond is not classified as other tier-one capital bonds due to unpredictable changes in regulations, the Bank shall have the right to redeem the Perpetual Bond fully instead of partly.

The claims in respect of the Perpetual Bond, in the event of a winding-up of the Bank, will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to the Perpetual Bond; will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the Bank that rank pari passu with the perpetual bond.

Upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all the above Perpetual Bond issued and existing at that time in accordance with the total par value without the consent of the bondholders. The bonds are written down according to the proportion of the existing par value in the total existing par value of all other tier 1 capital instruments with the same trigger event.

The Perpetual Bond is paid by non-cumulative interest. The Bank shall have the right to cancel, in whole or in part, distributions on the Perpetual Bond and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.

(iii) Changes in preference shares outstanding:

Financial instrument outstanding	1 January 2020		Additions during the year		31 December 2020	
	Quantity (million shares)	Carrying Value (RMB million)	Quantity (million shares)	Carrying Value (RMB million)	Quantity (million shares)	Carrying Value (RMB million)
Domestic Preference Share	-	-	200	19,997	200	19,997

(3) Relevant information of amounts attributable to holders of equity instruments

	2020	2019
Equity attributable to shareholders of the Bank	178,037,739	132,792,385
- Equity attributable to ordinary shareholders of the Bank	138,062,981	112,814,555
- Equity attributable to holders of the Bank's other equity instruments	39,974,758	19,977,830
Equity attributable to non-controlling shareholders	4,041,534	3,643,536
- Equity attributable to non-controlling ordinary shareholders	4,041,534	3,643,536
- Equity attributable to non-controlling shareholders of other equity instruments	-	-

(27) Capital reserve

The Group

	2020		
	As at 1 January 2020	Additions during the year (Note 1/2)	As at 31 December 2020
Share premium	16,152,196	11,547,122	27,699,318

	2019		
	As at 1 January 2019	Additions during the year (Note 2/3)	As at 31 December 2019
Share premium	16,075,278	76,918	16,152,196

The Bank

	2020		
	As at 1 January 2020	Additions during the year (Note 1 / 2)	As at 31 December 2020
Share premium	16,072,416	11,547,122	27,619,538

	2019		
	As at 1 January 2019	Additions during the year (Note 2)	As at 31 December 2019
Share premium	16,072,078	338	16,072,416

(a) As referred to in Note 5(25), the bank issued 3,225,083,672 of ordinary shares to the original A-share shareholders in December 2020, increasing the share capital by RMB3,225,083,672. The purchase price of this rights issue is RMB4.59 per share, and the net fund raised after deducting the issuance expenses (excluding VAT) is RMB14,774 million. The Bank recognised the corresponding equity premium according to the VAT input tax certification of issuance expenses.

(b) As referred to in Note 5(25), approved by the China Banking and Insurance Regulatory Commission and other relevant agencies, the Bank issued RMB20 billion of A-shares convertible corporate bonds publicly on March 14, 2019. From the issue date to 31 December 2019, the convertible corporate bonds with par value of RMB378,000 were converted into A-shares ordinary shares, with a cumulative number of 49,981 shares and share premium RMB338,000.

(c) In 2019, Suyin Finance Leasing Co., Ltd increased capital and shares by capital injection from the Bank and other non-controlling shareholders. The difference before and after the capital increase in the net asset share of Suyin Finance Leasing Co., Ltd was approximately RMB76.58 million, which was included in the capital reserve.

(28) Other comprehensive income

The Group and the Bank

	2020						
	As at 1 January 2020	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Bank	Net-of-tax amount attributable to non-controlling interests	Balance at the end of the year attributable to shareholders of the Bank
Items that may not be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the Financial investments designated at FVOCI	(77,608)	57,294	-	(14,324)	42,970	-	(34,638)
Items that may be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the financial investments measured at FVOCI	961,378	(929,350)	(213,181)	295,017	(847,514)	-	113,864
- Provision on credit loss of the financial investments measured at FVOCI	761,081	619,187	-	(154,797)	464,390	-	1,225,471
Total	1,644,851	(252,869)	(213,181)	125,896	(340,154)	-	1,304,697

	2019						
	As at 1 January 2019	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Bank	Net-of-tax amount attributable to non-controlling interests	Balance at the end of the year attributable to shareholders of the Bank
Items that may not be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the Financial investments designated at FVOCI	(86,578)	11,960	-	(2,990)	8,970	-	(77,608)
Items that may be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the financial investments measured at FVOCI	1,908,835	311,988	(1,597,013)	337,568	(947,457)	-	961,378
- Provision on credit loss of the financial investments measured at FVOCI	689,250	95,775	-	(23,944)	71,831	-	761,081
Total	2,511,507	419,723	(1,597,013)	310,634	(866,656)	-	1,644,851

(29) Surplus reserve

The Group and the Bank

	Statutory surplus reserve	Discretionary surplus reserve	Total
As at 1 January 2019	7,125,286	7,350,422	14,475,708
Appropriation	1,279,160	1,279,160	2,558,320
As at 31 December 2019	8,404,446	8,629,582	17,034,028
Appropriation	1,412,684	1,412,684	2,825,368
As at 31 December 2020	9,817,130	10,042,266	19,859,396

In accordance with the Company Law of the People's Republic of China and the Bank's Articles of Association, the Bank is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital. Subject to the approval of shareholders' meeting, statutory and discretionary surplus reserves may be used to net off with accumulated losses, if any, and may be converted into capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital.

After the appropriation of statutory surplus reserve, discretionary surplus reserve may be appropriated from the net profit subject to the approval of shareholders' meeting. Subject to the approval of shareholders' meeting, discretionary surplus reserves may be used to net off with accumulated losses, if any, and may be converted into capital.

As at 1 January 2017, the balance of the Bank's statutory surplus reserve has exceeded 50% of its registered capital. In accordance with the resolution of the general meeting of shareholders of the Bank on 8 May 2020 and 17 May 2019, the Bank will appropriate 10% of its net profit to statutory surplus reserve.

(30) General reserve

	The Group		The Bank	
	2020	2019	2020	2019
As at 1 January	28,385,510	25,376,162	27,754,420	24,903,706
Appropriation	3,996,169	3,009,348	3,831,272	2,850,714
As at 31 December	32,381,679	28,385,510	31,585,692	27,754,420

According to the Notice on Administrative Measures on Accrual of Provisions by Financial Enterprises (Cai Jin [2012] No.20) issued by the MOF on 30 March 2012, the Bank is required to maintain a general reserve within equity, through the appropriation of profit, which should not be less than 1.5% of the year-end balance of its risk-bearing assets.

General reserve of the Group also includes other general reserves accrued by the Bank's subsidiaries in accordance with the laws and regulations applicable to their business industry or region.

(31) Appropriation of profits

(a) In accordance with the resolution of the 19th meeting of the 4th board of directors of the Bank on 20 November 2020 the bank distribute RMB1.04 billion to preference shareholders at RMB5.20 (including tax) per share based on 5.20% dividend rate.

(b) In accordance with the resolution of the general meeting of shareholders of the Bank on 8 May 2020, the shareholders approved the following profit appropriations for the year ended 31 December 2019:

- 10% of the profit after tax for the statutory surplus reserve of year 2019;
- 10% of the profit after tax for the discretionary surplus reserve of year 2019;
- RMB2.851 billion for the general reserve; and
- RMB2.78 per 10 shares (before tax), with the aggregate amount of RMB3.209 billion as cash dividend to the registered shareholders

(c) In accordance with the resolution of the 19th meeting of the 4th board of directors of the Bank on 28 November 2019 the bank distribute RMB1.04 billion to preference shareholders at RMB5.20 (including tax) per share based on 5.20% dividend rate.

(d) In accordance with the resolution of the general meeting of shareholders of the Bank on 17 May 2019, the shareholders approved the following profit appropriations for the year ended 31 December 2018:

- 10% of the profit after tax for the statutory surplus reserve of year 2018;
- 10% of the profit after tax for the discretionary surplus reserve of year 2018;
- RMB2.17 billion for the general reserve; and
- RMB3.40 per 10 shares (before tax), with the aggregate amount of RMB3.925 billion as cash dividend to the registered shareholders

(32) Net interest income

	The Group		The Bank	
	2020	2019	2020	2019
Loans and advances to customers				
- Corporate loans and advances	30,866,124	28,517,778	30,798,211	28,449,577
- Individual loans and advances	27,069,345	19,631,306	27,055,392	19,621,345
- Discounted bills	2,569,250	2,863,015	2,569,250	2,863,015
Investment in debt instruments	23,908,608	23,994,841	23,910,049	23,975,000
Long-term receivable	4,054,019	3,443,766	-	-
Deposits with central bank	2,109,684	2,077,920	2,108,668	2,076,974
Placements with banks and other financial institutions	832,614	1,144,667	919,808	1,118,371
Financial assets held under resale agreements	509,129	828,338	501,509	824,621
Deposits with banks and other financial institutions	484,852	340,579	475,047	465,768
Interest income	92,403,625	82,842,210	88,337,934	79,394,671
Deposits from customers				
- Corporate customers	(22,047,970)	(21,025,177)	(22,040,112)	(21,019,033)
- Individual customers	(10,417,145)	(8,913,778)	(10,406,315)	(8,905,423)
Debt securities issued	(11,916,150)	(13,029,124)	(11,760,825)	(12,917,380)
Borrowings from central bank	(4,659,157)	(3,602,400)	(4,656,174)	(3,599,861)
Deposits from banks and other financial institutions	(3,753,072)	(6,021,963)	(3,758,571)	(6,015,668)
Placements from banks and other financial institutions	(1,562,109)	(1,802,887)	(515,360)	(644,617)
Financial assets sold under repurchase agreements	(1,015,950)	(1,388,669)	(1,000,775)	(1,349,003)
Others	(45,557)	(41,420)	(45,557)	(41,420)
Interest expense	(55,417,110)	(55,825,418)	(54,183,689)	(54,492,405)
Net interest income	36,986,515	27,016,792	34,154,245	24,902,266

(33) Net fee and commission income

	The Group		The Bank	
	2020	2019	2020	2019
Agency service fees	4,410,474	3,591,153	4,391,359	3,591,153
Custodian and other fiduciary service fees	650,327	586,533	650,327	586,533
Credit commitment fees	446,024	407,371	445,966	407,317
Bank card fees	84,593	115,338	84,577	115,325
Settlement and clearing fees	53,176	66,016	53,141	65,969
Advisory service fees	5,665	5,130	5,665	5,130
Others	43,897	42,913	43,004	40,409
Fee and commission income	5,694,156	4,814,454	5,674,039	4,811,836
Settlement and clearing charges	(158,415)	(141,723)	(158,412)	(141,721)
Bank card charges	(46,633)	(36,499)	(46,622)	(36,486)
Others	(132,586)	(93,453)	(120,778)	(70,585)
Fee and commission expense	(337,634)	(271,675)	(325,812)	(248,792)
Net fee and commission income	5,356,522	4,542,779	5,348,227	4,563,044

(34) Investment gains

	The Group		The Bank	
	2020	2019	2020	2019
Net gains/(losses) during the period in which financial instruments are held				
- Financial investments measured at FVTPL	8,037,777	11,274,417	8,037,991	11,274,417
- Financial investments designated at FVOCI	4,564	3,795	4,564	3,795
Net gains/(losses) from disposal of financial instruments				
- Loans and advances measured at FVOCI	230,873	352,492	230,873	352,492
- Derivative financial instruments	29,175	11,883	29,175	11,883
- Debt investments	19,282	(12,254)	19,282	(12,254)
- Financial investments measured at FVOCI	(17,692)	1,244,521	(17,692)	1,244,521
- Financial assets held for trading	(21,251)	97,102	(59,974)	96,167
Long-term equity investments at amortised cost	-	-	164,000	-
Total	8,282,728	12,971,956	8,408,219	12,971,021

(35) Net gains / (losses) from changes in fair value

	The Group		The Bank	
	2020	2019	2020	2019
Financial assets held for trading	451,901	(124,380)	493,355	(130,468)
Derivatives	62,503	(58,631)	62,503	(58,631)
Total	514,404	(183,011)	555,858	(189,099)

(36) General and administrative expenses

	The Group		The Bank	
	2020	2019	2020	2019
Staff costs				
- Salaries and bonuses	6,003,955	5,593,528	5,908,142	5,529,455
- Social insurance and supplemental pension insurance	779,457	1,321,230	767,688	1,309,300
- Other welfare	1,513,228	890,262	1,500,573	880,645
Sub-total	8,296,640	7,805,020	8,176,403	7,719,400
Premises and equipment expenses				
- Depreciation and amortisation	700,623	598,293	696,167	594,901
- Rental and property management expenses	581,608	547,972	575,522	544,905
- Utility charges	66,547	70,834	66,113	70,407
- Others	312,841	340,694	302,647	333,520
Sub-total	1,661,619	1,557,793	1,640,449	1,543,733
Other general and administrative expenses	2,246,505	2,167,758	2,217,975	2,143,770
Total	12,204,764	11,530,571	12,034,827	11,406,903

(37) Impairment losses on credit

	The Group		The Bank	
	2020	2019	2020	2019
Loans and advances measured at amortised cost	15,380,150	12,671,610	15,316,055	12,658,409
Financial investments measured at amortised cost	4,013,325	2,578,945	3,977,261	2,546,606
Long-term receivable	1,039,202	822,293	-	-
Placements with inter-banks and other financial institutions	467,498	92,625	467,478	92,625
Financial assets held under resale agreements	418,974	11,404	419,020	11,349
Loans and advances measured at FVOCI	417,546	140,029	417,546	140,029
Deposits with inter-banks and other financial institutions	299,964	844,552	299,635	844,410
Financial investments measured at FVOCI	201,641	(44,255)	201,641	(44,255)
Provision	98,923	72,344	98,927	72,374
Other assets	51,812	26,373	50,747	26,454
Total	22,389,035	17,215,920	21,248,310	16,348,001

(38) Income tax expense

(a) Income tax expense

	The Group		The Bank	
	2020	2019	2020	2019
Current tax	5,937,413	3,390,736	5,365,380	2,965,437
Deferred tax	(5,169,139)	(2,834,613)	(4,988,028)	(2,690,241)
Adjustments for tax filling and previous year	359,989	99,584	356,855	100,198
Total	1,128,263	655,707	734,207	375,394

(b) Reconciliations between income tax expense and accounting profit:

	Note	The Group		The Bank	
		2020	2019	2020	2019
Profit before tax		16,748,006	15,615,486	15,368,538	14,502,240
Expected income tax at statutory tax rate of 25%		4,187,002	3,903,872	3,842,135	3,625,560
Tax effect of non-taxable income	(i)	(3,272,514)	(3,357,665)	(3,308,244)	(3,357,518)
Tax effect of non-deductible expenses	(ii)	99,105	49,332	92,004	46,729
Adjustments for tax filling and prior years		114,670	60,168	108,312	60,623
Income tax expense		1,128,263	655,707	734,207	375,394

(i) Non-taxable income mainly represent interest income from PRC and local government bonds, and fund dividends.

(ii) Non-deductible expenses mainly represent non-deductible entertainment expenses and donations.

(39) Earnings per share

The earnings per share is calculated as net profit attributable to ordinary shareholders of the Bank divided by weighted average issued ordinary shares.

The Group

	Note	2020	2019
Net Profit attributable to shareholders of the Bank	(i)	14,025,745	13,578,609
Weighted average issued ordinary shares (in thousands)	(ii)	11,544,508	11,544,461
Basic and diluted earnings per share (in RMB Yuan)		1.21	1.18

(i) Consolidated net profit attributable to ordinary shareholders of the Bank is calculated as follows:

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Bank	15,065,745	14,618,609
Effect of preferred stock dividend announcement	(1,040,000)	(1,040,000)
Consolidated net profit attributable to ordinary shareholders of the Bank	14,025,745	13,578,609

(ii) Weighted average number of ordinary shares is calculated as follows:

	2020	2019
Issued ordinary shares at the beginning of the year (in thousands)	11,544,500	11,544,450
Effect of conversion of convertible bonds (in thousands)	8	11
Weighted average number of ordinary shares at the end of the year (in thousands)	11,544,508	11,544,461

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Bank (diluted) by the weighted average number of ordinary shares outstanding (diluted):

The Group

	Note	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	(i)	14,771,647	14,177,385
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	(ii)	14,189,938	13,668,071
Diluted earnings per share (in RMB Yuan)		1.04	1.04

(i) Consolidated net profit attributable to ordinary shareholders of the Bank (diluted) is calculated as follows:

	2020	2019
Consolidated net profit attributable to ordinary shareholders	14,025,745	13,578,609
Diluted adjustments:		
After tax effect of effective interest on the liability component of convertible bonds	745,902	598,776
Consolidated net profit attributable to ordinary shareholders (diluted)	14,771,647	14,177,385

(ii) Weighted average number of the Bank's ordinary shares (diluted) is calculated as follows:

	2020	2019
Weighted average number of ordinary shares	11,544,508	11,544,461
Diluted adjustments:		
Effect of conversion of convertible bonds (in thousands)	2,645,430	2,123,610
Weighted average number of ordinary shares (diluted) (in thousands)	14,189,938	13,668,071

(40) Note to the statement of cash flow

(a) Reconciliation of net profit to cash flows from operating activities:

	The Group		The Bank	
	2020	2019	2020	2019
Net Profit	15,619,743	14,959,779	14,634,331	14,126,846
Add/(minus) :				
Impairment losses on credit	22,389,035	17,215,920	21,248,310	16,348,001
Depreciation and amortisation	727,304	618,172	705,989	603,491
Net gains from disposal of fixed assets, intangible assets and other long-term assets	(255,242)	(102,134)	(255,242)	(102,049)
Net (gains) / losses from changes in fair value	(514,404)	183,011	(555,858)	189,099
Net foreign exchange (gains) / losses	(976,940)	579,384	(976,940)	579,384
Investment income	(6,154)	(1,697,539)	(170,154)	(1,696,604)
Interest income from investment in debt instruments	(23,908,608)	(23,994,841)	(23,910,049)	(23,975,000)
Interest expenses on debt securities issued	11,916,150	13,029,124	11,760,825	12,917,380
Increase in deferred tax assets	(5,169,139)	(2,834,613)	(4,988,028)	(2,690,241)
Increase in operating receivables	(211,747,828)	(178,529,442)	(205,552,468)	(167,395,137)
Increase in operating payables	172,642,353	102,615,412	162,536,251	93,079,753
Net cash flow from operating activities	(19,283,730)	(57,957,767)	(25,523,033)	(58,015,077)

(b) Changes in cash and cash equivalents:

	The Group		The Bank	
	2020	2019	2020	2019
Cash and cash equivalents at the end of the year	68,586,982	51,383,938	66,507,267	53,818,749
Less: Cash and cash equivalents at the beginning of the year	(51,383,938)	(47,735,785)	(53,818,749)	(52,537,223)
Net increase in cash and cash equivalents	17,203,044	3,648,153	12,688,518	1,281,526

(c) Cash and cash equivalents:

	The Group		The Bank	
	2020	2019	2020	2019
Cash on hand	1,489,586	1,379,061	1,480,624	1,375,142
Unrestricted deposits with central bank	16,353,412	7,152,150	16,327,857	7,147,744
Unrestricted deposits with banks and other financial institutions	28,334,206	25,186,570	27,628,008	24,679,706
Placements with banks and other financial institutions	15,928,701	12,621,197	15,028,701	15,571,197
Financial assets held under resale agreements	6,481,077	5,044,960	6,042,077	5,044,960
Cash and cash equivalents at the end of the year	<u>68,586,982</u>	<u>51,383,938</u>	<u>66,507,267</u>	<u>53,818,749</u>

(41) Pledged assets

(a) Assets pledged as security

Carrying value of pledged assets (excluding accrued interest) in balance sheet is as follows:

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Borrowings from central bank	193,201,530	121,986,000	193,201,530	121,986,000
Financial assets sold under repurchase agreements	12,486,971	39,409,309	8,163,999	38,859,011
Deposits from customers	3,615,000	7,563,000	3,615,000	7,563,000
Total	<u>209,303,501</u>	<u>168,958,309</u>	<u>204,980,529</u>	<u>168,408,011</u>

Transactions above are conducted under customary terms of relevant businesses.

(i) Carrying value of pledged assets analysed by asset type

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Securities				
- Government bonds	225,361,270	180,634,449	225,050,574	180,634,449
- Bank and other financial institution bonds	12,631,337	7,599,924	12,631,337	7,599,924
- Corporate bonds	-	8,088,938	-	8,088,938
Sub-total	<u>237,992,607</u>	<u>196,323,311</u>	<u>237,681,911</u>	<u>196,323,311</u>
Commercial bills	6,012,079	7,020,309	6,012,079	7,020,309
Loans and advances to customers	-	1,550,000	-	1,550,000
Long-term receivable	-	778,169	-	-
Total	<u>244,004,686</u>	<u>205,671,789</u>	<u>243,693,990</u>	<u>204,893,620</u>

(ii) Carrying value of pledged assets analysed by classification in balance sheet

	The Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Financial assets held for trading	310,696	-	-	-
Loans and advances to customers	6,012,079	8,570,309	6,012,079	8,570,309
Financial investments measured at amortised cost	209,393,301	169,595,848	209,393,301	169,595,848
Financial investments measured at FVOCI	28,288,610	26,727,463	28,288,610	26,727,463
Long-term receivables	-	778,169	-	-
Total	244,004,686	205,671,789	243,693,990	204,893,620

(2) Collaterals accepted as securities for assets

The Group conducts resale agreements and bonds lending under customary terms of placements, and holds collaterals for these transactions. As at the balance sheet date, the Group did not hold any resale agreement or bonds lending that collaterals were permitted to sell or re-pledge in the absence of the counterparty's default on the agreements.

(42) Transfer of financial assets

In normal course of business, the Group transfers the recognised financial assets to third parties in some transactions. These financial assets are derecognised in whole or in part if they meet the criteria for derecognition. When the Group retains substantial risk and return of the transferred assets, transfer of these financial assets does not meet the criteria for derecognition and the Group still recognises these assets in the balance sheet.

Credit asset securitization

The Group sells credit assets to a special purpose trust, which will then issue asset-backed securities to investors.

Some securitization transactions conducted by the Group will cause the Group to derecognize all transferred financial assets. When the Group transfers almost all the risks and rewards of ownership of financial assets to special purpose trusts while retaining the relatively small interest in the trusts or arrangements for the follow-up services of the transferred financial assets, the Group will termination of the transfer of financial assets. As at 31 December 2020, all securitised credit assets of the Group and the Bank were matured and settled (31 December 2019: RMB725 million).

Apart from credit asset securitization above, the group and the bank have transferred credit assets with a face value of RMB10.158 billion to the securitized entity as at 31 December 2020 (31 December 2019: RMB4.974 billion). For the transaction, the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the Group recognises the assets on the statement of financial position in accordance with the Group's continuing involvement and the rest is derecognised. The carrying amount of assets that the Group continues to recognise on the statement of financial position was RMB138.9 million as at 31 December 2020 (31 December 2019: RMB662 million).

Credit assets Transaction

In 2020, the Group directly transferred non-performing loans of RMB2.545 billion to third parties. The Group terminated recognition of non-performing credit assets of RMB21.11 billion. For the remaining RMB435million non-performing credit assets, the Group neither transfers nor retains almost all risks and rewards related to the ownership of the transferred credit assets in the above transactions, and retains the control over the credit assets (2019: RMB3.711 billion, all of which were derecognized)

In addition, the Group transfers the usufruct of credit asset to s special purpose trust and then the investor transfers the share of the trust fund.

When the Group transfers almost all the risks and rewards of ownership of financial assets to special purpose trusts while retaining the relatively small interest in the trusts or arrangements for the follow-up services of the transferred financial assets, the Group will termination of the transfer of financial assets. As at 31 December 2020, the carrying amount of the such credit assets of the Group was

RMB1,546 million at the date of transfer (31 December 2019: RMB1,546 million).

Apart from the transaction above, the group have transferred the usufruct of credit asset with a face value of RMB2.052 billion to a special purpose trust as at 31 December 2020 (31 December 2019: RMB2.052 billion). For the transaction, the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the Group recognises the assets on the statement of financial position in accordance with the Group's continuing involvement and the rest is derecognised. The carrying amount of assets that the Group continues to recognise on the statement of financial position was RMB259 million as at 31 December 2020 (31 December 2019: RMB245 million).

For details of usufruct the group and the bank reserved, refer to Note 6(2)(c).

6. Interests in other entities

(1) Interests in subsidiaries and structured entities that are included in the consolidated financial statements:

Structure of the Group

Main subsidiaries directly held through establishment:

Name	The Bank's shareholding percentage (Note i)		The Bank's voting rights percentage (Note i)		Registered capital		Place of operation and registration and date of establishment	Primary business
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019		
Suyin County Bank of Danyang (Note ii)	41%	41%	51%	51%	180,000	180,000	Jiangsu, 10 June 2010	Commercial banking
Suyin Finance Leasing	51.25%	51.25%	51.25%	51.25%	4,000,000	4,000,000	Jiangsu, 13 May 2015	Lease business
Suyin Wealth Management	100%	N/A	100%	N/A	2,000,000	N/A	Jiangsu, 20 Aug 2020	Wealth management

(i) The Bank's shareholding percentage and voting rights percentage are either direct or indirect percentage at the balance sheet date when the Bank has gained direct or indirect control over its subsidiaries through establishment.

(ii) Pursuant to the group's agreement with other shareholders of Baode Rural Bank, the Bank holds 51% of the voting rights in the shareholders' meeting of Baode Rural Bank. Therefore, the Bank considers it to be in control of Baode Rural Bank, thus includes it in the consolidated financial statements.

Management of the Group assesses whether the Group controls the investees and structured entities according to the elements of control in Accounting Standards for Business.

The Group's involvement with the investee's operation is mainly from its shareholding in the investee and voting rights. The Group mainly assesses the purpose and design of the investee, relevant activities and decision-making processes, the Group's voting right percentage and its ability to affect the variable returns through its power over the investee when assessing whether the Group has control over the investees. If the Group believes that it has control over the investee, then it will include it in its consolidated financial statements.

The Group managed or invested in several structured entities, including trust plan, wealth management products and asset management plan. The Group mainly assesses its overall economic interests (including the expected return from direct shareholding and management fee) in the structured entities and its decision-making rights covered through its involvement in the decisions on the establishment of the structured entities and relevant contract arrangements. If the Group has power over the structured activities and exposure to variable returns and the ability to use that power to affect its returns from the structured entities through investment contracts, then the Group believes that it has control over the structured entities and include it in the consolidated financial statements.

If the Group neither has the substantive power over the structured entities nor enjoys material overall economic interests and thus acted as an agent rather than a principal, the Group does not need to include these structured entities in the consolidated financial statements. Please see Note 6(2) for information about the structured entities in which the Group has interests or acts as principal but are not included in the consolidated financial statements.

(2) Interests in structured entities not included in the consolidated financial statements

(a) Background of structured entities not included in the consolidated financial statements:

According to the definition of "control" in the accounting standards for business enterprises and the relevant principles described in Note 6(1), the Group evaluates whether to include the structured entity into the consolidation scope of the consolidated financial statements, taking into account the relevant agreements and the group's investment in the structured entity.

The Group's structured entities not included in the consolidated financial statements include: trust plan, wealth management products, asset management plan, investment fund and asset-backed securities, as well as unsecured wealth management products and asset-backed securities established by the Group. These structured entities are designed to manage investors' assets by offering them investment products to raise funds. The Group's interests in these structured entities not included in the consolidated financial statements mainly include direct investment and management fee received for managing these structured entities.

The Group did not include the above structured entities in the consolidated financial statements after taking relevant agreements and the Group's investments in the structured entities into account in accordance with the definition of "control" in Accounting Standards for Business and principals described in Note 6(1).

As at 31 December 2020 and 31 December 2019, relevant assets and liabilities as well as their carrying amount/maximum loss exposure of the Group's interests in these structured entities not included in the consolidated financial statements through direct investment are as follows:

	31 December 2020			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Trust plan	258,867	140,189,851	-	140,448,718
Investment fund	135,197,054	-	-	135,197,054
Wealth management products	49,048,939	-	-	49,048,939
Asset management plan	1,456,353	21,870,230	-	23,326,583
Asset-backed securities	2,258,499	27,311,923	624,809	30,195,231
Total	188,219,712	189,372,004	624,809	378,216,525

	31 December 2019			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Trust plan	9,948,417	151,436,173	-	161,384,590
Investment fund	126,890,447	-	-	126,890,447
Wealth management products	67,350,600	-	-	67,350,600
Asset management plan	1,355,041	33,690,835	-	35,045,876
Asset-backed securities	815,123	7,974,455	14,605	8,804,183
Total	206,359,628	193,101,463	14,605	399,475,696

The maximum loss exposure of the trust plan, asset management plan and asset-backed securities is the fair value or amortized cost at the reporting date according to the classification it has confirmed in the balance sheet. The maximum loss exposure of the wealth management products and the investment fund is the fair value at the reporting date.

(b) Interests in structured entities established by third parties and not included in the consolidated financial statements:

The Group holds interests in structured entities established by third parties and not included in the consolidated financial statements through direct investment. As at 31 December 2020 and 31 December 2019, relevant assets and liabilities as well as their carrying amount/maximum loss exposure of the Group's interests in these structured entities established by third parties through direct investment are as follows:

	31 December 2020			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Trust plan	-	140,189,851	-	140,189,851
Investment fund	135,197,054	-	-	135,197,054
Wealth management products	48,658,070	-	-	48,658,070
Asset management plan	1,456,353	21,870,230	-	23,326,583
Asset-backed securities	869,707	27,311,923	624,809	28,806,439
Total	186,181,184	189,372,004	624,809	376,177,997

	31 December 2019			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Trust plan	9,703,823	151,436,173	-	161,139,996
Investment fund	126,890,447	-	-	126,890,447
Wealth management products	67,350,600	-	-	67,350,600
Asset management plan	1,355,041	33,690,835	-	35,045,876
Asset-backed securities	146,448	7,974,455	14,605	8,135,508
Total	205,446,359	193,101,463	14,605	398,562,427

The maximum loss exposure of the trust plan, asset management plan and asset-backed securities is the fair value or amortized cost at the reporting date according to the classification it has confirmed in the balance sheet. The maximum loss exposure of the wealth management products and the investment fund is the fair value at the reporting date.

(c) Interests in structured entities not included in the financial statements (the Group as promoter)

Determination of the Group as promoter of a structured entity is based on the fact that the Group has played a key role in the process of setting up the structured entity or jointly setting up the entity with other parties, and that the structured entity represents an extension of the Group's main activities and maintains close business relationship with the Group after its setup.

According to the above criteria, structured entities not included in the financial statements (the Group as promoter) include the Group's unsecured wealth management products and investment fund. As at 31 December 2020, the carrying amount of the Group's management fees receivable in the consolidated balance sheet was RMB289.5 million (31 December 2019: RMB927 million).

As at 31 December 2020 and 31 December 2019, relevant assets and liabilities as well as their carrying amount/maximum loss exposure of the Group's interests in these structured entities established by the Group through direct investment are as follows:

	31 December 2020	31 December 2019
Financial investments measured at FVTPL		
Trust plan	258,867	244,594
Wealth management products	390,869	-
Asset-backed securities	1,388,792	668,675
Total	2,038,528	913,269

The maximum loss exposure of the asset-backed securities is the fair value or amortised cost at the reporting date.

As at 31 December 2020, balance of the unsecured wealth management products and asset-backed securities that were established by the Group but not included in the Group's the consolidated financial statements was RMB351.6 billion and 740 billion respectively (31 December 2019: RMB328.6 billion and RMB45 billion).

(d) Structured entities which the Group no longer held interests in and were not included in the consolidated financial statements as at balance sheet date:

The structured entities that are no longer included in the consolidated financial statements that the Group no longer enjoys equity at the balance sheet date mainly include the unsecured wealth management products issued by the Group. The Group's fee and commission income from such unsecured wealth management products was not significant in 2020 (2019: not significant).

The Group's unsecured wealth management products issued after 1 January 2019 and matured before 31 December 2020 totaled RMB238.6 billion (unsecured wealth management products issued after 1 January 2019 and matured before 31 December 2019 totaled RMB277.9 billion).

7. Segment reporting

The Group has 4 reporting segment: corporate banking, retail banking, treasury business and others. Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies.

Corporate banking

This segment provides financial products and services to corporations, government agencies and financial institutions. The range of products and services includes corporate loans, trade financing, finance leasing, deposit products, agency services, corporate banking services, remittance and settlement services, custody and guarantee services, etc.

Retail banking

This segment provides financial products and services to individual customers. The range of products and services includes personal loans, deposit products, personal wealth management services, remittance services, securities agency and credit card services, etc.

Treasury business

This segment covers inter-bank and off-site placement and taking transactions, repurchase transactions, investment in debt instruments, derivatives trading, foreign currency etc. It also covers the Group's overall liquidity position management, including the issuance of debts securities, etc.

Others

This segment represents other miscellaneous activities, none of which constitutes a separately reportable segment.

The accounting policies applied in preparing the segment report are consistent with those for the consolidated financial statements.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment. Interest income and expense earned from third parties are referred to as "external net interest income/expense". Net interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "inter-segment interest income/expense".

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment income, expenses, assets, and liabilities are determined before intra-group balances and intra - group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred during the Relevant Periods to acquire fixed assets, intangible assets and other long-term assets.

	2019				
	Corporate banking	Personal banking	Treasury business	Others	Total
External net interest income / (expense)	20,633,425	12,087,557	(5,704,190)	-	27,016,792
Inter-segment net interest income / (expense)	291,664	(367,285)	75,621	-	-
Net interest income	20,925,089	11,720,272	(5,628,569)	-	27,016,792
Fee and commission income	3,663,729	457,440	693,285	-	4,814,454
Fee and commission expense	(146,788)	(55,762)	(69,125)	-	(271,675)
Net fee and commission	3,963,185	1,435,569	624,160	-	6,022,914
Other income	-	-	-	131,133	131,133
Net investment gains	-	-	12,971,956	-	12,971,956
Net losses from changes in fair value	-	-	(183,011)	-	(183,011)
Net foreign exchange gains	184,696	1,720	159,031	(2,845)	342,602
Other operating incomes	27,669	-	-	21,960	49,629
Net gains of asset disposal	-	-	-	102,134	102,134
Operating income	24,654,395	12,123,670	7,943,567	252,382	44,974,014
Business taxes and surcharges	(297,682)	(175,735)	(51,165)	(2,198)	(526,780)
General and administrative expenses	(7,264,541)	(3,725,861)	(540,169)	-	(11,530,571)
Impairment losses on credit	(9,348,982)	(4,320,450)	(3,546,488)	-	(17,215,920)
Other operating expenses	(11,289)	-	-	(10,624)	(21,913)
Operating expenses	(16,922,494)	(8,222,046)	(4,137,822)	(12,822)	(29,295,184)
Operating profit	7,731,901	3,901,624	3,805,745	239,560	15,678,830
Add: Non-operating income	-	-	-	19,393	19,393
Less: Non-operating expenses	-	-	-	(82,737)	(82,737)
Profit before tax	7,731,901	3,901,624	3,805,745	176,216	15,615,486
Other segment information:					
Depreciation and amortisation	(390,983)	(196,708)	(30,481)	-	(618,172)
Capital expenditure	414,122	208,351	32,285	-	654,758

	31 December 2019				
	Corporate banking	Personal banking	Treasury business	Others	Total
Segment assets	759,802,891	404,473,387	900,735,758	46,351	2,065,058,387
Segment liabilities	882,351,002	315,940,849	730,276,980	53,635	1,928,622,466
Other segment information:					
Credit commitments	249,933,218	16,707,965	-	-	266,641,183

8. Commitments and contingent liabilities

(1) Credit commitments

The Group's credit commitments take the form of undrawn loan facilities which are approved and contracted, unutilised credit card limits, issued bank acceptances but not yet matured, financial guarantees, letters of credit.

The contractual amounts of loans and credit card commitments represent the cash outflows should the contracts be fully drawn upon. Acceptances represent undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. The contractual amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties failed to completely perform as contracted.

As credit commitments expire without being drawn upon, the total of the contractual amounts set out in the following table do not represent the expected future cash outflows. In addition to the loan commitments, credit card limit and finance lease commitment, the Group assesses the contingent losses from other credit commitment excluding the loan commitments and credit card limit on a regular basis and recognises estimated liabilities when necessary.

The Group

	31 December 2020	31 December 2019
Loan commitments		
- original contractual maturity less than 1 year	3,485,093	2,178,482
- original contractual maturity more than 1 year (inclusive)	8,249,968	6,433,090
Credit card commitments	20,412,031	16,707,965
Sub-total	32,147,092	25,319,537
Bank acceptances	236,323,235	202,556,016
Guarantees	30,476,728	22,306,252
Letters of credit	22,441,143	16,459,378
Sub-total	289,241,106	241,321,646
Total	321,388,198	266,641,183

(2) Credit risk weighted amount

The Group

	31 December 2020	31 December 2019
Credit risk weighted amount of credit commitments	70,353,215	64,631,952

The credit risk weighted amount of credit commitments was calculated according to the requirements set out in the Administrative Measures on Capitals of Commercial Banks (for Trial Implementation) issued by former CBRC.

(3) Operating lease commitments

As at balance sheet date, the Group's future minimum lease payments under non-cancellable operating leases for properties and other assets were as follows:

	31 December 2020	31 December 2019
Within 1 year (inclusive)	407,574	459,936
After 1 year but within 2 years (inclusive)	323,692	378,642
After 2 years but within 3 years (inclusive)	232,775	305,957
After 3 years but within 5 years (inclusive)	279,973	388,811
Above 5 years	133,893	280,202
Total	<u>1,377,907</u>	<u>1,813,548</u>

(4) Capital commitments

As at the balance sheet date, the Group's authorised capital commitments were as follows:

	31 December 2020	31 December 2019
Contracted for but not paid	<u>836,659</u>	<u>359,493</u>
Authorised but not contracted for	<u>6,597</u>	<u>9,803</u>

(5) Underwriting and redemption commitments

As an underwriting agent of PRC government bonds, the Group has the responsibility to buy back those bonds it previously sold should the holders decide to early redeem the bonds held. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interests payable to the bond holders are calculated in accordance with relevant rules of the MOF and the PBOC. The redemption price may be different from the fair value of similar instruments traded in the markets at the redemption date. The redemption commitments below represent the coupon value of PRC government bonds underwritten and sold by the Group and the Bank but not yet matured at the balance sheet date:

	31 December 2020	31 December 2019
Redemption commitments	<u>14,403,719</u>	<u>15,566,406</u>

The Group and the Bank did not have outstanding underwriting and redemption commitments at the balance sheet date.

(6) Unresolved litigations and disputes

As at 31 December 2020, there were 61 litigations whereby the Group acted as defendants in the unresolved litigations. The total related amount of litigations and disputes whereby the Group acted as defendants was RMB678 million (31 December 2019: RMB732 million). The Group has made provision of RMB67.16 million (31 December 2019: RMB95.26 million) for estimated liabilities based on facts and circumstances. The Group's management believed that the final result and execution of these litigations will not have material impact on the Group's financial positions or operating results.

9. Entrusted lending business

The Group provides entrusted lending business services to government agencies, corporations and individuals. All entrusted loans are funded by entrusted funds from these entities and individuals. The Group does not take any credit risk in relation to these transactions. The Group acts as an agent to hold and manage these assets and liabilities at the direction of the entrustor and receives fee income for the services provided. The entrust assets are not assets of the Group and are not recognised in the balance sheets. The relevant surplus funding is accounted for as deposits from customers.

The Group

	31 December 2020	31 December 2019
Entrusted loans	60,185,236	73,126,795
Entrusted funds	60,185,236	73,126,795

10. Risk management of financial instruments

The Group mainly has exposure to the following risks from financial instruments:

- credit risk
- market risk
- liquidity risk
- operational risk

This note presents information about the Group's exposure to each of the above risks and its changes during the year, as well as the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

Risk management framework

The Group's objectives when managing risk are to meet the requirements of external regulators, debtors and other stakeholders in order to optimise shareholder's value by Maintaining risk exposures within acceptable limits.

The Group established a centralised matrix management organisational structure, and developed policies and processes to identify, measure, monitor and control all kinds of risks. The Group also provided relevant technology and tools support.

The Board is ultimately responsible for determining the Bank's risk appetite, risk management strategy, decision-making risk management policy, organizational structure and basic management system, assuming the ultimate responsibility for risk management, and supervising the implementation of the senior management. The Board has established the Risk Management Committee, which is primarily responsible for performing corresponding risk management authorized by the board of directors. The senior management of the bank is responsible for implementing risk management policies and basic management systems determined by the Board of Directors, formulating and improving various risk management regulations, managing risks in various business operations of the bank, and regularly reporting to the Board of Directors and the Board of Supervisors the risk status of the bank. The internal control and risk management committee under the senior management of the group is the deliberation and decision-making body of the Bank's internal control and risk management. The Risk Management Department is the functional department that leads the overall risk management.

At the Branch level, the bank established the Internal Control, Risk Management Committee and the Risk Director. Compliance Department are established and led the branch's comprehensive risk management. Director of Risk Management at the Branch shall be assessed by Risk Management Department of the Head Office and the head of the Branch on its dual-line management and double-

line assessment, and shall report to the risk management line of the head office and the head of the branch. The Group also sets up a risk management team in the main business department. The risk management team is managed by the business department in terms of personnel relations, and the business is subject to the guidance and supervision of the risk management department. The Internal Audit Department will review the implementation of risk management policies and the effectiveness of internal control on a regular and irregular basis.

At the same time, under the framework of the Group's overall risk management policy, each subsidiary of the Group, in line with its own reality, has formulated its own risk management system, established a risk management organizational structure, and set up senior management personnel in charge of risk, which is in accordance with the risk management department of the head office. The subsidiary's comprehensive risk management report are reported regularly as requirements, and comprehensive risk.

(1) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its obligation or commitment to the Group. It arises primarily from the Group's credit businesses and treasury businesses such as investment in debt securities.

Credit business

To identify, assess, monitor and manage credit risk, the Group has established a reporting structure, credit policies and procedures catering for effective credit risk management and implemented systematic control procedures. The Group continues to optimise its credit approval process, reinforce its credit risk management through its processes, and clarify functions and responsibilities of the credit approval cycle. The Risk Management Department is responsible for overall risk management and developing credit policies, management systems based on law and regulations, monetary policies and the Group's operational strategies on a regular basis along with other departments to continue to implement risk management of credit business.

The Group's credit risk management policies include credit investigation, credit approval and post-loan management. For credit investigation, the Group conducted customer credit risk ratings and credit business liabilities rating and completed a credit report; for credit approval, the credit business need to be approved by approver with authorities; for post-loan management, the Group conducted a continuous monitoring of the granted loans and early warning on any negative events that will have an impact on the borrower's ability for repayment on a timely basis and take appropriate action to prevent and control risk.

The Group developed a series of policies to mitigate credit risk, including requiring customers to provide collateral, deposits and corporate or personal guarantees. The Group's acceptable specific collaterals include: buildings and other attached facilities, land use right, machines and equipment, construction in progress, vehicles, inventories, certificate of deposits, equity, bonds, funds, bills, receivables, warehouse receipts, and rights to receive returns etc. In order to control credit risk, the Group will require the borrowers to provide additional collaterals or guarantors once there's evidence indicating the impairment of individual credit assets.

The Group optimise the credit risk structure by setting exposure limits on individual borrowers, group, industries and countries.

The Group adopts a loan risk classification approach to manage its loan portfolio risk. The Group dynamically adjust the loan risk classification to ensure the current loan risk classification mechanism is accord with the regulations of former CBRC at least once a quarter. Loans are generally classified as normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans are considered to be non-performing loans.

The core definitions of the five-tier grading of credit assets are set out below:

Normal:	Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.
Special mention:	Borrowers are currently able to service their loans and interest, although repayment may be adversely affected by specific factors.

Substandard:	Borrowers' ability to service their loans is in question and they cannot rely entirely on normal business revenues to repay principal and interest. Losses may ensue even when collateral or guarantees are invoked.
Doubtful:	Borrowers cannot repay principal and interest in full and significant losses will need to be recognised even when collateral or guarantees are invoked.
Loss:	Principal and interest of loans cannot be recovered or only a small portion of them can be recovered after taking all possible measures or resorting to all necessary legal procedures.

Treasury business

The Group's treasury operations involve investments in PRC government bonds, other government bonds, financial institution bonds, corporate bonds, inter-bank money market transactions and bank notes transfer discount, etc. The credit risk management for treasury operations is primarily conducted by the Treasury Operating Centre and Inter-bank Department in accordance with the credit risk management policies, procedures and systems.

The Group conducts credit risk management in respect of the treasury operations primarily through the management of credit limits for counterparties. The Group assigns a total credit limit for domestic and foreign financial institutions and sets sub-limits for various business lines. In addition, the Treasury Operating Centre and Inter-bank Department works closely with other departments to form an integrated risk monitoring system for treasury operations.

(a) Measurement of the expected credit loss allowance

According to the new financial instruments standards require that the group confirm the expected credit losses to financial instruments are divided into three stages, and the expected credit loss provision for at the amortized cost measurement model and measured at fair value and the changes are recorded in other comprehensive income of debt instruments, financial assets and impairment of loan commitments and financial guarantees.

Financial instrument risk stage division

Based on whether the credit risk of financial instruments has increased significantly since the initial confirmation, the Group divides each business into three risk stages and reserves the expected credit loss. For the main definitions of the three phases of a financial instrument, refer to Note 3(7)(f).

The judgment of a significant increase in credit risk

Criteria of significant increase in credit risk including but not limited to the followings:

- The overdue date has exceeded 30 days
- A deterioration in credit rating that lead to a significant change the risk of default
- Existing or forecast adverse changes in operation, financial or economic conditions that have a significant effect on the debtor's ability to meet its obligation to the Group
- An actual or expected significant deterioration in the operating results of the debtor;
- Other objective evidence of a significant increase in credit risk

According to the relevant policies issued by regulatory authorities, the Group evaluated the loan deferral applications which was caused by the COVID-19 epidemic, provided temporary deferred repayment facilities for borrowers who meet the policies' conditions, and judged whether the credit risk of financial instruments has increased significantly since the initial confirmation on the basis of the specific terms of deferred repayment and the borrowers' ability to service their loans.

Definition of financial assets with credit impairment

In order to evaluate whether credit impairment of financial assets occurs, the Group generally considers the following factors:

- the overdue date has exceeded 90 days
- Significant financial difficulties with the issuer or debtor
- Debtor breaches contract, such as failure to repay interest or overdue interest or principal payments
- The creditor considers economic or contractual reasons relating to the debtor's financial difficulties, give the debtor concessions that it would not have made under any other circumstances.
- The debtor is likely to go bankrupt or undergo other financial restructuring
- The active market for the financial asset disappears due to financial difficulties
- Other objective evidence of impairment of financial assets

The credit impairment of financial assets may be caused by the joint action of multiple events, but not necessarily by events that can be identified separately.

The measure of expected credit loss

Based on whether the credit risk has increased significantly and whether the financial instrument has suffered a credit impairment, the Group confirms the loss provision for the expected credit loss of different financial instruments for 12 months or the whole duration, respectively. The expected credit loss is the discounted product of three key parameters: default probability (PD), default loss rate (LGD) and default risk exposure (EAD). The relevant definition is as follows:

- Probability of default (PD): the likelihood that the debtor will not be able to meet his obligations in the next 12 months or during the entire remaining period. The group's default probability is adjusted based on the results of the internal rating model, and forward-looking information is added to reflect the debtor's default probability at the time point in the current macroeconomic environment.
- Loss Given Default (LGD): the percentage of the risk exposure loss at the time of default. According to the different business products and collateral and other factors, the default loss rate is also different
- Exposure at Default (EAD): the amount to be paid when default happen

The group determines ECL according to forecast default probability, default loss rate and default risk exposure of a single debt.

The calculation of ECL is related to forward-looking information. According to historical data analysis, the Group recognises key economic indicators regarding ECL such as Gross Domestic Product (GDP), Consumer Price Index (CPI) and Social Finance (SOFI) Stock. The group regularly forecast the indexes of macroeconomic index pool, and make estimation using most related factors.

The Group combines macro data analysis and expert judgment results to set corresponding economic forecast scenarios (higher, flat, and lower) and corresponding measurement coefficients, to calculate the ECL reserves of the Group in corresponding situations.

As at 31 December 2020, the group considered macroeconomic environment under the influence of COVID-19 's epidemic when forecasting forward-looking information and economic scenario weights.

During the reporting period, there has been no significant change in the estimation or key assumptions of the ECL measurement parameters.

Pledged Assets Held

As at 31 December 2020, loans and advances to customers of the Group and the Bank that have already suffered credit impairment are RMB12.659 billion and RMB12.643 billion respectively (31 December 2019: The Group and the bank were RMB12.688 billion and RMB12.676 billion respectively). Among them, the collaterals of the Group and the Bank covering such loans are RMB4.117 billion and RMB4.115 billion respectively (31 December 2019: The Group and the bank were RMB3.605 billion and RMB3.604 billion respectively).

(b) Maximum exposure

As at 31 December 2019, the maximum credit risk exposure of the Group without taking account of any collateral and other credit enhancements is set out below:

	31 December 2020	31 December 2019
Cash and deposits with central bank	145,584,057	130,873,039
Deposits with banks and other financial institutions	43,147,476	33,103,578
Placements with banks and other financial institutions	47,121,635	32,914,906
Derivative financial assets	2,600,601	1,827,159
Financial assets held under resale agreements	6,464,697	6,159,533
Loans and advances to customers	1,165,964,075	1,010,901,288
Financial investments:		
Financial investments measured at fair value through profit or loss	244,914,470	229,755,366
Financial investments measured at amortised cost	507,528,658	476,973,498
Financial investments measured at fair value through other comprehensive income	93,269,900	76,082,306
Financial investments designated at fair value through other comprehensive income	194,970	137,676
Long-term receivables	53,623,665	47,874,891
Others	4,977,048	1,459,430
Sub-total	2,315,391,252	2,048,062,670
Credit Commitments	320,794,773	266,146,681
Maximum exposure	2,636,186,025	2,314,209,351

(c) Financial assets analysed by credit quality

As at 31 December 2020, the Group's financial asset risk stages are divided as follows:

	As at 31 December 2020						
	Cost			Expected credit impairment reserve			Total
	Stage One	Stage Two	Stage Three	Stage One	Stage Two	Stage Three	
Financial assets measured at amortized cost							
Cash and deposits with central bank	145,584,057	-	-	-	-	-	-
Deposits with banks and other financial institutions	43,506,206	-	786,886	(358,730)	-	(786,886)	(1,145,616)
Placements with banks and other financial institutions	47,684,984	-	-	(563,349)	-	-	(563,349)
Financial assets held under resale agreements	6,896,295	-	-	(431,598)	-	-	(431,598)
Loans and advances to customers	1,057,684,386	37,214,942	15,801,533	(22,472,728)	(6,707,136)	(11,405,091)	(40,584,955)
Financial investments	489,886,981	24,802,087	6,172,020	(4,050,069)	(4,356,238)	(4,926,123)	(13,332,430)
Total	1,791,242,909	62,017,029	22,760,439	(27,876,474)	(11,063,374)	(17,118,100)	(56,057,948)
Financial assets measured at FVOCI							
Loans and advances to customers	95,747,130	101,039	-	(1,347,503)	(8,101)	-	(1,355,604)
Financial investments	92,640,819	325,405	303,676	(78,219)	(10,785)	(189,353)	(278,357)
Total	188,387,949	426,444	303,676	(1,425,722)	(18,886)	(189,353)	(1,633,961)
Credit Commitments	311,298,437	10,038,583	51,178	(508,049)	(59,030)	(26,346)	(593,425)

	As at 31 December 2019						
	Cost			Expected credit impairment reserve			Total
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	
Financial assets measured at amortized cost							
Cash and deposits with central bank	130,873,039	-	-	130,873,039	-	-	-
Deposits with banks and other financial institutions	33,192,916	-	758,628	33,951,544	(89,338)	-	(758,628)
Placements with banks and other financial institutions	33,011,550	-	-	33,011,550	(96,644)	-	(96,644)
Financial assets held under resale agreements	6,172,157	-	-	6,172,157	(12,624)	-	(12,624)
Loans and advances to customers	899,638,242	48,607,270	14,898,843	963,144,355	(18,096,998)	(5,642,151)	(9,682,800)
Financial investments	462,384,112	20,787,969	3,625,634	486,797,715	(3,897,242)	(3,544,062)	(2,382,913)
Total	1,565,272,016	69,395,239	19,283,105	1,653,950,360	(22,192,846)	(9,186,213)	(12,824,341)
Financial assets measured at FVOCI							
Loans and advances to customers	80,683,100	495,782	-	81,178,882	(927,997)	(10,061)	(938,058)
Financial investments	76,082,306	-	-	76,082,306	(76,716)	-	(76,716)
Total	156,765,406	495,782	-	157,261,188	(1,004,713)	(10,061)	(1,014,774)
Credit Commitments	261,090,828	5,524,417	25,938	266,641,183	(448,926)	(31,653)	(13,923)

Note: Simplified method was adopted to financial assets measured at amortized cost when measure impairment provision, thus the three-stage division is not applicable. As at 31 December 2020, the balance of impaired financial assets which has adopted simplified method amounted RMB1.345 billion, and the impairment provision amounted RMB669 million (As at 31 December 2019, the balance of impaired financial assets which has adopted simplified method amounted RMB400 million, and the impairment provision amounted RMB317 million).

(d) Credit ratings of receivables from inter-banks (excluding accrued interest)

Receivables from inter-banks include deposits and placements with banks and other financial institutions, and financial assets held under resale agreements. Receivables from inter-banks neither overdue nor impaired are rated with reference to major rating agencies recognised by the PBOC. On the balance sheet date, the book value of accounts receivable due from peers is distributed as follows:

The Group

	31 December 2020	31 December 2019
Grade A to AAA	75,854,839	58,958,769
Unrated	22,476,848	13,896,947
Carrying amount	98,331,687	72,855,716

(e) Credit ratings of debt instruments (excluding accrued interest)

The Group adopts a credit rating approach to manage the credit risk of the debt instruments portfolio. Debt instruments are rated with reference to major rating agencies generally recognised by the PBOC. The carrying amounts of debt instruments investments analysed by the rating agency designations as at the balance sheet date are as follows:

The Group

	31 December 2020	31 December 2019
Grade A to AAA	380,514,649	327,859,706
Lower than A	287,750	199,205
Unrated	226,234,003	228,102,752
Carrying amount	607,036,402	556,161,663

(2) Market risk

Market risk is the risk of loss, in respect of the Group's on and off balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates and other prices. The Group's market risk mainly derives from assets and liabilities operating in the market and interest rate risk and foreign exchange rate risk of its products.

The market risk management of the Group oversees the whole process of identifying, measuring, monitoring and controlling market risk. The Group established the market risk management system under the demand of former CBRC. The Board and the Risk Management Committee are responsible for leading the management of market risk and approving the risk management strategy, procedure, quantity criteria, risk quota and etc. The senior management and its Internal Control and Risk Management Committee are responsible for formulating, regularly reviewing and monitoring the policies, procedures and detailed rules of market risk management and the overall evaluation of the Group's market risk management.

The Group is primarily exposed to structural interest rate risk arising from interest generating commercial banking assets and interest bearing commercial banking liabilities and market value fluctuation in transactions. Interest rate risk is inherent in many of its businesses and largely arises from mismatches between the re-pricing dates of assets and liabilities. The Group manages this risk through measures such as the interest rate gap analysis, sensitivity analysis, etc.

The Group's foreign exchange risks mainly arise from the currency structure mismatch of finance assets and liabilities of foreign currency and foreign currency exposure from the foreign exchange derivatives. The Group's major businesses are denominated in RMB business, and the foreign currency exposure is not significant. The Group manages the foreign currency risk mainly by closely monitoring the limit of the currency exposures.

The Group separately monitors the market risk of its trading portfolios and non-trading portfolios. The Group identifies, measures and manages the market risk by using various risk monitoring tools including the gap analysis, position analysis, sensitivity analysis, scenarios analysis and stress test. The Group has established a market risk limit system with business limits, loss limits and market risk limits to monitor the application of these risk limits.

(a) Interest rate risk

Interest rate risk is the likelihood of a loss that may arise from adverse movements in the market interest rate. The Group's interest rate risks arise mainly from mismatches of assets and liabilities and market value fluctuation in transactions.

The Group mainly manages interest rate risks through structuring and adjusting its asset portfolios. The Group monitors interest rate gap analysis and risk exposure analysis to measure static re-pricing profile of the assets and liabilities on a regular basis.

The Group organises meetings of the Asset and Liabilities Management Committee and adjust the structure of assets and liabilities based on market interest rate trends to manage interest rate exposure.

(i) Analysis of re-pricing date structure

The following tables indicate the assets and liabilities as at the balance sheet date by the expected next repricing dates or by maturity dates, depending on which is earlier:

The Group

	31 December 2020					Total
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets						
Cash and deposits with central bank	2,626,483	144,447,160	-	-	-	147,073,643
Deposits and placements with banks and other financial institutions	541,941	56,136,037	32,602,508	988,625	-	90,269,111
Financial assets held under resale agreements	743	6,077,499	386,455	-	-	6,464,697
Loans and advances to customers (Note a)	4,939,601	568,069,849	419,964,234	120,539,768	52,450,623	1,165,964,075
Investments (Note b)	184,957,662	75,732,328	79,858,197	337,568,414	167,791,397	845,907,998
Long-term receivables (Note c)	607,106	5,389,393	13,232,098	33,828,530	566,538	53,623,665
Other financial assets	7,577,649	-	-	-	-	7,577,649
Total financial assets	201,251,185	855,852,266	546,043,492	492,925,337	220,808,558	2,316,880,838
Financial liabilities						
Borrowings from central bank	2,120,730	13,312,000	180,179,120	-	-	195,611,850
Deposits and placements with banks and other financial institutions	1,168,660	84,067,931	91,465,787	-	-	176,702,378
Financial assets sold under repurchase agreements	429	8,797,059	3,689,912	-	-	12,487,400
Deposits from customers	23,636,203	790,012,614	294,390,039	221,830,981	-	1,329,869,837
Debt securities issued	1,005,398	64,256,946	284,968,061	39,770,775	22,997,847	412,999,027
Other financial liabilities	11,636,259	-	-	-	-	11,636,259
Total financial liabilities	39,567,679	960,446,550	854,692,919	261,601,756	22,997,847	2,139,306,751
Gap between assets and liabilities	161,683,506	(104,594,284)	(308,649,427)	231,323,581	197,810,711	177,574,087

	31 December 2019					Total
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets						
Cash and deposits with central bank	3,151,541	129,100,559	-	-	-	132,252,100
Deposits and placements with banks and other financial institutions	275,568	58,571,435	7,171,481	-	-	66,018,484
Financial assets held under resale agreements	3,967	6,155,566	-	-	-	6,159,533
Loans and advances to customers (Note a)	3,825,959	598,778,246	384,394,725	23,902,358	-	1,010,901,288
Investments (Note b)	138,715,871	51,642,239	121,829,484	297,571,169	173,190,083	782,948,846
Long-term receivables (Note c)	593,428	43,335,822	2,050,991	1,842,584	52,066	47,874,891
Other financial assets	3,286,589	-	-	-	-	3,286,589
Total financial assets	149,852,923	887,583,867	515,446,681	323,316,111	173,242,149	2,049,441,731
Financial liabilities						
Borrowings from central bank	1,531,336	2,100,000	119,886,000	-	-	123,517,336
Deposits and placements with banks and other financial institutions	2,087,795	92,341,369	83,569,482	-	-	177,998,646
Financial assets sold under repurchase agreements	24,964	36,073,904	3,014,915	320,490	-	39,434,273
Deposits from customers	20,081,947	652,341,813	250,353,454	282,359,568	425,660	1,205,562,442
Debt securities issued	976,547	68,273,925	246,278,485	21,494,407	22,997,960	360,021,324
Other financial liabilities	10,424,033	-	-	-	-	10,424,033
Total financial liabilities	35,126,622	851,131,011	703,102,336	304,174,465	23,423,620	1,916,958,054
Gap between assets and liabilities	114,726,301	36,452,856	(187,655,655)	19,141,646	149,818,529	132,483,677

a. For loans and advances to customers, the category "Within three months" includes overdue amounts (net of provision for impairment losses) of RMB5.058 billion as at 31 December 2020 (31 December 2019: The balance is RMB6.452 billion). Overdue loans are loans and advances to customers, of which the principal or interest was overdue for one day or more.

b. Financial investments comprise financial investments measured at FVTPL, financial investments measured at amortised cost, financial investments measured at FVOCI, and financial investments designated at FVOCI. These investments that are mature within three month include RMB653 million overdue (net of provision for impairment losses) as at 31 December 2020 (2019: RMB1,243 million). The above overdue means that the principal or interest is overdue by 1 day or more.

c. Investment securities classified as receivable that are mature within three month include RMB235 million overdue (net of provision for impairment losses) as at 31 December 2020 (2019: RMB325 million). The above overdue means that the principal or interest is overdue by 1 day or more.

(ii) Sensitivity analysis of interest rate

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net interest income and equity. The following table sets forth the effect on the Group's net interest income and equity from possible interest rate fluctuations with an assumption that all other variables held constant. The effect on net profit refers to the effect of certain interest rate changes on the net profit generated by financial assets and liabilities that are held at the end of the year and are expected to reprice the interest rate within one year. The effect on the equity refers to the effect of fair value changes arising from revaluation of fixed rate available for financial investments measured at fair value held at year end as a result of changes in interest rates.

The Group

	Sensitivity of net interest income	
	31 December 2020	31 December 2019
Change in interest rate (basis points)		
+200	1,388,785	4,154,314
-200	(1,305,719)	(4,147,079)

	Sensitivity of equity	
	31 December 2020	31 December 2019
Change in interest rate (basis points)		
+200	(4,485,062)	(4,150,008)
-200	4,940,983	4,698,074

This sensitivity analysis is based on a static interest rate risk profile of the assets and liabilities. The analysis measures only the impact of changes in interest rates within a year, as reflected by effect on annualised net interest income and equity from the repricing of the Group's assets and liabilities within a year. The analysis is based on the following assumptions:

- changes in business after balance sheet date is not taken into account, the analysis is based on the static gap at the balance sheet date;
- all assets and liabilities that reprice or are due within one year will reprice or are due at the beginning of the respective periods;
- the interest rates of deposits with central bank and demand deposits from customers remain unchanged;
- there is a parallel shift in the yield curve due to change in interest rates;
- there are no other changes to the assets or liabilities portfolio; and
- other variables (including foreign exchange rates) remain unchanged; and
- impact from interest rate movement on customers' activities, market prices and off-balance sheet items are not considered.

Based on the above assumptions, the actual changes of the Group's net interest income and equity may be different from the results of this sensitivity analysis due to fluctuations in interest rate.

(b) Foreign currency risk

Foreign currency risk is the likelihood of a loss that may arise from adverse movements in the market currency rate. The Group's business transactions are mainly denominated in RMB. Some transactions involve US dollars, Euros or HKDs, as well as a few other currencies. The Group's exchange rate risk comprises risk arising from foreign currency exposures originated from daily treasury businesses and loans and advances to customers, deposits from customers held by the Group and transactions of currency derivative instruments which are not denominated in RMB. The Group's foreign currency risk mainly arises from mismatch of assets and liabilities denominated in foreign currency and currency derivative instruments.

The Group manages the exchange rate risk mainly by imposing limits on the transactions. Moreover, the Group manages its exchange rate risk through transactions and balances and matching foreign currency financial assets with liabilities in the same currency, and manages its foreign currency assets and liabilities portfolio and structured position using derivative instruments. The Group also conducted sensitivity analysis on foreign currency risk on a regular basis.

(i) Foreign currency risk exposure

The Group's exchange rate exposures at the balance sheet date are as follows:

The Group

	31 December 2020			Total
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	
Financial assets				
Cash and deposits with central bank	142,986,553	4,014,425	72,665	147,073,643
Deposits and placements with banks and other financial institutions	58,563,286	25,923,638	5,782,187	90,269,111
Financial assets held under resale agreements	6,464,697	-	-	6,464,697
Loans and advances to customers	1,155,225,334	5,705,521	5,033,220	1,165,964,075
Investments (Note a)	811,730,884	32,065,619	2,111,495	845,907,998
Long-term receivables	53,623,665	-	-	53,623,665
Other financial assets	7,118,672	235,928	223,049	7,577,649
Total financial assets	2,235,713,091	67,945,131	13,222,616	2,316,880,838
Financial liabilities				
Borrowings from central bank	195,611,850	-	-	195,611,850
Deposits and placements with banks and other financial institutions	173,278,983	3,062,708	360,687	176,702,378
Financial assets sold under repurchase agreements	12,487,400	-	-	12,487,400
Deposits from customers	1,278,833,217	49,093,940	1,942,680	1,329,869,837
Debt securities issued	412,999,027	-	-	412,999,027
Other financial liabilities	9,405,949	2,223,413	6,897	11,636,259
Total financial liabilities	2,082,616,426	54,380,061	2,310,264	2,139,306,751
Net position	153,096,665	13,565,070	10,912,352	177,574,087
Credit commitments	296,664,966	19,858,652	4,271,155	320,794,773
Derivative financial instruments (Note b)	1,928,991	(2,066,469)	182,762	45,284

	31 December 2019			
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Financial assets				
Cash and deposits with central bank	129,227,329	2,966,680	58,091	132,252,100
Deposits and placements with banks and other financial institutions	48,364,088	10,864,974	6,789,422	66,018,484
Financial assets held under resale agreements	6,159,533	-	-	6,159,533
Loans and advances to customers	998,077,473	9,234,115	3,589,700	1,010,901,288
Investments (Note a)	759,840,254	22,311,396	797,196	782,948,846
Long-term receivables	47,874,891	-	-	47,874,891
Other financial assets	2,768,127	513,417	5,045	3,286,589
Total financial assets	1,992,311,695	45,890,582	11,239,454	2,049,441,731
Financial liabilities				
Borrowings from central bank	123,517,336	-	-	123,517,336
Deposits and placements with banks and other financial institutions	177,572,156	426,490	-	177,998,646
Financial assets sold under repurchase agreements	39,434,273	-	-	39,434,273
Deposits from customers	1,158,828,254	45,549,071	1,185,117	1,205,562,442
Debt securities issued	360,021,324	-	-	360,021,324
Other financial liabilities	9,261,090	1,155,666	7,277	10,424,033
Total financial liabilities	1,868,634,433	47,131,227	1,192,394	1,916,958,054
Net position	123,677,262	(1,240,645)	10,047,060	132,483,677
Credit commitments	245,665,391	15,773,667	4,707,623	266,146,681
Derivative financial instruments (Note b)	7,571,858	1,960,423	(9,468,601)	63,680

a. Financial investments comprise financial investments measured at FVTPL, financial investments measured at amortised cost, financial investments measured at FVOCI, and financial investments designated at FVOCI.

b. The derivative financial instruments reflect the net value of the derivative financial instrument contracts.

(ii) Sensitivity analysis of foreign currency risk

The Group uses sensitivity analysis to measure the potential effect of changes in foreign currency exchange rates on the Group's net profit and equity. The following table sets forth the effect on the Group's net profit and equity from possible foreign exchange rate fluctuations with an assumption that all other variables held constant.

The Group

	Sensitivity of net profit and equity	
	31 December 2020	31 December 2019
Change in foreign currency exchange rate		
Appreciation against RMB by 5%	847,264	48,684
Depreciation against RMB by 5%	(847,264)	(48,684)

The sensitivity analysis is based on the following assumptions:

- a. changes in business after balance sheet date is not taken into account, the analysis is based on the static gap at the balance sheet date;
- b. the foreign currency sensitivity is the gain or loss recognised as a result of a 500-basis point fluctuation in foreign currency exchange rates against RMB at the end of the Relevant Periods (middle price);
- c. the fluctuation of exchange rates by 500 basis points is based on the assumption of exchange rates movement over the next 12 months;
- d. due to the immaterial proportion of the Group's total assets and liabilities denominated in foreign currencies other than US dollars, when calculating the effect on net profit, other foreign currencies are converted into US dollars for this sensitivity analysis purpose;
- e. when calculating the foreign exchange exposures, exposures from foreign currency spot, forward and swap foreign exchange exposures are included;
- f. other variables (including interest rates) remain unchanged; and
- g. impact from foreign exchange rate change on customers' activities and market prices are not considered.

The above sensitivity analysis is based on the static structure of the assets and liabilities in respect of foreign exchange risk. It has not taken into account the potential efforts from the Group to mitigate the negative effects on profits from foreign currency positions.

Based on the above assumptions, the actual changes in the Group's net profit and equity may be different from the results of sensitivity analysis due to the fluctuations of foreign exchange rate.

(3) Liquidity risk

Liquidity risk is the risk that the commercial banks fail to meet the demands associated with its payables due, new loans and reasonable financing activities, or encounter difficulties in meeting these demands with reasonable costs.

The Group established the liquidity risk management system composed of the Board of Directors and its Risk Management Committee, Senior Management and its Assets and Liabilities Management Committee. The Group's Risk Management Department is leading the management of liquidity risk, and the treasurer established under the Planning and Finance Department is responsible for the specific liquidity risk management work. The Group calculated the liquidity risk based on its estimates of liquidity indicators and liquidity gap and performed periodic liquidity stress tests to identify indicators which may lead to any liquidity risk at the earliest stage. The Group established risk limit management and early warning systems and specific emergency plan, and emergency team to address the liquidity risk. The Group also sets up liquidity risk reporting mechanism by reporting the monitoring of liquidity risk per month and conducting stress tests on a quarterly basis.

The Group's fund for assets are mainly from deposits from customers, which include deposits from corporate and individual customer as well as other banks. These deposits continue to increase overall in recent years with diversified categories and maturity, which are diversified and stable source of funds.

(a) Maturity analysis

The following tables provide an analysis of the financial assets and liabilities of the Group based on the remaining term at each balance sheet date:

The Group

	31 December 2020							Total
	Indefinite	Overdue / repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets								
Cash and deposits with central bank	129,230,639	17,843,004	-	-	-	-	-	147,073,643
Deposits and placements with banks and other financial institutions	-	31,851,636	15,963,718	8,553,022	32,912,110	988,625	-	90,269,111
Financial assets held under resale agreements	-	-	6,078,242	-	386,455	-	-	6,464,697
Loans and advances to customers	-	5,952,575	147,366,246	155,377,786	438,037,971	213,699,568	205,529,929	1,165,964,075
Investments (Note i)	176,211,713	644,253	19,068,304	42,007,125	83,461,783	353,331,452	171,183,368	845,907,998
Long-term receivables	-	234,710	1,811,622	3,398,686	13,387,423	34,218,393	572,831	53,623,665
Others financial assets	-	4,977,048	535,599	616,541	1,065,829	382,632	-	7,577,649
Total financial assets	305,442,352	61,503,226	190,823,731	209,953,160	569,251,571	602,620,670	377,286,128	2,316,880,838
Financial liabilities								
Borrowings from central bank	-	-	6,597,531	7,095,514	181,918,805	-	-	195,611,850
Deposits and placements with banks and other financial institutions	-	32,701,221	18,771,976	32,869,712	92,359,469	-	-	176,702,378
Financial assets sold under repurchase agreements	-	-	4,929,530	3,868,022	3,689,848	-	-	12,487,400
Deposits from customers	-	466,660,874	152,078,851	163,547,915	303,196,536	244,385,661	-	1,329,869,837
Debt securities issued	-	-	7,122,266	57,321,838	285,786,301	39,770,775	22,997,847	412,999,027
Other financial liabilities	-	3,807,837	1,223,350	868,784	1,672,456	3,938,525	125,307	11,636,259
Total financial liabilities	-	503,169,932	190,723,504	265,571,785	868,623,415	288,094,961	23,123,154	2,139,306,751
Net position	305,442,352	(441,666,706)	100,227	(55,618,625)	(299,371,844)	314,525,709	354,162,974	177,574,087
Notional amount of derivative financial instruments	-	-	112,678,623	172,145,604	135,330,301	41,103,632	-	461,258,160

31 December 2019								
	Indefinite	Overdue / repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	Total
Financial assets								
Cash and deposits with central bank	123,720,890	8,531,210	-	-	-	-	-	132,252,100
Deposits and placements with banks and other financial institutions	-	19,463,158	17,135,204	22,002,193	7,417,929	-	-	66,018,484
Financial assets held under resale agreements	-	-	6,159,533	-	-	-	-	6,159,533
Loans and advances to customers	-	11,344,027	138,514,655	133,851,067	411,644,784	161,404,176	154,142,579	1,010,901,288
Investments (Note i)	131,997,513	1,242,722	16,233,347	30,413,754	130,498,791	298,190,062	174,372,657	782,948,846
Long-term receivables	-	324,654	1,341,479	2,626,339	11,782,063	31,553,018	247,338	47,874,891
Others financial assets	-	1,439,944	408,693	476,685	694,374	261,570	5,323	3,286,589
Total financial assets	255,718,403	42,345,715	179,792,911	189,370,038	562,037,941	491,408,826	328,767,897	2,049,441,731
Financial liabilities								
Borrowings from central bank	-	-	2,148,020	-	121,369,316	-	-	123,517,336
Deposits and placements with banks and other financial institutions	-	15,479,646	33,214,209	44,715,812	84,588,979	-	-	177,998,646
Financial assets sold under repurchase agreements	-	-	34,552,742	1,541,441	3,017,793	322,297	-	39,434,273
Deposits from customers	-	427,355,835	122,090,080	107,939,315	253,968,666	293,781,942	426,604	1,205,562,442
Debt securities issued	-	-	6,723,745	43,621,778	247,255,033	21,494,407	40,926,361	360,021,324
Other financial liabilities	-	3,506,648	430,934	706,375	2,180,124	3,504,725	95,227	10,424,033
Total financial liabilities	-	446,342,129	199,159,730	198,524,721	712,379,911	319,103,371	41,448,192	1,916,958,054
Net position	255,718,403	(403,996,414)	(19,366,819)	(9,154,683)	(150,341,970)	172,305,455	287,319,705	132,483,677
Notional amount of derivative financial instruments	-	-	94,685,881	70,626,151	149,567,000	22,181,250	-	337,060,282

(i) Financial investments comprise financial investments measured at FVTPL, financial investments measured at amortised cost, financial investments measured at FVOCI, and financial investments designated at FVOCI.

(b) Contractual undiscounted cash flow analysis

The following tables provide an analysis of the contractual undiscounted cash flow of the financial liabilities of the Group at each balance sheet date. The Group's actual cash flows on these instruments may vary significantly from this analysis.

The Group

	31 December 2020								
	Carrying amount	Undiscounted cash flow	Indefinite	Overdue / repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years
Non-derivative financial liabilities									
Borrowings from central bank	195,611,850	199,037,632	-	-	6,606,744	7,130,341	185,300,547	-	-
Deposits and placements from banks and other financial institutions	176,702,378	178,207,408	-	32,701,221	18,778,879	33,011,065	93,716,243	-	-
Financial assets sold under repurchase agreements	12,487,400	12,513,733	-	-	4,937,368	3,881,544	3,694,821	-	-
Deposits from customers	1,329,869,837	1,346,961,041	-	466,660,874	152,412,565	164,305,337	308,010,440	255,571,825	-
Debt securities issued	412,999,027	433,783,878	-	-	7,130,000	57,519,996	292,669,110	49,926,372	26,538,400
Other financial liabilities	9,080,942	9,080,942	-	3,807,837	629,161	278,793	676,745	3,563,099	125,307
Total non-derivative liabilities	2,136,751,434	2,179,584,634	-	503,169,932	190,494,717	266,127,076	884,067,906	309,061,296	26,663,707
Derivative financial instruments									
Derivative financial instruments settled on gross basis of which									
- Total inflow		137,178,908	-	-	56,778,778	34,123,589	46,138,729	137,812	-
- Total outflow		(137,199,243)	-	-	(56,838,883)	(34,135,187)	(46,101,697)	(123,476)	-
Derivative financial instruments settled on net basis		68,003	-	-	1,515	38,148	33,730	(5,390)	-
Total derivative financial instruments		47,668	-	-	(58,590)	26,550	70,762	8,946	-
Credit commitments		321,388,198	-	37,196,683	49,946,417	102,673,410	104,826,776	23,029,121	3,715,791

		31 December 2019							
	Carrying amount	Undiscounted cash flow	Indefinite	Overdue / repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years
Non-derivative financial liabilities									
Borrowings from central bank	123,517,336	126,041,474	-	-	2,164,774	-	123,876,700	-	-
Deposits and placements from banks and other financial institutions	177,998,646	179,794,324	-	15,479,657	33,260,966	45,002,155	86,051,546	-	-
Financial assets sold under repurchase agreements	39,434,273	39,480,516	-	-	34,554,381	1,547,940	3,048,834	329,361	-
Deposits from customers	1,205,562,442	1,224,900,650	-	427,355,835	122,360,227	108,417,969	258,028,292	308,224,777	513,550
Debt securities issued	360,021,324	382,524,749	-	-	6,730,000	43,830,000	253,179,400	28,822,569	49,962,780
Other financial liabilities	8,660,554	8,660,554	-	3,506,648	12,100	263,680	1,506,526	3,276,373	95,227
Total non-derivative liabilities	1,915,194,575	1,961,402,267	-	446,342,140	199,082,448	199,061,744	725,691,298	340,653,080	50,571,557
Derivative financial instruments									
Derivative financial instruments settled on gross basis of which									
- Total inflow		305,953,807	-	-	94,123,429	70,573,924	140,836,673	419,781	-
- Total outflow		(305,879,681)	-	-	(94,133,846)	(70,543,489)	(140,816,322)	(386,024)	-
Derivative financial instruments settled on net basis		(10,446)	-	-	69	45	(627)	(9,933)	-
Total derivative financial instruments		63,680	-	-	(10,348)	30,480	19,724	23,824	-
Credit commitments		266,641,183	-	28,457,951	53,356,101	44,030,738	125,673,661	8,955,272	6,167,460

(4) Operational risk

Operational risk refers to the risk of loss caused by incomplete or problematic internal procedures, employees and information technology systems, and external events. Including legal risks but not tactical risks and reputational risks.

The Group established an operational risk governance structure composed of the Board of Directors and its Risk Management Committee, Senior Management and its Internal Control and Risk Management Committee. The Risk Management Department is responsible managing the Group's operational risk.

The Group identifies, assesses, monitors and controls operational risks by setting up a risk management team with full-time and part-time professionals, adopting a top-down reporting approach and establishing a feedback system on risk events. The operational risk management system includes the following areas:

- enhance risk prevention and improve management system;
- applied three major tools of operational risk to streamline business and management processes. The Group conducts Control Self-Assessment (RCSA) on operational risk, and use Governance, Risk and Compliance system (GRC) to monitor key risk indicators, collect loss data, and identify defects;
- adopts early warning monitoring platform to strengthen automated monitoring of operational risk ;
- and clarifies functions and responsibilities
- implement the quality guidance book online, "Intensify Internal Control, Check for Missing and Missing Leakage" Activities, conduct internal training, risk assessment, internal inspection and employee behaviour investigation;
- identify risks and implement supervision on rectification. The Group implement specific self-examination and comprehensive examination and rolling inspection on each business line to identify risks. The Group also establishes supervision mechanism to develop rectification plan for the identified problems; and
- Implement staff shift and mandatory leave policy.

11. Fair value of financial instruments

(1) Fair value measurement

(a) Fair value hierarchy

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring basis. As at 31 December 2020, the Group's assets and liabilities which are measured at fair value on a recurring basis were not significant. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments, measured at fair value at the balance sheet day by the level in the fair value hierarchy into which the fair value measurement is categorised:

The Group

	31 December 2020			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Assets				
Derivative financial assets	-	2,578,654	21,947	2,600,601
Loans and advance	-	94,609,565	1,238,604	95,848,169
Financial investments measured at FVTPL				
- Debt instruments	-	41,672,441	-	41,672,441
- Fund investments	135,197,054	-	-	135,197,054
- Financial product investments	-	-	49,048,939	49,048,939
- Asset management and trust fund	-	258,867	1,456,353	1,715,220
	-	2,258,499	-	2,258,499
- Equity investments	249,160	-	194,709	443,869
- Other investments	-	14,578,448	-	14,578,448
Financial investments measured at FVOCI				
- Debt instruments	-	92,576,615	-	92,576,615
- Asset-backed securities	-	625,634	-	625,634
- Other investments	-	67,651	-	67,651
Financial investments designated at FVOCI				
- Equity investments	-	-	194,970	194,970
Total assets measured at fair value on a recurring basis	<u>135,446,214</u>	<u>249,226,374</u>	<u>52,155,522</u>	<u>436,828,110</u>
Liabilities				
Derivative financial liabilities	-	2,555,317	-	2,555,317
Financial liabilities held for trading	<u>344,031</u>	-	-	<u>344,031</u>
Total liabilities measured at fair value on a recurring basis	<u>344,031</u>	<u>2,555,317</u>	-	<u>2,899,348</u>

	31 December 2019			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Assets				
Derivative financial assets	-	1,827,159	-	1,827,159
Loans and advance	-	77,752,279	3,426,603	81,178,882
Financial investments measured at FVTPL				
- Debt instruments	-	20,944,416	-	20,944,416
- Fund investments	126,890,447	-	-	126,890,447
- Financial product investments	-	-	67,350,600	67,350,600
- Asset management and trust fund	-	244,594	11,058,864	11,303,458
- Asset-backed securities	-	815,124	-	815,124
- Equity investments	215,109	-	194,709	409,818
- Other investments	-	2,041,503	-	2,041,503
Financial investments measured at FVOCI				
- Debt instruments	-	73,645,321	-	73,645,321
- Asset-backed securities	-	14,605	-	14,605
- Other investments	-	2,422,380	-	2,422,380
Financial investments designated at FVOCI				
- Equity investments	-	-	137,676	137,676
Total assets measured at fair value on a recurring basis	<u>127,105,556</u>	<u>179,707,381</u>	<u>82,168,452</u>	<u>388,981,389</u>
Liabilities				
Derivative financial liabilities	-	1,763,479	-	1,763,479
Financial liabilities held for trading	21	-	-	21
Total liabilities measured at fair value on a recurring basis	<u>21</u>	<u>1,763,479</u>	<u>-</u>	<u>1,763,500</u>

(b) Level 1 fair value measurement

If there is a reliable active market quote (such as an authorised stock exchange or active open-end fund manager), the closing price of the last trading day prior to the balance sheet date is used as fair value.

(c) Level 2 fair value measurement

The financial instruments of the Group belonging to the second level of fair value measurement mainly include debt investments, bill discounting and derivative financial instruments.

The fair value of discounted bonds and bills is determined based on the quotation of the relevant securities settlement agency or exchange valuation system. The relevant quotation agencies adopted observable input values reflecting market conditions in the process of forming quotations.

The fair value of foreign exchange forwards and swaps, currency interest rate swaps, interest rate swaps, and commodity forward and swap included in the derivative financial instruments is determined by discounting the expected receivable and payable of future contracts and calculating the net present value of the contracts. The discount rate used is the market rate curve of respective currency. System quotations provided by market are used for exchange rates and commodity prices. These interest rate curves and quotations are observable input values that reflect market conditions.

(d) Level 3 fair value measurement

The Group has developed relevant procedures to determine the appropriate valuation techniques and inputs for level 3 fair value measurement on a recurring basis, and regularly reviews the appropriateness of the relevant procedures and determination of the fair value.

Quantitative information of level 3 fair value measurement is as follows:

	Fair value at 31 December 2020	Valuations technique	Unobservable inputs	Range/ value
Wealth management products	49,048,939	Discounted cash flow method	Risk-adjusted discount rate	[2.80%, 4.90%]
Asset management plan	1,456,353	Discounted cash flow method	Risk-adjusted discount rate	[4.00%, 5.95%]
Bill discounting	1,238,604	Discounted cash flow method	Risk-adjusted discount rate	[2.05%, 11.00%]
Unlisted equity investments	389,679	Comparative method of listed companies	Liquidity discount	20%
Over-the-counter interest rate swap	21,947	Discounted cash flow method	Risk-adjusted discount rate	[3.15%, 4.75%]

	Fair value at 31 December 2019	Valuations technique	Unobservable inputs	Range/ value
Wealth management products	67,350,600	Discounted cash flow method	Risk-adjusted discount rate	[3.25%, 4.90%]
Asset management plan	1,355,041	Discounted cash flow method	Risk-adjusted discount rate	[4.30%, 5.94%]
Bill discounting	3,426,603	Discounted cash flow method	Risk-adjusted discount rate	[2.86%, 3.05%]
Unlisted equity investments	332,385	Comparative method of listed companies	Liquidity discount	20%
Over-the-counter interest rate swap	9,703,823	Discounted cash flow method	Risk-adjusted discount rate	[3.90%, 6.80%]

Valuation of the Group's wealth management products, asset management plan, bill discounting, and Over-the-counter interest rate swap uses a technique that employs unobservable market data, and the valuation model used is discounted cash flow model. The unobservable assumptions used by the model includes risk-adjusted discount rate.

The fair value of unlisted investments in equity instruments were determined by the net market ratio of comparable listed companies with the adjustments for liquidity discount. The liquidity discount in the above model was adjusted to an unobservable input value.

As at 31 December 2020 and 2019, the impact of replacing existing unobservable assumptions with other reasonable assumptions on the fair value measurement result is not significant.

The above assumptions and methods provide a consistent basis for the Group to calculate the fair value of its assets and liabilities. Other entities, however, may use different assumptions and methods, and therefore the fair value disclosed by other financial institutions may not be entirely comparable

Reconciliation of the opening and closing balance for assets of level 3 fair value on a recurring basis is as follows:

The Group
2020

	Total gains and losses during the year			Additions and settlements		As at 31 December	For asset held and liabilities assumed at the end of the year, unrealized gains or losses recognised in profit or loss during the year
	As at January 2020	Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
Assets							
Derivative financial assets							
- Interest rate derivative instruments	-	21,947	-	-	-	21,947	21,947
Loans and advance							
- Bill Discounting	3,426,603	98,862	572	2,220,259	(4,507,692)	1,238,604	-
Financial investments measured at FVTPL							
- Financial product investments	67,350,600	3,802,330	-	544,160,200	(566,264,191)	49,048,939	256,080
- Asset management and trust fund	11,058,864	535,328	-	45,113,250	(55,251,089)	1,456,353	69,135
- Equity investments	194,709	-	-	-	-	194,709	-
Financial investments designated at FVOCI							
- Equity investments	137,676	-	57,294	-	-	194,970	-
Total	82,168,452	4,458,467	57,866	591,493,709	(626,022,972)	52,155,522	347,162

2019

	Total gains and losses during the year			Additions and settlements		As at 31 December	For asset held and liabilities assumed at the end of the year, unrealized gains or losses recognised in profit or loss during the year
	As at January 2019	Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
Assets							
Derivative financial assets							
- Interest rate derivative instruments	56,424	2,802	-	-	(59,226)	-	-
Loans and advance							
- Bill Discounting	1,335,433	173,124	(2,863)	9,565,369	(7,644,460)	3,426,603	-
Financial investments measured at FVTPL							
- Fund investments	50,058	843	-	-	(50,901)	-	-
- Financial product investments	123,420,568	5,442,814	-	604,772,000	(666,284,782)	67,350,600	173,450
- Asset management and trust fund	2,976,430	455,012	-	31,105,134	(23,477,712)	11,058,864	19,941
- Equity investments	-	-	-	194,709	-	194,709	-
Financial investments measured at FVOCI							
- Asset management and trust fund	1,252,156	11,974	8,827	-	(1,272,957)	-	-
Financial investments designated at FVOCI							
- Equity investments	125,716	-	11,960	-	-	137,676	-
Total	129,216,785	6,086,569	17,924	645,637,212	(698,790,038)	82,168,452	193,391

Details of the above gains or losses charged to profit or loss recognised by the Group in 2020 and 2019 are as follows:

	2020	2019
Realised gains or losses recognised in profit or loss during the year		
- Investment income	98,862	185,098
- Interest income	3,901,139	5,901,524
Unrealised gains or losses recognised in profit or loss during the year		
- Net losses on changes in fair value	347,162	55,891
Gains or losses recognised in other comprehensive income		
Changes in fair value of loans and advances to customers measured at FVOCI	572	(2,863)
- Changes in fair value of financial investments measured at FVOCI	-	8,827
- Changes in fair value of financial investments designated at FVOCI	57,294	11,960

Analysis of level 3 fair value measurement items on a recurring basis and sensitivity of unobservable inputs is as follows:

The fair value of the Group's wealth management products, asset management plan, bill discounting, and Over-the-counter interest rate swap is determined by discounting the expected cash flow related to the above assets by using the risk-adjusted discount rate. The discount rate used has been adjusted to the counterparties' credit risks and other factors. Fair value measurement and risk-adjusted discount rate are negatively correlated.

The fair value of the Group's unlisted equity instruments investment is determined using the price/earning ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability.

(2) Change of items measured at fair value between different levels

During the reporting period, the Group's assets and liabilities measured at fair value have not been changed between different levels.

(3) Change of valuation techniques and the reasons

During the reporting period, valuation techniques used by the Group for fair value measurement were not changed.

(4) Fair value of financial assets and liabilities not measured at fair value

In addition to the following items, there was no significant difference between the carrying amount and the fair value of the Group's other financial assets and liabilities as at 31 December 2020 and 31 December 2019.

	31 December 2020			
	Level 2	Level 3	Fair value	Carrying amount
Financial assets				
Debt investments	329,152,680	179,661,247	508,813,927	507,528,658
Financial liabilities				
Debt securities issued	413,423,942	-	413,423,942	412,999,027
	31 December 2019			
	Level 2	Level 3	Fair value	Carrying amount
Financial assets				
Debt investments	286,679,669	206,704,085	493,383,754	476,973,498
Financial liabilities				
Debt securities issued	366,487,134	-	366,487,134	360,021,324

For the above financial assets and liabilities not measured at fair value, the Group mainly used the following methods to determine their fair value:

(a) Fair value of debt instruments in financial instruments measured at amortised cost, asset-backed securities, negotiable certificate of deposits and debt securities issued are determined based on the quotes provided by the valuation system of securities clearing institutions. Observable inputs that reflect market conditions are used by quotation institutions when preparing the quotation.

(b) There is no quotation for asset management plans and trust plans in financial investments measured at amortised cost. As a result, the Group estimates the fair value of these financial investments by applying the discounted cash flow method. The discount rate used is the yield curve adjusted to the credit risk of these financial investments at the end of reporting year.

12. Related party relationships and transactions

(1) Changes in the shareholding percentage of the Group's substantial shareholders in the reporting period

Company name	Note	31 December 2020	31 December 2019
Jiangsu International Trust Corporation Limited ("Jiangsu Trust")		8.17%	8.04%
Jiangsu Phoenix Publishing & Media Group Corporation Limited ("Phoenix Group")		8.11%	7.81%
Huatai Securities Co., Ltd ("Huatai Securities")		5.63%	5.54%
Wuxi Construction and Development Investment Co., Ltd.		4.81%	4.73%
Jiangsu Broadcasting Corporation		3.05%	3.00%
Suzhou International Development Group Co., Ltd.		2.38%	2.34%
Jiangsu Transportation Holdings Co., Ltd.		1.73%	1.70%
Jiangsu Shagang Group Co., Ltd.	(i)	1.46%	1.98%
China Orient Asset Management Co., Ltd.	(i)	1.22%	2.56%
Yangzhou Modern Financial Investment Group Co., Ltd.		0.86%	0.85%

In addition to the main shareholders identified in accordance with the CAS and the Administrative Measures on Information Disclosure by Listed Companies, the above companies also include the main shareholders identified in accordance with the relevant requirements in the Provisional Measures on Administration of Equities of Commercial Banks.

According to the relevant requirements in the Provisional Measures on Administration of Equities of Commercial Banks, the main shareholders of commercial banks are those who hold or control more than 5% of the shares or voting rights of commercial banks, or hold less than 5% of the total capital or shares but have significant impact on the operation and management of commercial banks. Important impacts include, but are not limited to, the appointment of directors, supervisors or senior managers to commercial banks to influence the financial and operational management decisions through agreements or other means.

The shareholding ratio is calculated on the basis of the total number of shares issued by the Bank to the original A-share shareholders in December 2020 (see Note 5 (25)).

(i) Mr. Zhao Chuanbiao, the supervisor of China Oriental Asset Management Co., Ltd., assigned to Bank of Jiangsu, resigned on August 23, 2019, and Mr. Shen Bin, the director of Jiangsu Shagang Group Co., Ltd., assigned to Bank of Jiangsu, resigned on October 18, 2019.

(2) Transactions with related parties

The significant transaction amounts with related parties and significant balances of transactions with related parties and significant off-balance items as at the balance sheet date:

	Jiangsul Trust and its subsidiaries	Phoenix Group and its subsidiaries	Huatai Securities and its subsidiaries	Company of the key management personnel (Note I) (excluding the above shareholders)	Others	Total	Percentage of associated transaction amount / balances
Significant transactions amount in 2020:							
Interest income	35,216	2,107	14,768	268,404	7,797	328,292	0.36%
Interest expense	(8,460)	(643)	(7,599)	(42,344)	(4,532)	(63,578)	0.11%
Fee and commission income	-	-	2,077	12,631	-	14,708	0.26%
Investment income	34,473	-	-	9,538	-	44,011	0.53%
Net gains on changes of fair value	-	-	-	(3,373)	-	(3,373)	(0.66%)
General and administrative expenses	-	-	(4,754)	-	-	(4,754)	0.04%
Issuance expenses paid	-	-	(11,935)	-	-	(11,935)	N/A
The balances of transactions with related parties as at 31 December 2020:							
Deposits with banks and other financial institutions	-	-	-	735,799	-	735,799	1.66%
Placement with banks and other financial institutes	-	-	500,211	3,249,724	-	3,749,935	7.86%
Financial assets held under resale agreements	-	-	200,008	-	-	200,008	2.90%
Financial investments measured at FVTPL	-	-	-	2,483,158	-	2,483,158	1.01%
Loans and advances to customers	-	100,048	-	4,020,501	186,657	4,307,206	0.36%
Financial investments measured at amortisation cost	1,221,382	-	-	527,709	-	1,749,091	0.34%
Financial investments measured at fair value through other comprehensive income	-	-	-	200,978	-	200,978	0.22%
Deposits from banks and other financial institutions	(2,060)	-	(265,119)	(1,396,073)	-	(1,663,252)	1.33%
Borrowings from banks and other financial institutions	-	(400,084)	-	(400,072)	-	(800,156)	1.55%
Deposits from customers	-	(235,198)	(12,242)	(2,691,002)	(162,361)	(3,100,803)	0.23%
Other liabilities	-	-	(11,585)	-	-	(11,585)	0.11%
Significant off-balance sheet items as at 31 December 2020:							
Credit card commitments	-	-	-	-	68,676	68,676	0.34%
Bank acceptances	-	-	-	1,320,168	-	1,320,168	0.56%
Letter of guarantee	-	-	-	5,967,987	-	5,967,987	19.58%
Letters of credit	-	-	-	36,615	-	36,615	0.16%
Entrusted loans	-	-	-	154,000	-	154,000	0.26%
Credit line	1,221,382	100,048	700,219	17,592,847	255,333	19,869,829	N/A

	Jiangsu Trust and its subsidiaries	Phoenix Group and its subsidiaries	Huatai Securities and its subsidiaries	Company of the key management personnel (Note 1) (excluding the above shareholders)	Others	Total	Percentage of associated transaction amount/ balances
Significant transactions amount in 2019:							
Interest income	23,041	-	16,070	953,051	4,488	996,650	1.22%
Interest expense	(677)	(509)	(5,007)	(22,179)	(4,541)	(32,913)	0.06%
Fee and commission income	-	11	-	9,775	-	9,786	0.16%
Investment income	-	-	-	2,426	-	2,426	0.02%
Net gains on changes of fair value	2,686	-	-	1,565	-	4,251	(2.32%)
General and administrative expenses	-	-	(6,867)	(569)	-	(7,436)	0.06%
Issuance expenses paid	-	-	(18,762)	-	-	(18,762)	N/A
The balances of transactions with related parties as at 31 December 2019:							
Deposits with banks and other financial institutions	-	-	-	44,655	-	44,655	0.13%
Placement with banks and other financial institutes	-	-	1,000,000	1,655,272	-	2,655,272	8.04%
Financial investments measured at FVTPL	1,002,686	-	-	719,852	-	1,722,538	0.75%
Loans and advances to customers	-	-	-	3,757,787	143,921	3,901,708	0.37%
Financial investments measured at amortisation cost	1,023,041	-	-	1,228,285	-	2,251,326	0.46%
Deposits from banks and other financial institutions	(564,603)	-	(172,294)	(471,624)	-	(1,208,521)	0.88%
Deposits from customers	-	(502,885)	(35,960)	(2,762,526)	(116,776)	(3,418,147)	0.28%
Significant off-balance sheet items as at 31 December 2019:							
Credit card commitments	-	-	-	-	62,093	62,093	0.37%
Bank acceptances	-	-	-	70,558	-	70,558	0.03%
Letter of guarantee	-	539	-	422,300	-	422,839	1.90%
Credit line	2,025,727	539	1,000,000	7,638,945	206,014	10,871,225	N/A

The above-mentioned transactions with related parties are conducted in accordance with general business terms and normal business procedures, and the pricing principles are consistent with independent third-party transactions.

(3) Transactions with its key management personnel

Remuneration of key management personnel:

	2020	2019
Payment for remuneration of key management personnel	19,261	19,798

The group's key management personnel refers to those personnel who have the authority and responsibilities for planning, directing or controlling the Group's activities directly or indirectly, including the board of directors, supervisors and senior management. The group conduct normal banking transactions with these key management personnel during the ordinary business. The transactions and balance between the group and key management personnel are not significant for the year ended 31 December 2020 and 2019.

(4) Transactions with subsidiaries

Significant transactions amounts with subsidiaries during the reporting period are set out as follows:

	2020	2019
Interest income	93,956	129,107
Interest expense	(5,499)	(1,715)
Other operating incomes	2,746	2,883
Investment income	164,214	-
Net losses from changes in fair value	(211)	-

Significant balances with subsidiaries during the reporting period:

	31 December 2020	31 December 2019
Deposits with banks and other financial institutions	85,060	305,546
Placements with banks and other financial institutions	3,173,056	3,755,528
Financial investments measured at fair value through profit or loss	10,006	-
Deposits from banks and other financial institutions	(156,141)	(37,977)

All intra-group transactions and balances are written off when the financial statements is consolidated.

(5) Transactions with annuity plan

In addition to contributions to the Group's annuity fund, no related party transactions have been made during the reporting period.

(6) Significant transactions with related parties

In 2020, the Bank signed a financing guarantee agreement of RMB5.5 billion with a related party, which has come into effect. Apart from the above, there was no significant related party transactions between the Bank and related parties (2019: Nil).

The significant related party transaction refers to a single transaction conducted between the Bank and a related party accounts for more than 1% of the net capital of the Bank, or the total balance with the related party accounts for more than 5% of the Bank's net capital after the transaction.

13. Capital management

The Group's capital management includes capital adequacy ratio management, capital financing management and economic capital management, of which the primary focus is on capital adequacy ratio management. The capital adequacy ratio of commercial banks should meet the Regulation Governing Capital of Commercial Banks (Provisional). The Group calculates the capital adequacy ratio in accordance with guidelines issued by the former CBRC. The capital of the Group is divided into core tier one capital, other tier one capital and tier two capital.

Capital adequacy ratio management is the core of the capital management of the Group. The capital adequacy ratio reflects the soundness of the Group's operations and risk resisting capabilities. The main objective in capital adequacy ratio management is to set an optimal capital adequacy ratio that meets the regulatory requirements by benchmarking against the capital adequacy ratio level of leading global banks with reference to the Group's business environment and conditions. The Group considers its strategic development plans, business expansion plans and risk variable trends when conducting scenario analysis and stress testing and executing other measures to forecast, plan and manage its capital adequacy ratio.

Capital allocation

The Group determines the allocation of its capital to businesses or activities with the objective of maximising the return on risk-adjusted capital. The Group's policies in respect of capital management and allocation are reviewed regularly by the board of directors.

The amount of capital allocated to each business or activity is primarily determined based on regulatory requirements. However, in certain cases, regulatory requirements may not accurately address the varying degree of risks associated with different activities. In such cases, capital may be adjusted to an appropriate level to reflect the risk profiles. The Planning and Finance Department is responsible for the entire capital allocation process.

The adequacy ratio of core tier one capital, the adequacy ratio of tier one capital and the capital adequacy ratio calculated in accordance with Administrative Measures on Capital of Commercial Banks (For Trial Implementation) and other related laws and regulations are as follows:

The Group

	31 December 2020	31 December 2019
Adequacy ratio of core tier one capital	9.25%	8.59%
Adequacy ratio of tier one capital	11.91%	10.10%
Capital adequacy ratio	14.47%	12.89%
Constituent parts of capital		
Core tier one capital:		
- Share capital	14,769,607	11,544,500
- Capital reserve which may be included	27,699,318	16,152,196
- Surplus reserve	19,859,396	17,034,028
- General risk reserve	32,381,679	28,385,510
- Retained earnings	39,260,403	35,265,566
- The portion of minority shareholders' capital which may be included	2,173,622	2,016,515
- Others	4,092,578	4,432,755
Total core tier one capital	140,236,603	114,831,070
Adjustments:		
- Other intangible assets excluding right to use land (deferred tax liabilities deducted)	(52,645)	(61,180)
- Deductible amount in deferred tax assets that rely on future profitability	(138,067)	-

	31 December 2020	31 December 2019
Total adjustments	(190,712)	(61,180)
Net core tier one capital	140,045,891	114,769,890
Other tier one capital		
- Other tier one capital instruments	39,974,758	19,977,830
- The portion of minority shareholders' capital which may be included	289,816	268,869
Total other tier one capital	40,264,574	20,246,699
Adjustments:		
- The bank's tier one capital hold directly or in directly by the Group	-	(32,781)
Net tier one capital	180,310,465	134,983,808
Tier two capital:		
- Tier two capital instruments and their premium	20,700,000	21,400,000
- Extra loan impairment provision	17,392,352	15,405,666
- The portion of minority shareholders' capital which may be included	579,633	537,737
Net tier two capital	38,671,985	37,343,403
Net capital	218,982,450	172,327,211
Total risk weighted assets	1,513,599,663	1,336,504,047

14. Subsequent events

(1) Statement of profit distribution after the balance sheet

The profit appropriation plan for the year ended 31 December 2020 was approved by the Bank's Board of Directors on 28 April 2021 and submitted for approval at the shareholders' meeting.

(2) Suyin KGI Consumer Finance Co.,Ltd

On February 25, 2021, the Bank received the reply from Jiangsu regulatory bureau of China Banking and Insurance Regulatory Commission, approving the opening of its subsidiary Suyin KGI Consumer Finance Co., Ltd. (hereinafter referred to as "Suyin KGI"). Suyin KGI opened on April 9, 2021, and the Bank contributed 50.1%.

15. Comparative figures

Certain comparative figures have been reclassified to meet the presentation requirement for the year.

Bank of Jiangsu Company Limited
Supplemental information to the financial statements
(Expressed in thousands of Renminbi, unless otherwise stated)

1. Non-recurring gain or loss

The Group's non-recurring gain or loss is as follows in accordance with the disclosure requirement of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.1: Non-recurring Gain or Loss" as revised by the China Securities Regulatory Commission ("CSRC") in 2008.

	Note	2020	2019
Gains on disposal of non-current assets		255,242	102,134
Government grants		251,638	131,133
Other losses meeting the definition of non-recurring gain or loss		(16,623)	(63,344)
Net non-recurring gain	(i)	490,257	169,923
Tax impact on the above items		(125,063)	(44,713)
Total		365,194	125,210
Including:			
Non-recurring gain or loss attributable to shareholders of the Bank		363,542	124,675
Non-recurring gain or loss attributable to non-controlling interests		1,652	535

(i) The above non-recurring gain or loss is accounted as gains from asset disposals, other income, non-operating income and non-operating expenses.

Gains or losses on the financial assets which the Group entrusted to others for investing or management, reversal of financial investments credit loss provision, possession and disposal of financial investments measured at FVTPL and financial investments measured at FVOCI and custodian fee income received as trustee are not presented as extraordinary gains and losses because the above gains and losses are generated from normal operation.

2. Return on equity and earnings per share

The Group's return on equity ("ROE") and earnings per share ("EPS") are as follows in accordance with the disclosure requirement of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9: Return on Equity and Earnings per Share" as revised by the CSRC in 2010 and relevant accounting standards.

	Weighted average ROE (%)		Basic EPS		Diluted EPS	
	2020	2019	2020	2019	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Bank	11.91	12.65	1.21	1.18	1.04	1.04
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	11.60	12.53	1.18	1.17	1.02	1.03

(1) Calculation of earnings per share**(a) Basic earnings per share**

For details of calculation of basic earnings per share, refer to Note 5(39).

(b) Basic earnings per share deducted by non-recurring gain or loss

The basic earnings per share after deducting non-recurring gain or loss of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gain or loss by the weighted average number of ordinary shares outstanding.

The Group

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Bank	14,025,745	13,578,609
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(363,542)	(124,675)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	13,662,203	13,453,934
Weighted average issued ordinary shares (in thousands)	11,544,508	11,544,461
Basic earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.18	1.17

(c) Diluted earnings per share

For details of calculation of diluted earnings per share, refer to Note 5(39).

(d) Diluted earnings per share deducted by non-recurring gain or loss

The diluted earnings per share after deducting non-recurring gain or loss of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank (diluted) after deducting non-recurring gain or loss by the weighted average number of ordinary shares outstanding (diluted).

The Group

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	14,771,647	14,177,385
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(363,542)	(124,675)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss(diluted)	14,408,105	14,052,710
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	14,189,938	13,668,071
Diluted earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.02	1.03

(2) Calculation of return on weighted average equity

(a) Return on weighted average equity

The return on weighted average equity of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank by the weighted average consolidated equity attributable to ordinary shareholders of the Bank.:

The Group

	Note	2020	2019
Consolidated net profit attributable to shareholders of the Bank		14,025,745	13,578,609
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	(i)	117,785,296	107,339,325
Return on weighted average equity		11.91%	12.65%

(i) Calculation of weighted average consolidated equity attributable to ordinary shareholders of the Bank:

	2020	2019
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the beginning of the year	107,339,325	96,733,692
Changes in weighted average consolidated equity attributable to ordinary shareholders of the Bank	10,445,971	10,605,633
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the end of the year	117,785,296	107,339,325

(b) Return on weighted average equity deducted by non-recurring gain or loss

The return on weighted average equity deducted by non-recurring gain or loss of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gain or loss by the weighted average consolidated equity attributable to ordinary shareholders of the Bank.

The Group

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	13,662,203	13,453,934
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	117,785,296	107,339,325
Return on weighted average equity deducted by non-recurring gain or loss	11.60%	12.53%

3. Disclosure of leverage ratio

For details of leverage ratio of the Group, refer to the "Investor Relations -- Regulatory Information Disclosure" on the Bank's website (www.jsbchina.cn).

4. Regulatory capital

For details of regulatory capital of the Group, refer to the "Investor Relations -- Regulatory Information Disclosure" on the Bank's website (www.jsbchina.cn).



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