





## Important Notice

**I. The board of directors, the board of supervisors, directors, supervisors and senior managers 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 2021 Annual Report of Bank of Jiangsu and the Abstracts were deliberated and ratified in the 19<sup>th</sup> meeting of the 5<sup>th</sup> board of directors of the Company on April 12, 2022, 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. Mr. XIA Ping, the Legal Representative and Chairman of the Company, together with Mr. JI Ming, the President and Head of Accounting, and Mr. LUO Feng, the Business Director and 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 A-share common stock shareholders with information as follows: RMB 4.00 per 10 shares (tax-inclusive). Since the convertible bonds issued by the Company are 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 scheme above is still required to be deliberated and approved by 2021 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 circumstance where over half of directors could not ensure the authenticity, accuracy and integrity of the annual report disclosed by the Company.**

### **VIII. Significant risk warning**

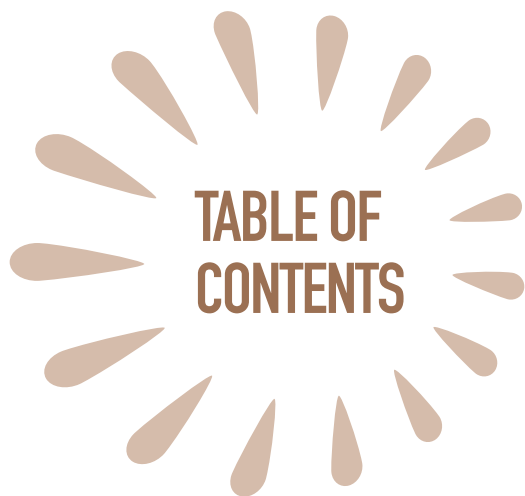
The Company had no foreseeable major risks. To learn more about risk management of the Company, please refer to the relevant contents of "Risk Management" in Section III "Business Discussion and Analysis".

# Definitions

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

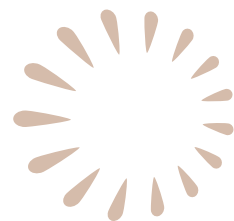
## Definitions of commonly-used words and expressions

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
CBIRC, China Banking and Insurance Regulatory Commission	Refer to	China Banking and Insurance 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	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

A large, stylized sunburst graphic composed of numerous teardrop-shaped rays radiating from a central point. The rays are a light brown color. In the center of the sunburst, the words "TABLE OF CONTENTS" are written in a bold, uppercase, sans-serif font.

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# Message from the Chairman


Dear shareholders,

Over the past one year, Bank of Jiangsu insisted on finance for the people and obtained enormous achievements: The growth of our revenue and net profits was leading in the industry, assets quality was improved with a faster speed and provision increased dramatically; ROE and ROA improved further and cash dividend ratio remained at 30% of the net profits; we're one of the first batch of national systemically important banks and rosed to the 70<sup>th</sup> place in Tier 1 capital ranking of Top 1,000 World Banks and the 72<sup>nd</sup> place in Global Top 500 Bank Brands.

With a strong focus on building an "intelligent, characteristic, international and comprehensive" bank with leading services, we stuck to the industrial transformation policy of "characteristic development, endogenous growth and innovative drive", followed long-term development principle and explored a development pattern of emphasizing finance for the people, highlighting economic entities and creating values for customers and winning their trust with high-quality services. Every achievement and progress we've obtained cannot be separated from our persistence in performing our original intention of service as well as development together with our customers. Last year, we formulated a new five-year development plan and ushered a new round of strategic practice of bank with leading services: Insist on customer-oriented principle at all times, give full play to our comparative advantages of strength that large banks own and flexibility and efficiency owned by small banks. We learnt customers' requirements more attentively and helped customers solve difficulties, create values and realize their dream better; tried to become a bank learning customers' needs more comprehensively and realizing enormous development in the course of serving customers.

**Blend into regional development and obtain a larger customer base in virtue of the original intention of high-quality service.** We always devoted to serving regional economic and social development, developed the market in China's regions with the most active economy in depth; cared for customers, learnt their demands comprehensively and knew their latest requirements constantly; followed the latest national policies and local development strategies closely, met customers' requirements better and became the major force of serving local economy and society. We're always the first choice and main bank of an increasing number of customers. As of the end of 2021, we had been in the first place respectively in terms of customer number of small and micro businesses and science and technology innovation enterprises and loan balance in Jiangsu Province; established cooperative relationship with 1/3 hi-tech enterprises and concluded loan business with 1/6 hi-tech enterprises and provided services for 1/2 technologically advanced enterprises and concluded credit business with 1/4 technologically advanced enterprises within Jiangsu Province. Manufacturing loan was improved continuously, green finance was leading in the industry and cross-border financial service, particularly for FTZ assets, ranked first among city commercial banks. In Q1 of this year, we took the lead in making retail AUM exceed RMB 1 trillion among city commercial banks and very much appreciate customer recognition. The high-quality service also promoted constant optimization of our business structure. Businesses with retail, micro and small businesses and large companies developed vigorously at the same time, especially for retail and wealth customers, which grew quickly with more contributions made year by year.

**Focus on customer requirements and explore more commercial values through updating service mode.** In consideration of the diversified, changeable and comprehensive customer requirements, we insisted on the service



strategy of "commercial bank + investment bank + assets management + trusteeship", promoted the complementary development of direct and indirect financing and realized superposition of full-license comprehensive service functions of financial lease, wealth management and consumer finance; tried to provide the full-life-cycle, all-product and whole-channel services for customers. As a result, the total amount of financial granted for customers constantly expanded and the number of core regional customers and core customer bases remarkably increased. We attached importance to elimination of barriers among different types of customers and sought retail and wealth management business chances from lots of micro, small and medium-sized enterprises. The number of our products held by single customer increased year by year and the scale effect of cross sales and collaborative service was reflected rapidly. In the consideration of many industrial clusters and high industry concentration in the service area, we explored and advanced the whole-customer group and full-industry chain financial services and formulated service guidance by categories; intensified investment and financing integration and cultivated more service value points while empowering industrial enterprise's transformation and upgrading.

**Comply with the latest technological progress and boost building of the second growth curve through intelligent financial evolution.** The coming new round of technological reform is not only a technical revolution but also a cognitive one. We upgraded intelligence to development strategy ten years ago and it has been in the top priority of strategy, to promote our business development, serve customers accurately and efficiently and enhance management efficiency effectively. The large database we developed independently was iterated continuously and rapidly and multiple sensitive state teams were established in the whole bank. Upon launching the fully online pure-credit Internet loan product "Shui e Rong" initially in 2015, we accelerated service scene diversification by following customer requirements closely, provided full product series "Sui e Rong" services of loans for small and micro businesses and individual consumption loan and are developing towards the goal of "providing products for people from all walks of life". The number of our mobile banking customers and number of monthly active users ranked first among all city commercial banks and the direct bank platform "Tian Tian Li Cai" also ranked first among China's all banks respectively in authoritative appraisal. During the outbreak of COVID-19, we adjusted and optimized product system and service mechanism actively and established the online service mode on the basis of ensuring normalized epidemic prevention and control. We empowered risk management comprehensively through fintech, made intelligent risk control system more mature and had more multidimensional and sensitive insight into customer risks. The non-performing loan ratio had been decreased year by year over the six years after our listing.

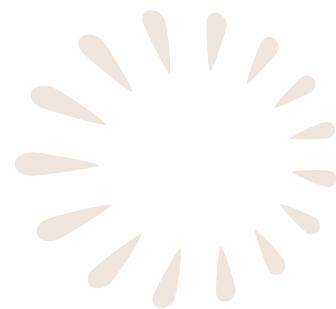
**Insist on value orientation and bring development vitality to the Bank with the integrated innovation idea.** Incorporated through merger and reorganization, Bank of Jiangsu has focused on the value orientation of "Integration of Innovation, Practical Responsibility and Lean for Growth". By establishing a "wonderful" platform based on our internal network, we realized the centralized and timely feedback and treatment for each employee's suggestions and creative ideas, not only gathering the wisdom of everyone and arousing employees' potential and enthusiasm for participating in bank-wide governance but also unblocking internal and external communication channels and reflecting market changes and customer requirements rapidly and conveniently. The above also promoted product and service innovation and guided upgrading of bank-wide operation mode, service mode and



governance mode effectively. We advocated the sustainable development idea, took the lead in adopting "Equator Principles" and Principle for Responsible Banking among city commercial banks and served the green low-carbon transformation of economy and society vigorously. We highlighted development through talents and established "small industry expert" evaluation and employment mechanism. By holding the on-campus recruitment activity "Recruitment Express of Tsinghua University and Peking University" every year, we are one of organizations with the largest number of employees graduating from Tsinghua University and Peking University. We played a role of "revolutionary engine" function in Party construction fully, stuck to struggle oriented principle, motivated those who are responsible and productive and created a strong atmosphere of entrepreneurship, integrity and justness in the whole bank.

Let's seize the day and live it to the full. Bank of Jiangsu is forging ahead toward further development after 15 years of efforts and struggles. We will still follow the mission of "creating a better life" at all times, lead the whole bank to keep transcending under the guidance of the Bank's leading service strategy and grow together with customers.

Xia Ping  
Chairman  
Bank of Jiangsu



# Message from the President

Dear shareholders,

The year 2021 was an unforgettable and ground-breaking. With a strong focus on the new development idea, Bank of Jiangsu, under the guidance of the strategy of "intelligent, characteristic, international and comprehensive" bank with leading services, forged ahead with determination and efforts and harvested gratifying results at the historical interaction of "Two Centenary Goals". We improved our scale, benefit, efficiency and quality steadily and showed a favorable development trend of steady progress and profound accumulation on the whole.

As of the end of the Reporting Period, the Group's total amount of assets had been RMB 2.618874 trillion, increasing by 12.02% compared with that of last year. The annual operating income was RMB 63.771 billion, with a YoY growth of 22.58%; in particular, net profits attributable to shareholders of listed company was RMB 19.694 billion, a YoY growth of 30.72%. As of the end of the Reporting Period, non-performing loan ratio was 1.08%, dropping by 0.24% compared with that of last year; provision coverage had been 307.72%, showing a 51.32% rise compared with that of last year.

**Highlight regional development, create characteristic advantages and increase the output and benefit of real economy.** As of the end of the Reporting Period, the loan balance of manufacturing industry was RMB 160 billion, increasing by 24% compared with that at the end of last year; infrastructure loan balance was RMB 278.3 billion, with a 16% growth compared with at the end of last year. In accordance with the "double- carbon" (Peak Carbon Dioxide Emissions and Carbon Neutrality), we developed green finance vigorously. Our green credit balance reached RMB 127.2 billion (a 29.3% growth compared with that at the end of last year) and loan balance of clean energy reached RMB 10.5 billion (an 81.7% growth compared with that at the end of last year). We intensified inclusive finance service constantly and loan balance for micro and small businesses exceeded RMB 480 billion. In particular, the balance of inclusive micro and small loans was RMB 112.1 billion, increasing by 32% compared with that at the end of last year; the number of customers of inclusive micro and small loans was 66,000, showing a 38% growth compared with that at the end of last year. We served more than 11,000 technology enterprises, with loan balance of more than RMB 120 billion. We ranked first in both number of served enterprises and loan balance and were leading in terms of service market shares for hi-tech enterprises and specialized and sophisticated enterprises that produce new and unique products. We supported the development of new format of cross-border trade and had international settlement reaching USD 193.1 billion and cross-border e-commerce settlement exceeding USD 25 billion. We also won the pilot qualification for the first cross-border e-commerce export exchange collection and settlement business in Jiangsu Province.

**Deepen the transformation by strongly focusing on customer expansion and foundation intensification and improve management quality and state dramatically.** As of the end of the Reporting Period, the retail deposit balance was RMB 423.1 billion, increasing by 17.75% compared with that at the end of last year; retail loan balance was RMB 561.4 billion, with a 19.48% growth compared with that at the end of last year; retail AUM was RMB 922.6 billion, a 18.36% growth compared with that at the end of last year. For the brand-new private banking customer service system, the balance of financial assets of property private customers was more than RMB 240 billion and growth rate of assets scale and number of customers was 26% respectively. We upgraded "enterprise investor"

comprehensive financial service fully and obtained more than 22,000 enterprise investor customers, with a growth of 40%. We distributed a total of 5.1 million credit cards on an accumulative basis. The balance of trusteeship assets was RMB 3.47 trillion, increasing by 14% compared with that at the end of last year. For trusteeship scale of securities investment fund, we were still in the first place among city commercial banks. The scale of financial products was RMB 414.9 billion; netting transformation was finished and product netting rate reached 100%. We have won the first place among domestic city commercial banks in PYSTANDARD "Comprehensive Ability Evaluation of Assets Management" for six consecutive years. Suyin KGI Consumer Finance was established formally and our business of consumer finance service was expanded further.

**Check and solve hazards by strongly focusing on risk prevention and control and improve assets quality steadily.** We implemented the strict identification standards in good faith, enhanced internal control, intensified intelligent risk control and improved assets quality. Over the past six years after our listing, we have lowered non-performing loan ratio and enhanced provision coverage year by year. As of the end of the Reporting Period, the proportion of special mention loans dropped by 0.02% compared with that at the end of last year and the proportion of overdue loans decreased by 0.03% compared with that at the end of last year. We have been keeping at the level below 1% in proportion of loans overdue for more than 60 days and more than 90 days and non-performing loans. We further improved intelligent risk control capacity and iterated risk control model constantly on the basis of effectiveness and perspectiveness; optimized the systems such as customer pre-warning, public opinion monitoring, intelligent due diligence and credit management and improved risk management level and ability. We intensified comprehensive risk investigation, implemented management of "increase, holding, decrease and withdrawal" in good faith, highlighted risk control and held out the safety bottom line.

**Further build key project cluster by strongly focusing on intelligent finance and propel digital transformation firmly.** As of the end of the Reporting Period, the number of mobile banking customers exceeded 13 million with a 30% YoY growth; the number of active customers of mobile banking approached to 4.5 million, ranking first among city commercial banks. Assets under management of the "Tian Tian Li Cai" financial service platform were more than RMB 80 billion. We also established the elderly-oriented mobile banking for the senior, which is designed with "big words, loud sound and easy to operate" and over 300,000 customers had experienced this version as of the end of 2021. We launched the "Yuan Rong Zhi Hui" financial service platform, introduced more than 300 standards data from multiple parks and established the strategic cooperative relationship with Big Data Management Center of Jiangsu Province. We deepened the innovative construction of ecological scenario, promoted coordinated development of finance and technology and developed distinct advantages of ecosphere. We advanced application of such innovative products as "Lyu Yue Bao", "e Rong Pay" and "Tian Tian Li Cai" by focusing on the online characteristic customer groups (e.g. payment company, Internet platform and software and information service company). We further expanded Fintech fund investment and talent team scale.

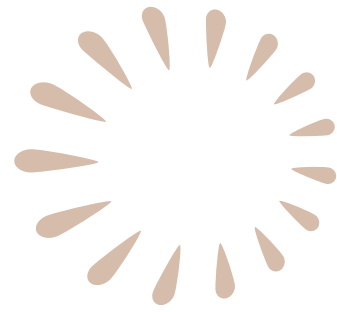
**Optimize system and mechanism by strongly focusing on management difficulties and improve governance efficiency continuously.** We intensified the strategy guidance function and formulated and implemented our three-year action plan for reform and development and the "14<sup>th</sup> Five-year" Development Strategic Plan; improved specialized operation efficiency vigorously, optimized and adjusted the organizational structures such as retail line and big finance market business and propelled market-oriented reform of international self-operated business. We improved resources output level, promoted expenditure saving and efficiency increase and tried to increase benefits. We also issued the medal incentive mechanism and formed a joint force to overcome all difficulties;

improved pre-communication mechanism of major credit business and lowered the average business approval time for two consecutive years. We kept creating a favorable atmosphere of strict management and care and further improved the quality of cadre and talent team.

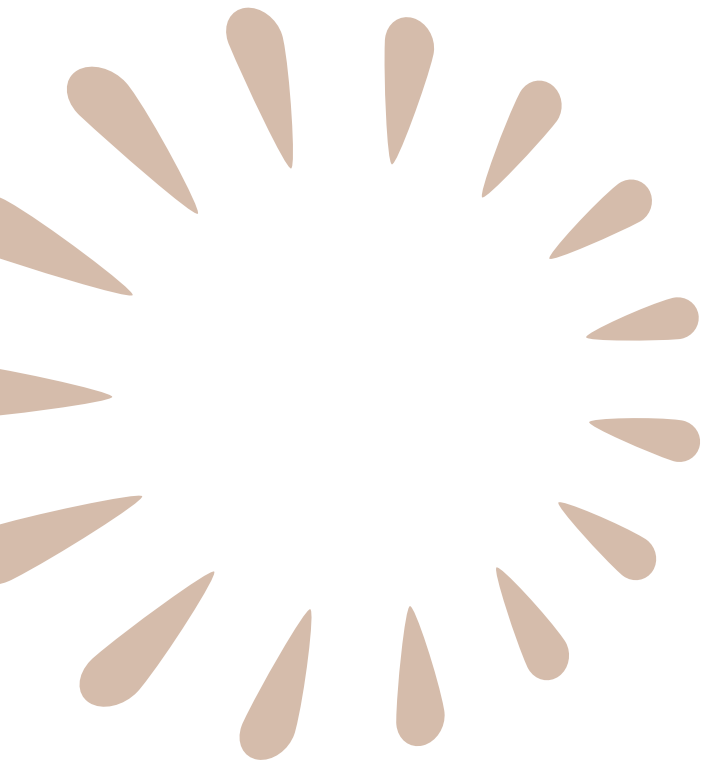
Never mind the past, never fear the future. We will continue insisting on customer oriented principle in 2022. In virtue of positive innovation and strong team construction, we will further impel development of various causes vigorously, realize self-development in the course of serving local economy and society thoughtfully and keep advancing towards the "intelligent, characteristic, international and comprehensive" bank with leading services.

Ji Ming  
President  
Bank of Jiangsu





BANK OF JIANGSU  
ANNUAL REPORT 2021





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	<b>600919</b>	<b>360026</b>	<b>110053</b>
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	TIAN Zuoquan



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

The Company's registered address/office address, postal code, official website, and email were not changed within the Reporting Period.

## II. Securities Service Institution

<b>Engaged Accounting Firm</b>	Name	KPMG (Special General Partnership)
	Office address	Floor 8, KPMG Tower, Oriental Plaza, No. 1, East Chang'an Street, Beijing
	Name of signatory accountant	DOU Youming and XUE Chenjun
<b>Sponsor institution performing continuous supervision duty during the Reporting Period</b>	Name	BOCI Securities Co., Ltd. Huatai United Securities Co., Ltd.
	Office address	Floor 39, No. 200, Middle Yincheng Road, Pudong New Area, Shanghai Floor 6, Tower A, Fengming International Building, No. 22, Fengsheng Alleyway, Xicheng District, Beijing
	Name of signatory sponsor representative	DONG Wendan, LI Qingwen, 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 and is one of the 19 systematic important banks nationwide and the largest corporate bank within the whole Jiangsu Province. Headquartered in Nanjing, Jiangsu Province, the Bank was listed on the main board of Shanghai Stock Exchange (stock code: 600919) on August 2, 2016.

Adhering to the mission of "creating a better life" and the core values of "Integration of Innovation, Practical Responsibility and Lean for Growth", Bank of Jiangsu is committed to building a leading service bank that is "intelligent, characteristic, international and comprehensive". As of the end of 2021, the Bank had a total asset of RMB 2.62 trillion. It ranked 70<sup>th</sup> among top 1,000 global banks in 2021, 22 positions higher than that in 2020. It ranks 72<sup>nd</sup> among the global top 500 bank brands in 2022.

The Bank has 17 branches, 4 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.) and 531 institutions at different levels, covering all counties within Jiangsu Province and radiating three economic circles: Yangtze River Delta, Pearl River Delta, and Bohai Rim.

The development of Bank of Jiangsu has been recognized by the people from all walks of life. It has been granted the titles such as "Advanced Grassroots Party Organization" of Jiangsu Provincial Party Committee, "Jiangsu Excellent Enterprise" of Jiangsu Provincial Party Committee and Jiangsu Provincial People's Government, "Advanced Financial Institution Serving Small and Micro Businesses in Banking Industry Nationwide" of CBIRC, "the Most Competitive Small and Medium-sized Bank" by the Financial Times, "Most Innovative Bank", etc., was rated as China's optimal urban commercial bank by the US Global Finance and included in the world's best banks of Forbes.

As of the end of 2021

Total Asset	<b>RMB 2.62 trillion</b>
Institutions At Different Levels	<b>531</b>



Top 1,000 global banks in 2021



The global top 500 bank brands in 2022

### IV. Scope of Business

With approval of China Banking and Insurance 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 letters 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. Corporate Culture

**Mission:** To Create a Better Life

**Vision:** Building a leading service bank of intelligence, characteristic, internationalization and comprehensiveness.

**Core Values:** Integrated innovation, pragmatic responsibility and lean growth



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

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- **January 2021** "Demonstration Good News of China's Banking Industry" by China Banking Association.

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- **February 2021** "Ranking 83<sup>rd</sup> among 2021 Global Top 500 Bank Brands" issued by the brand value research agency Brand Finance.

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- **May 2021** "Excellent Social Responsibility Report" selected by China Banking and Insurance News; "Transmission Case of 'Sui e Rong' Smart Financial Service Platform" was granted the typical transmission case of China's financial products.

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- **June 2021** The "Advanced Organization for Inclusive Finance Service" selected by Jiangsu Branch, China Banking and Insurance Regulatory Commission.

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- **July 2021** "Advanced Grassroots Party Organization of Jiangsu Province" selected by CPC Jiangsu Provincial Party Committee.  
  
Ranked 70<sup>th</sup> by tier one capital among the 2021 global top 1,000 banks in the British magazine The Banker.

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- **August 2021** Grade A in the information disclosure evaluation and appraisal of Shanghai Stock Exchange.

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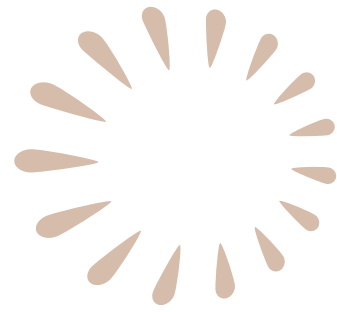
- **October 2021** Listed as "national systemically important bank" by the people's Bank of China and the China Banking and Insurance Regulatory Commission.

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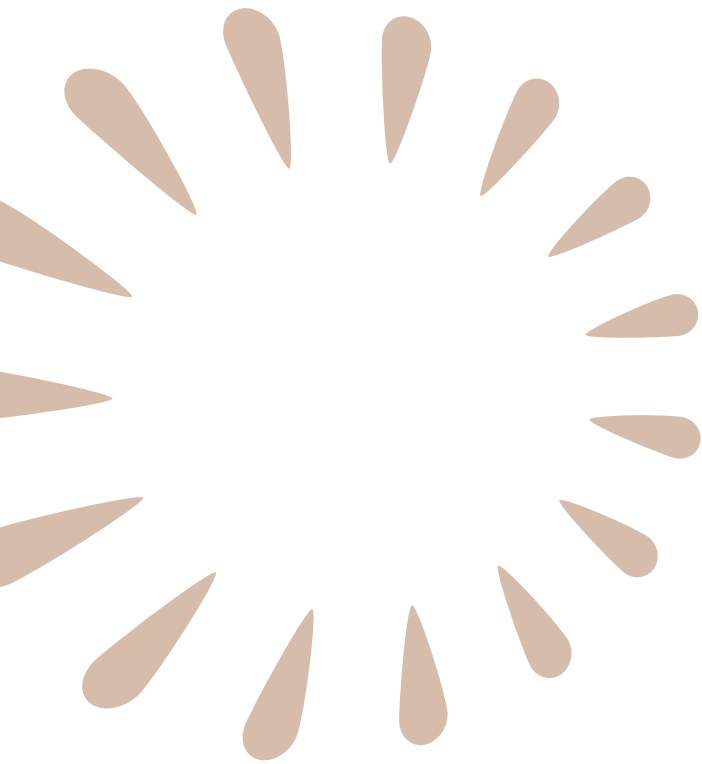


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- **November 2021** "ESG Practice Tianji Award of China's Banking Industry" by the Securities Times.  
"Small and Medium-sized Bank with Excellent Brand Influence" selected by The Economic Observer.  
"Listed Company with Excellent Growth Value" selected by the 21<sup>st</sup> Century Business Herald.

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- **December 2021** The "Most Responsible Listed Company" selected by the National Business Daily.  
"Top 10 Urban Commercial Banks" selected by the Financial Times.
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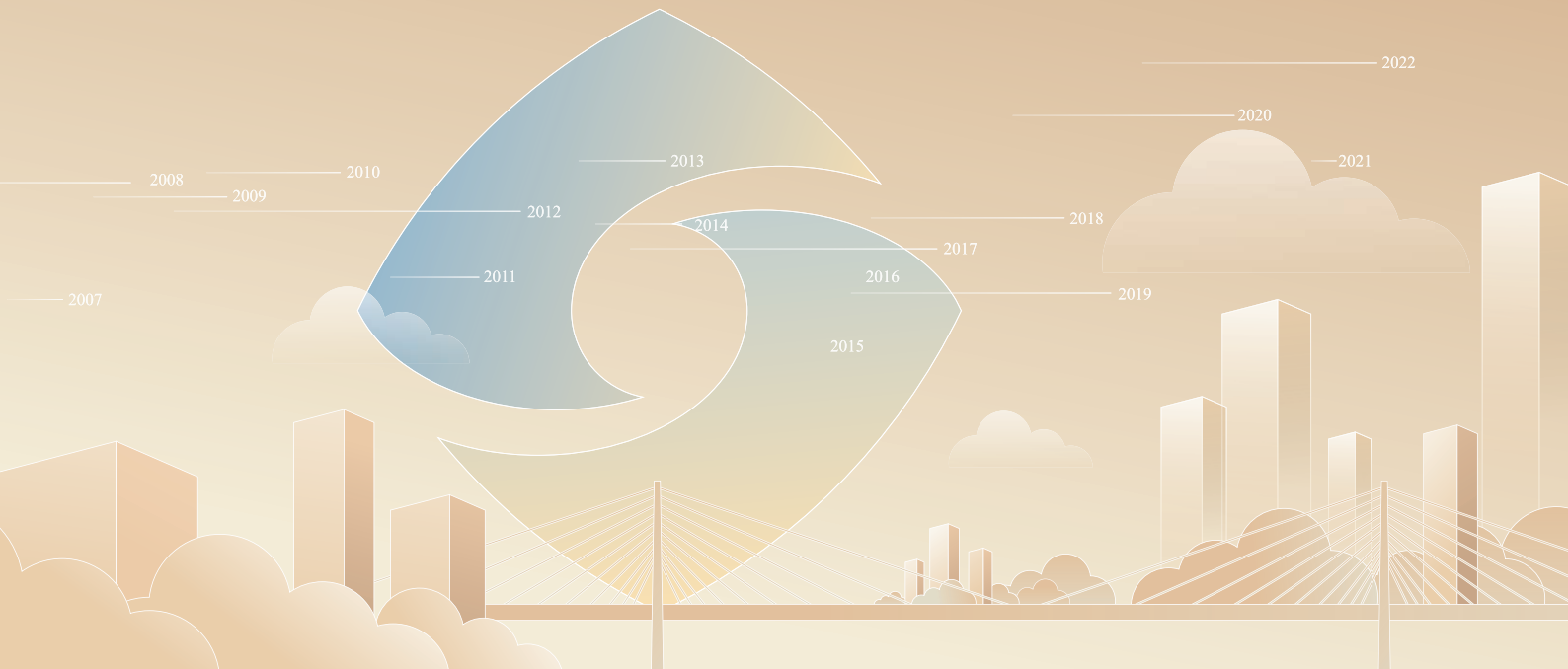


Section II



# Financial Highlights





# Financial Highlights

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

Business Performance Indicators (RMB 1,000)	2021	2020	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year (%)	2019
Operating income	63,771,353	52,026,195	22.58	44,974,014
Net profit attributable to shareholders of listed company	19,694,365	15,065,745	30.72	14,618,609
Net profit attributable to shareholders of listed companies after deducting nonrecurring profits and losses	19,294,182	14,702,203	31.23	14,493,934
Net cash flow from operating activities	71,771,507	-19,283,730	-472.19	-57,957,767
Index per Share (RMB/share)	2021	2020	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year (%)	2019
Basic earnings per share	1.21	1.21	0.00	1.18
Diluted earnings per share	1.05	1.04	0.96	1.04
Basic earnings per share after deducting non-recurring profits and losses	1.18	1.18	0.00	1.17
Net assets attributable to general shareholders of listed company	10.31	9.35	10.28	9.77



Financial Ratio Indicator (%)	2021	2020	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year	2019
Weighted average return on equity	12.60	11.91	Higher by 0.69%	12.65
Weighted average return on net assets after deducting non-recurring profits and losses	12.32	11.60	Higher by 0.72%	12.53
Scale Indicators (RMB 1,000)	End of 2021	End of 2020	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2019
Total assets	2,618,874,260	2,337,892,914	12.02	2,065,058,387
Total liabilities	2,420,818,512	2,155,813,641	12.29	1,928,622,466
Shareholder's equity	198,055,748	182,079,273	8.77	136,435,921
Owner's equity attributable to shareholders of listed companies	192,227,078	178,037,739	7.97	132,792,385
Indicators of Deposits and Loans (RMB 1,000)	End of 2021	End of 2020	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2019
Enterprise current deposit	394,930,625	366,686,784	7.70	326,458,502
Enterprise time deposit	523,295,304	498,752,271	4.92	453,701,748
Savings current deposit	81,803,215	80,893,653	1.12	67,131,218
Savings time deposit	341,314,896	278,442,589	22.58	226,403,333
Other deposits	109,872,164	81,458,337	34.88	111,785,694
Subtotal: Various deposits	1,451,216,204	1,306,233,634	11.10	1,185,480,495
Interest accrued	27,596,156	23,636,203	16.75	20,081,947
Deposit taking	1,478,812,360	1,329,869,837	11.20	1,205,562,442
Enterprise loan	726,056,690	636,944,043	13.99	572,385,874
Retail loans	561,440,233	469,911,333	19.48	375,949,815
Discount	112,674,831	94,754,053	18.91	92,161,589
Subtotal: Various loans	1,400,171,754	1,201,609,429	16.52	1,040,497,278
Interest accrued	5,537,141	4,939,601	12.10	3,825,959
Minus: Provision for impairment	46,581,404	40,584,955	14.78	33,421,949
Loans and advances issued	1,359,127,491	1,165,964,075	16.57	1,010,901,288
Total weighted risk assets	1,766,603,079	1,513,599,663	16.72	1,336,504,047



Capital Indicators (RMB 1,000)	End of 2021	End of 2020	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2019
Net capital	236,445,596	218,982,450	7.97	172,327,211
Core tier 1 capital	155,111,387	140,045,891	10.76	114,769,890
Other tier 1 capital	40,364,388	40,264,574	0.25	20,213,918
Tier 2 capital	40,969,821	38,671,985	5.94	37,343,403

Regulatory Indicators (%)	Criteria	2021	2020	2019
Capital adequacy ratio	$\geq 10.75$	13.38	14.47	12.89
Tier 1 capital adequacy ratio	$\geq 8.75$	11.07	11.91	10.10
Core tier 1 capital adequacy ratio	$\geq 7.75$	8.78	9.25	8.59
Non-performing loan ratio	$\leq 5$	1.08	1.32	1.38
Loan-to-deposit ratio	-	93.21	88.71	82.67
Liquidity ratio	$\geq 25$	93.80	72.77	62.07
Ratio of the largest single customer loan in net capital	$\leq 10$	2.05	2.03	2.90
Ratio of the largest 10 customer loans in net capital	$\leq 50$	12.51	10.95	14.18
Provision coverage	$\geq 150$	307.72	256.40	232.79
Loan allocation ratio	$\geq 2.5$	3.33	3.38	3.21
Cost to income ratio	$\leq 45$	22.44	23.46	25.64

## II. Main financial data by quarter

Unit: RMB 1,000 Currency: RMB

Key Financial Data	Q1	Q2	Q3	Q4
Operating income	15,338,919	15,397,903	16,056,697	16,977,834
Net profit attributable to shareholders of listed company	5,225,412	4,973,160	5,405,032	4,090,761
Net profit after deducting nonrecurring profits and losses attributable to shareholders of listed companies	5,135,451	4,900,335	5,288,235	3,970,161
Net cash flow from operating activities	87,121,728	-33,465,067	28,656,586	-10,541,740



### III. Non-recurring Profit and Loss Items and Amounts

Unit: RMB 1,000 Currency: RMB

Non-recurring Profit and Loss Items	Amount
Profits and losses on disposal of non-current assets	128,972
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	336,872
Other profit and loss items that meet the definition of non-recurring profits and losses	67,574
Influence amount of minority shareholders' equity	-3,212
Influence amount of income tax	-130,023
Total	400,183

### IV. Items Measured at Fair Value

Unit: RMB 1,000 Currency: RMB

Items	Open Balance	Closing Balance	Changes in Current Period (%)
Derivative financial assets	2,600,601	2,068,083	-20.48
Trading financial assets	244,914,470	266,871,583	8.97
Other creditor's rights investment	93,269,900	119,554,477	28.18
Other equity instruments investment	194,970	216,938	11.27
Loans and advances issued	95,848,169	121,062,182	26.31
Total assets measured at fair value	436,828,110	509,773,263	16.70
Derivative financial liabilities	2,555,317	1,818,408	-28.84
Trading financial liabilities	344,031	254,093	-26.14
Total liabilities measured at fair value	2,899,348	2,072,501	-28.52

## 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	236,445,596	222,253,552
1.1 Core tier 1 capital	155,174,541	149,540,912
1.2 Core tier 1 capital deductions	63,154	6,418,684
1.3 Core tier 1 net capital	155,111,387	143,122,228
1.4 Other tier 1 Capital	40,364,388	39,974,758
1.5 Other tier 1 capital deductions	-	-
1.6 Tier 1 net capital	195,475,775	183,096,986
1.7 Tier 2 capital	40,969,821	39,156,566
1.8 Tier 2 capital deductions	-	-
2. Credit risk weighted assets	1,635,435,479	1,551,681,810
3. Market risk weighted assets	31,148,603	31,148,603
4. Operational risk weighted assets	100,018,997	94,186,509
5. Total risk weighted assets	1,766,603,079	1,677,016,922
6. Core tier 1 capital adequacy ratio (%)	8.78	8.53
7. Tier 1 capital adequacy ratio (%)	11.07	10.92
8. Capital adequacy ratio (%)	13.38	13.25

## VI. Leverage Ratio

Unit: %

Item	December 31, 2021	December 31, 2020
Group	6.54	7.01
The Bank	6.33	6.70



## VII. Liquidity Coverage Rate

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2021
Group	Liquidity coverage ratio (%)	267.71
	Qualified and high-quality current assets	239,241,570
	Ending value of net cash outflow amount in future 30 days	89,366,632
The Bank	Liquidity coverage ratio (%)	275.68
	Qualified and high-quality current assets	236,994,299
	Ending value of net cash outflow amount in future 30 days	85,965,902

## 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 2021, the Group's net stable capital ratio was 112.91%, available stabilization fund was RMB 1.490794 trillion and required stabilization fund was RMB 1.320298 trillion. All those met the regulatory requirements.

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2021	September 30, 2021
Group	Net stable funding ratio (%)	112.91	108.50
	Available stable funds	1,490,794,226	1,417,344,344
	Required stable funds	1,320,298,296	1,306,250,196

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

During the Reporting Period, the Group's net interest margin (NIM) and net interest spread (NIS) were 2.28% and 2.03% respectively, with a YoY growth of 14bp and 13bp respectively. The yield of interest-bearing assets was 4.53%. To be specific, the average interest rate of loan and advances was 5.36% while that of financial investment, deposit from the Central Bank and other interest-bearing assets was 3.97%, 1.47% and 2.17% respectively. The rate of interest-bearing liabilities was 2.53%. To be specific, the average interest rate of deposit taking was 2.32% while that of issued debt securities, borrowings from the Central Bank and other interest-bearing liabilities was

3.20%, 2.84% and 2.38% respectively.

Cause of change of NIM and NIS: First, the asset structure has been optimized constantly. The credit demand and project reserves were relatively sufficient thanks to the favorable regional environment and the Bank's superior comprehensive service capacity. The Bank has maintained a favorable sustainable development capacity while boosting entity economy actively. It has boosted the transformation of retailing strategy steadily and the benefits brought by the rising proportion of retail loan with a high yield in supporting the overall pricing system have been further highlighted. Second, reduce liability costs effectively. The Bank laid special emphasis on customer expansion and foundation intensification, and on the basis of focusing on customers, expanded the source of general deposit with a low cost from different ways; it controlled "both price and quantity" to reduce the proportion of structural deposit, grasped the market section accurately and reduced the interbank liability costs effectively. As a result, the interest payment rate of deposits and comprehensive cost of interest-bearing liabilities were reduced further.

Unit: RMB 1,000 Currency: RMB

Item	2021		
	Average Balance	Interest Income/ Expense	Average Interest Rate (%)
Assets			
Issue of loans and advances <sup>1</sup>	1,381,444,129	73,989,120	5.36
Financial investment	651,243,081	25,835,531	3.97
Deposit with Central Bank	148,252,710	2,179,852	1.47
Other interest-bearing assets	132,371,256	2,866,979	2.17
Among which: Inter-bank deposits and offers <sup>2</sup>	102,616,321	2,264,021	2.21
Financial assets purchased for resale	29,754,935	602,958	2.03
Total interest-bearing assets	2,313,311,177	104,871,482	4.53
Liabilities			
Deposit taking	1,427,053,393	33,138,621	2.32
Issued debt securities	418,137,558	13,396,125	3.20
Borrowings from Central Bank	191,890,390	5,455,259	2.84
Other interest-bearing liabilities	310,882,559	7,401,786	2.38
Among which: Interbank borrowing <sup>3</sup>	262,528,794	6,369,205	2.43
Selling and repurchasing financial assets	47,107,302	932,055	1.98
Total interest-bearing liabilities	2,347,963,900	59,391,791	2.53
Net interest income		45,479,691	
Net interest margin <sup>4</sup>			2.03
Net interest spread <sup>4</sup>			2.28

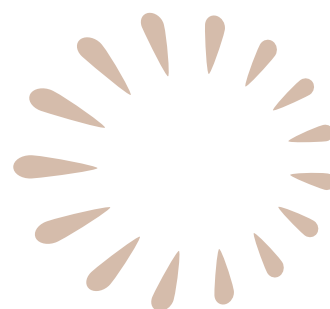


Note: 1. Loans and advances include long-term receivables; 2. Deposited and released interbank assets include interbank deposits and lending funds; 3. Interbank borrowing liabilities include deposits and borrowing funds from interbank and other financial institutions; 4. After the implementation of the 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;

## X. Changes in Shareholders' Equity

Unit: RMB 1,000 Currency: RMB

Item	Open Balance	Increase and Decrease in Current Period	Item	Fluctuation Margin (%)
Capital stock	14,769,607	22	14,769,629	0.00
Other equity instruments	42,762,639	-20	42,762,619	0.00
Capital reserve	27,699,318	295	27,699,613	0.00
Other comprehensive income	1,304,697	961,877	2,266,574	73.72
Surplus reserve	19,859,396	2,926,866	22,786,262	14.74
General risk reserve	32,381,679	4,833,428	37,215,107	14.93
Undistributed profit	39,260,403	5,466,871	44,727,274	13.92
Total amount of shareholders' equity vested in the parent company	178,037,739	14,189,339	192,227,078	7.97
Minority stockholder's equity	4,041,534	1,787,136	5,828,670	44.22
Total shareholders' equity	182,079,273	15,976,475	198,055,748	8.77



BANK OF JIANGSU  
ANNUAL REPORT 2021





Section III

# Business Discussion and Analysis







# Business Discussion and Analysis

## I. Introduction to the Industry

The world is currently facing great changes never seen even in a hundred years, and China is at a new historical orientation in a new development stage. High-quality development becomes the most primary and most distinctive feature of the times. As proposed in the national "14<sup>th</sup> Five-Year" Plan, efforts should be made to accelerate fostering a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other. Under this background, industry chain, supply chain and value chain will undergo deep reconstruction, and financing mode, strategic direction, business structure and the like of the financial supply side will also be significantly adjusted. Meanwhile, financial supervision continually tends to be tightened, interest rate marketization is accelerating, and financial opening up is speeding up, creating opportunities and challenges for the development of the banking industry.

With the ever-changing external situations, the business environment of commercial banks embodies new trend features. The first trend feature lies in adjustment of governance logic of macro policies. Under the background of the repetitive impacts by the global pandemic and the upward inflation expectations, the new monetary theory is quietly being put into practice, and the era of cross-cycle regulation by macro policies has come. The second trend feature lies in positive changes to social financing structure. From the successful promotion of registration system reform to the accelerating two-way opening of capital market, then to the key step of establishing Beijing Stock Exchange to complement the financing development for small and medium-sized enterprises, the era of rapid and healthy development of multi-level capital market has come. The third trend feature lies in enhanced adaptability, coordination and resilience of financial systems. With the increasingly improved construction of financial legalization, financial infrastructure and service systems or the like, the era of better adaptability, coordination and resilience of high-quality development of financial services has come. The fourth trend feature lies in upgrade on business modes of the banking industry. The national "14<sup>th</sup> Five-Year" Plan proposes the solid promotion of common prosperity. The early wealthy groups in China focus more on the balance between creation and management of the wealth, and the ordinary people also have increasingly more needs for wealth management. The all-around, multi-level, differentiated wealth



needs stimulate the rapid development of wealth management business, and the era of grand wealth management has come. The fifth trend feature lies in intensive differentiation of small and medium-sized banks. Under the waves of financial technologies, funds are increasingly concentrated towards head banks. Consequently, bank branches have more and more difficulties in accessing customers, and the trend of narrowing interest margin is inevitable. The era of accelerating differentiation of small and medium-sized banks has come.

According to the data of China Banking and Insurance Regulatory Commission, by the end of 2021, the domestic and foreign currency assets of financial institutions in China's banking industry amounted to RMB 345 trillion, which increased by 7.8% year on year. The commercial banks cumulatively realized net profits of RMB 2.2 trillion, which increased by 12.6% year on year. The average rate of return on capital was 9.64%, which increased by 0.16 % over the end of the last year. The average rate of return on assets was 0.79%, which increased by 0.02 % over the end of the last year. As of the end of 2021, The balance of non-performing loans of commercial banks (legal person caliber) was RMB 2.8 trillion, which increased by RMB 145.5 billion over the end of the last year; the non-performing loan ratio was 1.73%, which decreased by 0.11% over the end of the last year. The balance of loan loss provision was RMB 5.6 trillion, which increased by RMB 622.5 billion over the end of the last year; the provision coverage ratio was 196.91%, which increased by 12.44 % over the end of the last year; the loan provision ratio was 3.40%, which increased by 0.01% over the end of the last year.

## II. Development Strategy

In 2021, the Bank, according to the new situation changes and based on the five-year development strategy plan (2019-2023), formulated the "14<sup>th</sup> Five-Year" development strategy plan. The Bank will adhere to as the guide Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, establish itself in the new development stage, implement the new development concept, and integrate itself into the new development paradigm. Deepening the practice of core values of "integrated innovation, pragmatic responsibility and lean growth", the Bank will energetically discharge the duty of people-oriented finance, thereby striving to achieve the high-quality self-development in the process of performing high-quality services to local economy and society. Moreover, the Bank will accelerate the construction of service-leader bank that is "intelligent, characteristic, international and integrated".

### 1. Five strategic goals

#### Most valuable bank

Stick to the market orientation, and strive for the industrial leader in development speed and business performance; continuously optimize the business structure, focus on increasing the proportion of retail revenue and non-interest income, and construct the light banking and the transactional banking; and consolidate the cornerstone of internal control compliance and greatly increase the risk management level, so as to establish advanced and comprehensive risk management systems, thereby elevating the quality of assets to the industry forefront level.

#### Service leading bank

Stick to customer centism, and keep improving customer experience; shape an excellent brand image by providing high-quality services; consistently innovate service modes, and build international and comprehensive financial service capabilities, striving to become the preferred bank for target customers.

**Intelligent-innovation bank**

Enhance scientific decision making and service promotion of head office, so as to achieve collaborative integration and efficient execution among head office, branches and sub-branches, thereby becoming sharp to policies, sensitive to market and agile in action; drive in a digital manner the optimization of customer services and internal management procedures; focus on promoting the application of big data and artificial intelligence, and continuously amplify scientific and technological attributes and Internet attributes of the whole Bank, striving to develop industry-leading characteristic advantages of intelligent innovation.

**Employee-satisfaction bank**

Stick to the principle of people first and striver first, give concern and care for employees, and share with employees the development outcomes of Bank of Jiangsu; establish sound talent training systems and improve career planning, allowing employees to have common growth with Bank of Jiangsu; and create a healthy, happy and optimistic corporate culture to stimulate organism vitality and employee potentials.

**Politically competent bank**

Uphold and strengthen the Party's overall leadership, endeavoring to be a leading bank and demonstrative bank serving the development of local economy and society; energetically develop inclusive finance, finance for "agriculture, countryside and farmers", finance for small and micro enterprises, and green finance, and earnestly fulfill corporate social responsibilities; and thoroughly implement requirements of rural revitalization strategy, assist in solidifying and expanding the key anti-poverty achievements and the effective links to rural revitalization, and push financial resources to serve agriculture, countryside and farmers more accurately and more powerfully.

**2. Six business development strategies****Strengthen the corporate services and create the industry expertise.**

Place stress on building transactional banking, investment banking, financial market, assets management and other core products, and provide integrated financial services. Cultivate the characteristic expertise of locality; persist in serving key items of "14<sup>th</sup> Five-Year" Plan of Jiangsu Province, including a strong province in manufacture, a strong province in science and technology, digital Jiangsu and beautiful Jiangsu construction; deepen the expansion of regional markets; and create localized business characteristics.

**Enlarge the retail business and focus on the wealth management.**

Stick to customer centrism, stimulate the growth of asset under management as to retail customers (retail AUM), and create the growth pole of wealth management. Persist in making breakthroughs from scenarios to expand the consumer finance service coverage. Persist in digital assistance to improve channel service efficiency.

**Optimize the financial market business and establish leading advantages.**

Build a "grand inter-bank" customer administration center, and create a trans-department, cross-business core inter-bank product and service system and brand. Build a "high added value product center" to promote light capital transformation. Develop an "OneBank" collaborative model.

**Improve the service scenarios and increase the value contributions.**

Concentrate on the development goal of "intelligence and advancement, first-class experience, agility and efficiency, and



safety and reliability", integrate different channels and products, and accelerate and promote smart bank construction. Deepen the innovative construction of ecological scenarios, and drive the synergistic development of finance and technology, thereby developing unique advantages for ecosystems.

#### **Expand the regional layout and form the service characteristics.**

Deeply rooted the home base of Jiangsu, endeavor for the top three in the aspect of market share in the province during the "14<sup>th</sup> Five-Year" Plan, and spend another five years in striving to be the top bank in the province and the leading bank in the Yangtze River Delta Region. Expand the allocation of resources to branches outside Jiangsu Province according to the local market characteristics and to the branch advantages, endeavoring to build the characteristic business capability of locality.

#### **Enhance the group collaboration and stimulate the integrated business.**

Energetically apply for qualifications and licenses, strengthen the linkage between parent company and subsidiaries in all aspects, improve the synergistic effect, and address the needs of customers for integrated financial services in an all-round manner.

### **3. Six core capacity strategies**

#### **Strategy-driven resources allocation**

Allocate resources strategically, intensify support to strategic business and nurturing business, and strengthen the active management of assets and liabilities. Accelerate the light capital transformation, increase the refinement level of capital management, regulate the liquidity efficiently, and respond actively to macro-economic situations and market changes.

#### **Advanced and integrated risk management**

Promote optimization of credit in quality and structure; strengthen risk management of investment business; accelerate digital transformation of risk control; establish long-term prevention and control mechanisms; develop measurement systems for venture capital; achieve compliance with Basel Agreement III; and establish independent and efficient auditing systems to give better play to the role of the third line of defense.

#### **Market-oriented talents management**

Match up consistently talents management with the development strategy, and develop forward-looking human resource plans oriented by the market. Stick to the intensive growth, maintain a strategy-matched personnel growth scale, and make greater efforts to train, introduce and utilize strategic leading talents and key position talents to stimulate vitality efficiently.

#### **Scientific and precise performance assessment**

Establish a sound strategy-oriented, hierarchical-incentive performance assessment system, improve a refined pay performance system, perfect a cross-business, inter-agency assessment mechanism, and build a corresponding information system, thereby reaching informatization in an all-round manner to increase the assessment efficiency.

#### **Innovation-dominant construction of science and technology**

With the smart finance evolution project as the focal point of science and technology tasks, expand IT resource investments and accelerate the transformation and upgrade of IT infrastructure. Enhance the application of agile mode organization, improve iterative efficiency of product development, and take deep excavation of data values. Establish multi-dimensional risk control systems to improve network safeguarding capabilities, thereby consolidating the bottom line of safe operation.

#### **Specialized and efficient agile organization**

Explore and establish light business operation systems, promote digital transformation of business operation, and foster core competitive advantages for business operation. Build an excellent brand, with intelligence as the principal line and "integration" as the core. Create an excellent corporate culture, with opening up and innovation as the driving force and employees as the essence.

### III. Core Competitiveness

Under the strategic guidance of building a service-leader bank that is "intelligent, characteristic, international and comprehensive", the Bank is deeply rooted in the local market and places stress on distinguishing features, creating remarkable differentiated advantages and significant core competitiveness.

**1. The main business is concentrated in economically developed Jiangsu having abundant financial resources, which exerts impacts on three critical economic circles across the country and holds unique location advantages.** Jiangsu is economically developed and rich in financial resources. As the largest legal person bank in Jiangsu Province, the Bank roots its business in Jiangsu, with branches in each county. The business layout exerts impacts on three critical economic circles of Yangtze River Delta, Pearl River Delta and Bohai Rim, creating solid customer bases.

**2. The flexible and efficient systems and mechanisms are established to provide robust financial service capabilities.** Centering on customers, the Bank establishes and improves systems and mechanisms in quick response to the market, continuously increasing the comprehensive strength. With the complete business qualifications, the Bank is able to address various business needs of customers.

**3. The market orientation is clear, and the business characteristics are distinct.** Standing fast at the market orientation of "serving small and medium-sized enterprises, local economy and urban and rural residents", the Bank endeavors to create business characteristics in small and micro finance, technology finance, green finance, cross-border finance and other fields, and accelerates the construction of more open wealth management ecology, holding strong competitive force.

**4. The financial technology is intensively pushed and is accelerating for breakthrough, and the digital transformation is deeply promoted.** The Bank is endeavoring to build itself into a "bank top in Internet big data gene". The financial technology reaches ongoing breakthroughs in autonomous control, experience improvement, innovation dominance and the like, pushing the continuous enhancement of technological capability, product vitality and innovation power. The Bank has created a range of topped products, which fully enable the high-quality development.

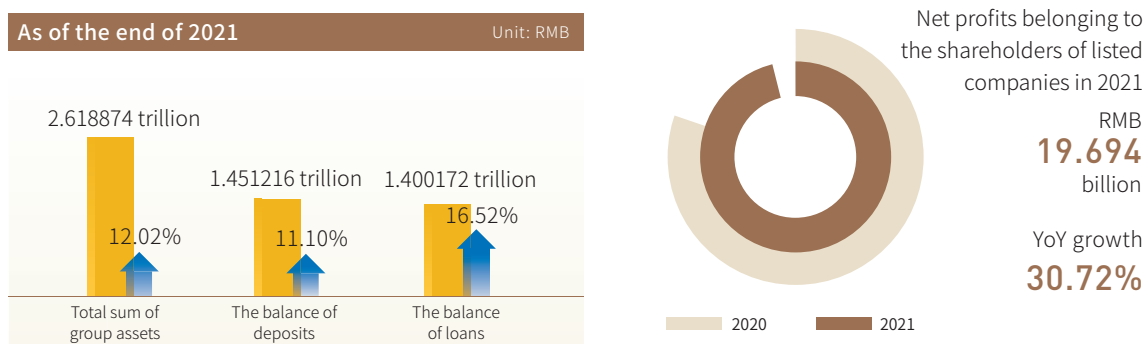
**5. The application of new technologies is deepened, and the overall risk management is precise and efficient.** The Bank continuously deepens the reform of risk management systems and accelerates the construction of risk management systems. The application of big-data-based risk control technologies is increasingly mature, the risk management is comprehensive and efficient, and the asset quality is continuously improved.

**6. The talent power strategy is steadily implemented, and the high-competence, specialized talent team is increasingly growing.** The management layer of the Bank holds rich experience in financial management. The talent selection, employment and training mechanisms are continuously improved to reinforce the fostering of specialized skills and to create a good environment of disciplined management and considerate care. The construction quality of cadre talent teams is further increased, which provides solid organization assurance and talent support for the high-quality development of undertakings.



## IV. Situation Analysis on Main Business

As of the end of 2021, total sum of group assets was RMB 2.618874 trillion, increasing by 12.02% over the end of the last year; the balance of deposits was RMB 1.451216 trillion, increasing by 11.10% over the end of the last year; and the balance of loans was RMB 1.400172 trillion, increasing by 16.52% over the end of the last year. During the Reporting Period, business income of RMB 63.771 billion was reached, increasing by 22.58% year on year; net profits of RMB 19.694 billion were attributable to shareholders of listed companies, increasing by 30.72% year on year. At the end of Reporting Period, the ratio of non-performing loans was 1.08%, which decreased by 0.24% over the end of the last year and has been decreasing year by year for six years since listing. The provision coverage ratio was 307.72%, which increased by 51.32% over the end of the last year and has been increasing year by year for six years since listing.



### 1. Corporate banking

Centering around the strategic goal of "strengthening the corporate services and creating the industry expertise", the Bank keeps up with the policy orientation, assembles financial resources, intensifies the specialty operation, focuses on advanced manufacture industry, infrastructure industry, green and environmental industry and other significant fields, and provides enterprises with one-stop, full-life-cycle services, thereby continuously improving economic quality and efficiency of the service entity. The Bank provides customers with integrated and customized financial services by energetically promoting services of transactional banking, electronic banking, cross-border finance and bond underwriting and reinforcing collaboration and linkage of services. As of the end of 2021, the balance of corporate banking deposits was RMB 918.2 billion, increasing by 6.10% over the end of the last year; the balance of corporate banking loans was RMB 726.1 billion, increasing by 13.99% over the end of the last year.

**Projects of key support** > Focus on the three-year "Strong Industrial Chain" action plan in Jiangsu Province, extend intensive support to advanced manufacture industry, strategically emerging industry and other significant fields, formulate integrated financial service programmes for 28 industrial chains, and launch the "Jiangsu Banking New Intelligent Manufacture" brand. The balance of manufacture industry loans was RMB 160 billion, which increased by 24% over the end of the last year, accounted for 11.43% of the balance of loans, and elevated by 0.69% over the end of the last year. The Bank concentrates on significant infrastructure areas including "park + green", rural revitalization and livelihood security and, with major projects at provincial and municipal levels as focal points, energetically expands medium and long term projects. The balance of infrastructure loans was RMB 278.3 billion, which increased by 16% over the end of the last year and accounted for 19.88% of the balance of loans.

**Green finance** > Established in serving the national "double carbon" strategy, the Bank develops green finance energetically. The Bank has pioneered in disclosing the "carbon neutrality" action plan for financial services in the

domestic banking industry and has announced to adopt the "Principles for Responsible Banking" of UN, incorporating the concept of sustainable development into the development strategy of the whole Bank. The Bank establishes and improves the organizational structure system of green finance by establishing the green finance committee and the green finance first-tier department and incorporating green sub-branches under certain branches. The support has been intensified for significant fields including clean energy, energy conservation and environmental protection, carbon emission reduction technology and the like, and characteristic products are innovated and promoted, e.g., SU TAN RONG, green bill e paste, ESG performance-linked loan, renewable energy subsidy authentic right loan, and carbon quota pledge loan. As of the end of 2021, according to the statistical caliber of the People's Bank of China, the balance of green credit was RMB 127.2 billion, which increased by 29.3% over the end of the last year, and the Bank ranked ninth among 24 banks directly managed by the People's Bank of China in terms of the ratio of green credit to loans. The balance of clean energy loans was RMB 10.5 billion, which increased by 81.7% over the end of the last year.

**Transactional banking** > In 2021, the business volume of transactional banking increased by RMB 100.9 billion, with a YoY growth of 60%, and the customer number of transactional banking increased by 3,493, with a YoY growth of 84%. The Bank distributed and promoted the "SU YIN JIN GUAN JIA" brand, and creatively developed the "SU YIN JIN GUAN JIA" comprehensive service system, including 6 service programmes of asset steward, bill steward, foreign exchange steward, salary steward, finance steward and government affair steward. The "steward" comprehensive services have been incorporated into the full-business scenarios including enterprise production, procurement and sales, finance, office and human resources, so as to provide one-stop comprehensive services, e.g., "finance + business" and "finance + non-finance". The cloud platform has been built for supply chain finance, and the well-organized online supply chain financing products have been launched covering accounts receivable, inventory and purchase orders upstream and downstream of core enterprises, thereby enabling the performance of online, modeled and automated services. The Bank also specializes in industrial chain, devotes efforts to grain, cotton, steel, building, lease and other industries, tailors industry-specific products and solutions, and carries out chain marketing around core enterprises. The characteristic businesses for transaction scenarios have been innovated, which center around such transaction scenarios as transaction platform, transaction venues, governmental procurement, e-commerce and lease and are specific to such service needs as transaction settlement, procurement payment, credit financing, sales collection and logistics storage, for the purpose of providing integrated and customized solutions of "financing + settlement".

**Inclusive finance** > The Bank makes ongoing efforts to enhance inclusive finance services to concretely address the financial needs from market subjects in key fields of small and micro enterprises, technological innovation, rural revitalization, etc., thereby assisting in the implementation of policies on "ensuring stability in six aspects" and on "ensuring security in six aspects". As of the end of 2021, the balance of loans for small and micro enterprises exceeded RMB 480 billion, staying ahead in the market share in Jiangsu Province. In this regard, the balance of inclusive loans for small and micro enterprises was RMB 112.1 billion, increasing by 32% over the end of the last year, the customer number of inclusive loans for small and micro enterprises was 66,000, increasing by 38% over the end of the last year. The Bank served over 11,000 scientific and technological enterprises, and the balance of loans exceeded RMB 120 billion. The Bank ranked the first place in Jiangsu Province in the number of scientific and technological enterprises served by the Bank and in the loans, reaching "cooperation in a one-third proportion and loans in a one-sixth proportion" with high and new tech enterprises in Jiangsu Province and "services in a half proportion and credit granting in a quarter proportion" with specialized, refined, differential, innovative enterprises. The Bank stayed ahead in the regional market share. In response to credit needs from key industries of rural revitalization, the Bank intensified the granting of loans, and in this regard, the balance of agriculture-involved loans exceeded RMB 200 billion, with a growth rate higher than an average growth rate of Jiangsu Province by 2% and with an increasingly elevated proportion of market share in Jiangsu Province.

**Cross-border finance** > Seizing the opportunities of domestic and international circulations and RMB internationalization, the Bank actively supports the construction of free trade zones, and serves the enterprises' composite demands for cross-border finance. In 2021, the international settlement volume was USD 193.1 billion and



the balance of foreign exchange deposits was USD 11.8 billion. Extending active support to new business development of cross-border trading, the Bank has been approved for the qualification of first pilot for foreign exchange collection and settlement business of cross-border e-commerce export in Jiangsu Province, with cross-border e-commerce settlement volume breaking USD 25 billion. As to the sub ledger accounting unit business operation in free trade zones, the Bank has ranked the first place among domestic city commercial banks, according to the assessment by the People's Bank of China. The Bank has been, for many consecutive years, rated as the class A bank, in the examination by the State Administration of Foreign Exchange Jiangsu Branch on the compliance of designated banks under jurisdiction with foreign exchange administration regulations.

**Investment banking** > With comprehensive use of multiple financial instruments, the Bank increasingly improves the ability of serving real economy. The principal underwriting amount of debt financing instruments increased by RMB 110 billion, as a result of which, the Bank ranked the fifteenth place, as three places higher than the last year, among banks nationwide in underwriting volume, and was rated as class A in the annual special assessment. As to additional net granting of merger and acquisition loans in 2021, the Bank ranked the first place among city commercial banks and the second place among commercial banks in Jiangsu Province. The Bank has conducted underwriting of the first participation equity contribution bills in the market, the first high growth bonds in Jiangsu Province, and public offering ABCP. For the practice of green development concept, the Bank has independently underwritten and successfully issued green debt financing instruments for Guangzhou Metro.

## 2. Retail business

Centering around the strategic goal of "enlarging the retail business and focusing on the wealth management", the Bank sticks to the business philosophy of customer centrisism and, with the digital transformation as the focal point and by linking service nodes, getting through service barriers and overcoming operation difficulties, deepens the full-cycle, full-channel, full-link "smart retail" construction, thereby further expanding the scope of performing personal financial services to customers and efficiently improving the service efficiency. As of the end of 2021, the balance of retail deposits was RMB 423.1 billion, increasing by 17.75% over the end of the last year; and the balance of retail loans was RMB 561.4 billion, increasing by 19.48% over the end of the last year. The retail AUM was up to RMB 922.6 billion, increasing by 18.36% over the end of the last year.

**Wealth management** > Focusing on customers' needs for wealth appreciation and placing stress on improvement of assets allocation capability, the Bank pushes the transformation of wealth management business model and, by creating wealth management product ecology, strengthening operation and maintenance of key customer groups and optimizing customer service teams, constantly elevates the ability of performing wealth management services to customers. The construction of wealth management brand of Bank of Jiangsu has been deepened by organizing the first "919 Fortune Festival". The Bank strengthens the cooperation with head managers and enriches the types of consignment products. As of the end of 2021, the holding scale of non-monetary public fund products of agent sales increased by 150% over the beginning of the year. The layered business model reform has been applied to private banks and the construction of specialized teams has been reinforced to push innovation of products and services of private banks. The "4 + N" private bank customer service system has undergone a thorough upgrade. The balance of financial assets of wealth customers and customers with private banks exceeded RMB 240 billion, and the growth rate was up to 26% for both asset scale and customer number. Together with the thorough upgrade of integrated financial services for entrepreneurs and investors, the Bank, starting from the needs from entrepreneur and investor customers, releases exclusive products, creates exclusive rights and interests, and provides customized wealth management programmes. The public-private linkage interworking channels have been optimized by establishing online recommendation linkage mechanisms. As of the end of 2021, the number of entrepreneur and investor customers exceeded 22,000, with a growth rate up to 40%. With the "intelligent" + "warm" measures, the enforcement of policies on financial assistance to the elderly has been stimulated in all aspects. The construction of "Finance Happiness" financial service systems for the elderly has been deepened by establishing the "Finance Happiness Club". The Bank



has organized and trained volunteers performing services suitable for the elderly, and has held over 2,000 events of publicity and education on financial knowledge, with accumulative audience of more than 50 thousand.

**Consumer finance** > The Bank devotes efforts to consumer finance, serves urban and rural residents, and constantly optimizes products and improves experience, achieving steady growth in quality and efficiency of business operation. The innovative products have been promoted, e.g., Meituan unbounded digital credit card, green and low carbon credit card, and FlowerPlus unbounded co-brand card. As of the end of 2021, 5.1 million credit cards were cumulatively issued, increasing by 24% over the end of the last year; and the balance of credit card loans was RMB 28.4 billion, increasing by 27% over the end of the last year. With deep cooperation with head Internet organizations, the Bank provides convenient and fast online inclusive finance services, addressing the needs of long-tail users on Internet for consumer loans. The "senseless refueling" service has been launched, covering nearly 500,000 users. In the first quarter of 2021, Suyin KGI Consumer Finance Co., Ltd. was opened for business, which further expanded the layout of consumer finance.

**"Smart retail" construction** > The mobile banking construction is promoted in four aspects of elderly suitability exploration, intelligent dominance, digital driving and scenario construction, and eight service scenarios are built, including payment, travel, education, health, culture, life service, government affair, and locality. The elderly suitable version of mobile bank, characterized in "seeing clearly, understanding accurately, doing easily, and using trustingly", is created, which has been experienced and used by over 300,000 customers by the end of 2021. The Bank has been qualified as one of first sales pilots for (electronic) mobile banking of savings deposit. As of the end of 2021, the total number of mobile banking customers exceeded 13 million, increasing by 30% year on year. As shown by Yiguan consulting data, the personal mobile banking has nearly 4.5 million active customers, ranking the first place among city commercial banks. Sticking to the concept of "differentiated customer groups and differentiated marketing", the Bank, with "finance + scenario" and "finance + intelligence" as the focal points and customers as the center, concentrates on the construction of "Tian Tian Li Cai", which is a financial service platform. As of the end of 2021, "Tian Tian Li Cai" AUM increased by 39% over the end of the last year, and it managed assets of over RMB 80 billion, continuing to rank first among direct banks in the banking industry in 2021, according to the *China Internet Weekly*.

### 3. Financial market business

Centering around the strategic goal of "optimizing the financial market business and establishing leading advantages", the Bank, with the transformation of big finance market section as the focal point, further optimizes systems and mechanisms, concentrates on the improvement of investment research and trading capabilities, strengthens the inter-bank cooperation, and constantly improves the construction of systems. Consequently, the Bank continuously plays its role of serving overall development and expanding new growth points, and further elevates its market position. As of the end of 2021, the balance of financial investment assets was RMB 918.2 billion, increasing by 8.55% over the end of the last year.

**Inter-bank business** > The asset structure is constantly optimized, and the operating benefits increase steadily. The transformation supporting mechanisms are successively put into effort, the integrated management and internal coordination mechanisms for financial market sectors are concretely established, and the comprehensive operation systems, capable of integrated internal coordination and deepened external operation, are soundly formed. The Bank constantly pushes the characteristic operation, further elevating the market position. As to financial bond underwriting, the Bank keeps the first place among city commercial banks, and as to bill brokerage business, the Bank ranks the second place among commercial banks. The volume of comprehensive sales exceeds RMB 100 billion. The significant progresses are made in the formation of integrated investment research by establishing and improving investment research systems and developing the researcher expertise sequence. The index systems, intended for core analysis on macro economy and financial market, are formulated to carry out continuous analysis and research on macro economy, policy change and market trend, and thereby the support by investment research to business operation is further intensified.



**Capital business** > With the reinforcement of market research and identification and the enrichment of trading strategies, the bond asset spread income is significantly increased, the bond funds valued by market value approach continue to outperform the general trend, and the monetary funds have a better performance than the average level of the entire market. In compliance with the policy orientation, the Bank flexibly adjusts the release rhythm, and the resulting average release cost of new inter-bank deposit receipts is lower than the average level of AAA city commercial banks. The hedging instruments, including bond lending and interest rate swap, are extensively used to constantly improve the capability of market risk control. By constantly expanding new businesses and new qualifications, the Bank successfully carries on self-operation of foreign exchange options, participates in the first day transaction of "southbound trading" of bonds, and receives the membership qualification of the Shanghai Futures Exchange and the market maker qualification of foreign currency attempt of the China Foreign Exchange Trade System. The issuing of special bonds for innovation and entrepreneurship has been successfully accomplished. The Bank maintains an excellent level in the underwriting scale of policy financial bonds.

**Assets management** > As of the end of 2021, the scale of the Group's financial management products was RMB 414.9 billion, which increased by over 16% year on year and stayed in front of city commercial banks. The Bank has doubled year on year the financial management business income within the year, and has been rated by the PYSTANDARD, the first place among domestic city commercial banks, in the "comprehensive financial management capability" for six consecutive years. In September 2021, the Bank achieved a net worth rate of 100% for products, becoming one of the first commercial banks accomplishing the net worth transformation. The scale proportion of non-cash management products exceeded 80%, better than the industry average, and the product structure was further optimized. Based on medium and low risk fixed income products holding different terms, the Bank constantly expanded fixed income + products, mixed products and other option-embedded products holding medium and long terms, so as to address the diversified needs of customers for wealth management. Within the year, the Bank has cumulatively served 1.6 million customers, and created more than RMB 13 billion of revenue for customers. Standing fast at the original intention of people-oriented finance, the Bank fulfills the corporate social responsibilities by launching public-welfare financial management and green financial management and by many other means. Keeping up with the national policy orientation, the Bank continuously intensifies the investments in the fields of manufacture industry, green carbon peak and carbon neutrality, rural revitalization and the like, concentrates on "specialized, refined, differential, innovative enterprises", strengthening and complementing chains and other "strangle" areas, and supports the enterprise equity financing through the linkage between primary and secondary markets. By innovating the Smart Alpha stock investment strategy and developing diversified investment and financing products, the Bank constantly improves its capability of serving listed companies.

**Custodian business** > As of the end of 2021, the balance of custodian assets was RMB 3,474.1 billion, increasing by 14% over the end of the last year, wherein the Bank continued to rank the first place among city commercial banks in the custodian scale of securities investment funds. The Bank has been the first city commercial bank to be successfully approved for QFII custodian qualification, which accelerates the arrangements in the fields of characteristic product and innovative business.

#### 4. Financial technology

With high emphasis on financial technology arrangements, the Bank pays close attention to the principal line of intelligent reform and, in compliance with the general requirements of "experience, efficiency and security", stimulates the transformation of technology from "system construction fashion" to "service operation fashion" and the transformation of development from "function implementation fashion" to "customer experience fashion", and promotes the orderly integration of technology and business. The Bank fully enables the construction of smart bank by consolidating and improving the operation foundation, rapidly increasing R&D efficiency, intensively preventing and regulating potential risks, and excavating and transforming data values. In 2021, the Bank expanded and optimized, in

a constant manner, the scale and personnel structure of financial technology teams, and further intensified financial technology fund investments.

**Landing and application of new technologies** > The "BlockChain Chattel Pledge Project" is selected by the Office of the Central Cyberspace Affairs Commission as the national pilot for innovative application of blockchain. The Bank creates the first 5G air bank in the industry, for which the customer service robot achieves accuracy equal to the leading level in the industry and the RPA robot significantly increases the processing efficiency. For the self-reliance in science and technology, the Bank further promotes the localization transformation in critical infrastructures and application systems, staying at the leading position as to localization rate in the industry.

**Data capability construction** > The Bank has launched the "Yuan Rong Zhi Hui" service platform, introduced over 300 standard data of multiple parks, and concluded a strategic cooperation agreement with the Jiangsu Provincial Big Data Management Center. Moreover, the Bank has introduced the "Credit China website data" of the State Information Center and the "portrait comparison service" data of the Ministry of Public Security, further consolidating the data foundation.

**Construction of application scenarios** > Centering on online characteristic customer groups, e.g., payment company, Internet platform, software and information service company, the Bank energetically promotes the application of innovative products for collection, custody and payment in scenarios, including "Lyu Yue Bao", "e Rong Pay" and "Tian Tian Li Cai". During the Reporting Period, the product "Lyu Yue Bao" created an additional trading volume of RMB 21.9 billion and, on the basis of original scenarios such as e-commerce, house purchase, driving school and canteen sunshine project, expanded new scenarios such as chain consumption, hotel, flexible employment, prepayment card and citizen card.

## 5. Subsidiaries

In due compliance with applicable provisions in laws and regulations, including the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China on Commercial Banks*, the *Guidelines for Consolidated Management and Supervision of Commercial Banks* and the *Corporate Governance Standards for Banking and Insurance Institutions*, the Bank lawfully exercises the rights of shareholders, and constantly improves the management of subsidiaries. Adhering to the principle of incorporating management into service, the Bank continuously promotes the high-quality development of subsidiaries. Considering the features of subsidiaries, the Bank actively aligns with advanced counterparts, and pushes the formulation of working programmes for "striving for competence". In aspects of marketing, customer service, product innovation, training inspection, service guidance and the like, the Bank builds an all-round coordination mechanism covering both the parent company and the subsidiaries, so as to assist with the subsidiaries in improving quality and efficiency and in striving for competence and advancement, thereby constantly increasing the comprehensive operation level of the Group.

**Suyin Financial Leasing Co., Ltd.** (former name: Suxing Financial Leasing Co., Ltd.), incorporated in May 2015, with the address located at Floors 21-22 and 28, Zhidi Plaza, No. 55, North Hongwu Road, Nanjing City, Jiangsu Province, and the registered capital of RMB 4 billion, is a company limited by shares. The business scope is described as follows: financial leasing business; transfer and acceptance of financial leasing assets; fixed-income securities investment business; acceptance of deposits from lessees; taking of fixed-time deposits of over 3 months (inclusive) of non-bank shareholders; inter-bank borrowing; borrowing from financial institutions; overseas borrowings; leased property sale and disposal business; economic consulting; and other businesses approved by the banking and insurance regulatory authorities.

Under the business philosophy of "incorporating capital, incorporating objects, incorporating wisdom and incorporating innovation", Suyin Financial Leasing takes active integration into the overall situation of national development, sticks to the origin of leasing, serves real economies, and energetically concentrates on five critical



sectors of happiness industry, green finance, transportation logistics, high-end manufacture and technology finance, striving to create business characteristics. Suyin Financial Leasing receives the first green business entity certification of national financial institutions, and green financial leasing has become a significant growth pole of Suyin Financial Leasing. As of the end of 2021, the total sum of assets of Suyin Financial Leasing was RMB 71.36 billion, wherein the release balance of leasing business was RMB 66.009 billion, and the sum of net profits was RMB 1.456 billion. Suyin Financial Leasing constantly improves business management performance and innovation capability, continuously enhances risk internal control management, maintains proper compliance with major regulation indexes, and obtains the AAA rating in entity long-term credit and financial bond credit for five consecutive years. In 2021, Suyin Financial Leasing was awarded the title of "Top 10 Outstanding Organization for Green Finance of Jiangsu Province".

**Suyin Wealth Management Co., Ltd.**, incorporated in August 8, 2020, with the address located at Floor 15, Block B5, No. 8 Complex, East Jialingjiang Street, Jianye District, Nanjing City, Jiangsu Province, and the registered capital of RMB 2 billion, is a limited liability company. The business scope is described as follows: public offering of WMPs to the unspecified social public, and investment and management of investor properties under custody; non-public offering of WMPs to eligible investors, and investment and management of investor properties under custody; property management and advisory services; and other businesses approved by the banking and insurance regulatory authorities.

Centering on customer, Suyin Wealth Management holds fast to the brand concept of "making beauty exceeding expectations" and to the business philosophy of "priority on compliance, risk control as essence, technology dominance, and winning by specialty", constantly enhances the capability construction of investment research and risk control, and strengthens the technology empowerment, striving to create a market-recognized first-class assets management organization with distinctive characteristics. Suyin Wealth Management builds a product system with "energy" as its core, launches products in the categories of energy initiation cash, constant energy fixed income, energy accumulation mixture and wise energy equity, and constantly expands sales channels to address various customer needs. The "Suyin Wealth Management Forum" communication platform has been built to perform specialized services of investment research to investors. An integrated assets management platform has been built to implement a full-life-cycle online management of assets management business. The system procedures are optimized and the risk warning and quota control are reinforced, such that the intelligent level of risk control in the whole process is steadily improved. The inter-bank currency trading volume for the whole year was RMB 4.4 trillion, increasing by about 30% year on year, and Suyin Wealth Management became one of the first banking wealth management subsidiaries directly linked to the China Foreign Exchange Trade System. Suyin Wealth Management receives honorary titles, including the "Banking Wealth Management Subsidiary with Excellent Growth Power" of 2021 Jiepu Award by Caishi China, the 2021 "Banking Wealth Management Subsidiary with Excellent Wealth Management" in China's online banking industry, and the 2021 "Excellent Bond Investment Institution" by the Shanghai Stock Exchange. As of the end of 2021, the total sum of assets of Suyin Wealth Management was RMB 2.588 billion.

**Suyin KGI Consumer Finance Co., Ltd.**, incorporated in March 2021, with the address located at Floors 22-23, Building 2, Jiantao Square, No. 505, Guangming Road, Huaqiao Economic Development Zone, Kunshan City, Jiangsu Province, and the registered capital of RMB 2.6 billion, is a limited liability company. The business scope is described as follows: issuance of personal consumer loans; acceptance of deposits from domestic subsidiaries of shareholders and from domestic shareholders; borrowing from domestic financial institutions; approved issuance of financial bonds; domestic inter-bank borrowing; consultation and agency business related to consumer finance; agent sales of insurance products related to consumer loans; fixed-income securities investment business; and other businesses approved by the banking and insurance regulatory authorities.

Suyin Consumer Finance actively explores new models of inclusive finance and focuses on creating new

characteristics in digital development, forming the "1+4+N" characteristic business ecology composed of 1 proprietary APP, 4 shareholder resources and N cooperation scenarios. With the deep excavation and integration of high-quality digital sources, Suyin Consumer Finance pushes the construction of strategy sets and rule bases for intelligent risk control decision making, thereby improving the coverage, adaptability and precision of risk control models. Great efforts are made to build the financial technology service capability characterized in being "light, flexible, intelligent and integrative", so as to create service characteristics of "all online, all digital, all day and nationwide". As of the end of 2021, Suyin Consumer Finance held assets of RMB 12.909 billion in total and net assets of RMB 2.617 billion. In 2021, Suyin Consumer Finance reached business income of RMB 405 million and net profits of RMB 17 million.

**Jiangsu Danyang Suyin County Bank Co., Ltd.** (former name: Danyang Baode Village and Township Bank of Jiangsu Province), incorporated in June 2010, with the address located at Block 6-8, Dongfang Jiayuan, Dongfang Road, Danyang City, Jiangsu Province, and the registered capital of RMB 180 million, is a limited liability company. The business scope is described as follows: public deposit taking; issuance of short, medium and long-term loans; handling of domestic settlement; handling of bill acceptance and discount; inter-bank borrowing; debit card business; agent distribution, agent cashing and government bond underwriting; agent collection and payment and agent insurance business; and other businesses approved by the banking and insurance regulatory authorities.

Suyin County Bank firmly establishes the concept of "value creation, focus on improving benefits and sustainable business development", and with "seeking for development, controlling risks and fostering teams" as the focal point, it further adjusts the business structure, enhances the system construction, simplifies the business procedures, and prevents and controls the financial risks, thereby fully improving the financial service level. In 2021, as to increment of deposits and loans, Suyin County Bank ranked the first place among five village banks under the jurisdiction of Zhenjiang, with an increment proportion exceeding 40%. As to the increase in number of loan customers, Suyin County Bank kept the upward trend for three consecutive years, the average annual increase exceeded 10%, and the increase by the end of 2021 exceeded 30%. As of the end of 2021, the total sum of assets was RMB 1.634 billion and the sum of net assets was RMB 175 million; the balance of deposits was RMB 984 million, increasing by RMB 132 million over the end of the last year; and the balance of loans was RMB 1.505 billion, increasing by RMB 141 million over the end of the last year. In this regard, the balance of loans to small and micro enterprises was RMB 1.214 billion, accounting for over 80% of the loans.

## V. Income and Cost Analysis

### (I) Major items of income statement

During the Reporting Period, the Group realized the operating income of RMB 63.771 billion, with a YoY growth of 22.58%. To be specific, net interest income was RMB 45.480 billion, with a YoY growth of 22.96%; net income of handling charges and commissions was RMB 7.490 billion, with a YoY growth of 39.83%. Operating expenses were RMB 37.363 billion with a YoY growth of 5.96%. The business and management fees were RMB 14.307 billion with a YoY growth of 17.23%. Net profit attributable to shareholders of the parent company was RMB 19.694 billion with a YoY growth of 30.72%.



Unit: RMB 1,000 Currency: RMB

Items	January - December, 2021	January - December, 2022	Increase/ Decrease Changes	Year-on-year Increase or Decrease (%)
I. Operating income	63,771,353	52,026,195	11,745,158	22.58
Including: net interest income	45,479,691	36,986,515	8,493,176	22.96
Net income of handling charges and commissions	7,490,118	5,356,522	2,133,596	39.83
II. Operating expenses	37,363,070	35,261,566	2,101,504	5.96
Including: business and management fees	14,307,278	12,204,764	2,102,514	17.23
III. Operating profit	26,408,283	16,764,629	9,643,654	57.52
IV. Total profit	26,475,857	16,748,006	9,727,851	58.08
V. Net profit	20,409,260	15,619,743	4,789,517	30.66
Including: net profit attributable to shareholders of the parent company	19,694,365	15,065,745	4,628,620	30.72

## (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	2021	2020	Range of Increase/ Decrease (%)	Main Reason
Fee and commission income	8,190,410	5,694,156	43.84	Increase of handling charges
Expenditure of handling charges and commissions	700,292	337,634	107.41	Increase of handling charge expenditure
Net income of handling charges and commissions	7,490,118	5,356,522	39.83	The increment of fee and commission income outweighs expenditure
Other incomes	336,872	251,638	33.87	Increase of other incomes
Net income from fair value changes	1,306,817	514,404	154.04	Increase in valuation of fair value of financial assets measured at fair value
Net exchange earning	456,484	312,902	45.89	Increase of exchange earning of derivative financial instruments
Income from asset disposal	128,972	255,242	-49.47	Decrease of income from asset disposal
Other business cost	38,956	26,681	46.01	Increase of other business cost
Operating profits	26,408,283	16,764,629	57.52	Increase of operating profits
Non-operating income	122,641	41,930	192.49	Increase of non-operating income
Total profits	26,475,857	16,748,006	58.08	Increase of profits
Income tax expenses	6,066,597	1,128,263	437.69	Increase of income tax expenses
Net profits	20,409,260	15,619,743	30.66	Increase of net profits
Net profits belonging to the shareholders of parent company	19,694,365	15,065,745	30.72	Increase of net profits

Item	2021	2020	Range of Increase/Decrease (%)	Main Reason
After-tax net amount of other comprehensive incomes	961,877	-340,154	-382.78	Increase of other comprehensive incomes
Total of comprehensive income	21,371,137	15,279,589	39.87	Increase of net profits and other comprehensive income
Total amount of comprehensive incomes belonging to the shareholders of parent company	20,656,242	14,725,591	40.27	Increase of net profits and other comprehensive income

### (III) Net interest income

During the Reporting Period, the Group realized the operating income of RMB 63.771 billion, with a YoY growth of 22.58%. To be specific, net interest income was RMB 45.480 billion, with a YoY growth of 22.96%; net income of handling charges and commissions was RMB 7.490 billion, with a YoY growth of 39.83%. Operating expenses were RMB 37.363 billion with a YoY growth of 5.96%. The business and management fees were RMB 14.307 billion with a YoY growth of 17.23%. Net profit attributable to shareholders of the parent company was RMB 19.694 billion with a YoY growth of 30.72%.

Unit: RMB 1,000 Currency: RMB

Item	January - December, 2021		January - December, 2022	
	Amount	Ratio (%)	Amount	Ratio (%)
<b>Interest income</b>				
Issue of loans and advances	69,697,897	66.46	60,504,719	65.49
-Enterprise loan	32,769,641	31.25	30,866,124	33.42
-Personal loans	34,716,553	33.10	27,069,345	29.29
-Notes discounted	2,211,703	2.11	2,569,250	2.78
Debt instrument investment	25,835,531	24.64	23,908,608	25.87
Long-term receivables	4,291,223	4.09	4,054,019	4.39
Deposits in the Central Bank	2,179,852	2.08	2,109,684	2.28
Lending funds	1,668,315	1.59	832,614	0.90
Funds deposited by interbank and other financial institutions	595,706	0.57	484,852	0.52
Financial assets purchased for resale	602,958	0.57	509,129	0.55
Total of interest income	104,871,482	100.00	92,403,625	100.00
<b>Interest expenditure</b>				
Deposit taking	33,138,621	55.78	32,465,115	58.59
-Corporate customers	21,275,131	35.81	22,047,970	39.79
-Individual customers	11,863,490	19.97	10,417,145	18.80



Item	January - December, 2021		January - December, 2022	
	Amount	Ratio (%)	Amount	Ratio (%)
Issued debt securities	13,396,125	22.56	11,916,150	21.50
Borrowings from Central Bank	5,455,259	9.19	4,659,157	8.41
Deposit of interbank funds and other financial institutions funds	4,179,003	7.04	3,753,072	6.77
Borrowing funds	2,190,202	3.69	1,562,109	2.82
Financial assets sold for repurchase	932,055	1.57	1,015,950	1.83
Others	100,526	0.17	45,557	0.08
Total of interest expenditure	59,391,791	100.00	55,417,110	100.00
<b>Net interest income</b>	<b>45,479,691</b>		<b>36,986,515</b>	

#### (IV) Net income from handling fees and commissions

During the Reporting Period, the Group realized a net income from handling fees and commissions of RMB 7.490 billion, with a YoY growth of 39.83%. To be specific, the fee and commission income was RMB 8.190 billion, with a YoY growth of 43.84%; fees and commission expenses were RMB 700 million, with a YoY growth of 107.41%. Of the fee and commission income, agency fee income was RMB 6.174 billion, with a YoY growth of 39.99%, which is contributed mostly by wealth management business. The commission income from custody and other entrusted businesses was RMB 957 million with a YoY growth of 47.13%; credit commitment fee and commission income was RMB 788 million, with a YoY growth of 76.76%. Of the handling fees and commissions, settlement and clearing fee expenses were RMB 242 million, with a YoY growth of 52.64%; bank card handling fee expenses were RMB 52 million, with a YoY growth of 12.14%.

Unit: RMB 1,000 Currency: RMB

Items	2021	2020
Agency fee income	6,174,275	4,410,474
Commission income from custody and other entrusted businesses	956,798	650,327
Credit commitment fee and commission income	788,414	446,024
Income from consultants and consulting fees	6,325	5,665
Bank card handling fee income	165,984	84,593
Income from settlement and clearing fees	56,140	53,176
Others	42,474	43,897
Fee and commission income	8,190,410	5,694,156
Bank card handling fee expenses	52,295	46,633
Settlement and clearing fee expenses	241,808	158,415
Others	406,189	132,586
Fees and commission expenses	700,292	337,634
<b>Net income of handling charges and commissions</b>	<b>7,490,118</b>	<b>5,356,522</b>



## (V) Business and management fees

During the Reporting Period, the Group's expenditure of business and management fees was RMB 14.307 billion, with a YoY growth of 17.23% and the cost to income ratio was 22.44%. Among the expenditure of business and management fees, employee cost was RMB 8.889 billion with a YoY growth of 7.14%, the expenditure of property and equipment was RMB 1.729 billion with a YoY growth of 4.07% and other office and administration fees were RMB 3.689 billion with a YoY growth of 64.21%.

Unit: RMB 1,000 Currency: RMB

Item	2021	2020
Employee costs	8,889,132	8,296,640
-Wages and bonuses	6,635,563	6,003,955
-Social insurance premiums and supplementary insurance	1,223,109	779,457
-Other benefits	1,030,460	1,513,228
Expenses on property and equipment	1,729,192	1,661,619
-Depreciation and amortization	1,125,145	700,623
-Leasing and property management fees	167,468	581,608
-Public utility fees	70,387	66,547
-Others	366,192	312,841
Other office and administrative expenses	3,688,954	2,246,505
<b>Total</b>	<b>14,307,278</b>	<b>12,204,764</b>

## VI. 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 2.6189 trillion, 12.02% higher than that at the end of last year. To be specific, the loans and advances issued were RMB 1.3591 trillion, 16.57% higher than that at the end of last year; derivatives and financial instruments were RMB 920.3 billion, 8.46% higher than that at the end of last year. Cash and deposits in the Central Bank were RMB 132.5 billion, dropped by 9.90% compared with that at the end of last year. Interbank assets were RMB 113.7 billion, increased by 17.51% compared with that at the end of last year.

The Group's total liabilities were RMB 2.4208 trillion, 12.29% higher compared with that at the end of last year. To be specific, deposit taking was RMB 1.4788 trillion, 11.20% higher compared with that at the end of last year; issued debt securities were RMB 432.8 billion, 4.78% higher compared with that at the end of last year; interbank liabilities were RMB 288.3 billion, 52.41% higher compared with that at the end of last year; borrowings from Central Bank were RMB 183.4 billion, 6.25% lower compared with that at the end of last year.



Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021	December 31, 2020	Range of Increase/ Decrease (%)
Cash and deposits in the Central Bank	132,508,177	147,073,643	-9.90
Interbank Assets <sup>1</sup>	113,674,700	96,733,808	17.51
Derivatives and financial investments <sup>2</sup>	920,317,452	848,508,599	8.46
Issued loans and advances	1,359,127,491	1,165,964,075	16.57
<b>Total assets</b>	<b>2,618,874,260</b>	<b>2,337,892,914</b>	<b>12.02</b>
Borrowings from Central Bank	183,379,765	195,611,850	-6.25
Interbank liabilities <sup>3</sup>	288,348,707	189,189,778	52.41
Deposit taking	1,478,812,360	1,329,869,837	11.20
Issued debt securities	432,760,951	412,999,027	4.78
<b>Total liabilities</b>	<b>2,420,818,512</b>	<b>2,155,813,641</b>	<b>12.29</b>

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, 2021	December 31, 2020	Range of Increase/ Decrease (%)	Main Reason
Fixed assets	7,289,878	5,227,446	39.45	Increase of fixed assets
Deposit of interbank funds and other financial institutions funds	177,552,170	125,229,961	41.78	Increase of deposit of interbank funds and other financial institutions funds
Borrowing funds	71,567,135	51,472,417	39.04	Increase of borrowing funds
Financial assets sold for repurchase	39,229,402	12,487,400	214.15	Increase of financial assets sold for repurchase
Anticipation liabilities	1,883,482	660,582	185.12	Increase of anticipation liabilities
Other liabilities	17,629,858	10,896,412	61.80	Increase of other liabilities
Other comprehensive incomes	2,266,574	1,304,697	73.72	Increase of other comprehensive incomes
Minority equity	5,828,670	4,041,534	44.22	Increase of minority equity

**(III) Major asset items****1. Issued loans and advances****(1) Analysis on loans and advances as of the end of the Reporting Period based on nature**

As of the end of the Reporting Period, the book value of loans and advances issued by the Group was RMB 1.3591 trillion, 16.57% higher compared with that at the end of last year. The loans amounted to RMB 1.4002 trillion, 16.52% higher compared with that at the end of last year. To be specific, the corporate loan was RMB 726.1 billion, 13.99% higher compared with that at the end of last year. The retailing loan was RMB 561.4 billion, 19.48% higher compared with that at the end of last year and the notes discounted were RMB 112.7 billion, 18.91% compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021	December 31, 2020
<b>Measured at amortized cost</b>		
Enterprise loans and advances	717,530,548	635,446,408
Personal loans and advances	561,440,233	469,911,333
- Housing mortgage loans	243,896,280	223,808,967
- Personal consumption loan	254,403,462	198,814,733
- Personal operating loan	34,756,920	24,921,002
- Credit card	28,383,571	22,366,631
Bills discounted	138,791	403,519
Subtotal	1,279,109,572	1,105,761,260
<b>Measured at fair value with its changes included in other consolidated income</b>		
Enterprise loans and advances	8,526,142	1,497,635
Bills discounted	112,536,040	94,350,534
Subtotal	121,062,182	95,848,169
<b>Different loans</b>	<b>1,400,171,754</b>	<b>1,201,609,429</b>
Accrued interest	5,537,141	4,939,601
Minus: Impairment provision	46,581,404	40,584,955
<b>Book value</b>	<b>1,359,127,491</b>	<b>1,165,964,075</b>



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

The top 3 of the Group's loans as of the end of the Reporting Period were leasing and commercial service industry, manufacturing industry and real estate industry. To be specific, the loan of leasing and commercial service industry was RMB 173.8 billion, accounting for 12.42%; loan of manufacturing and real estate industry was RMB 160 billion and RMB 90.8 billion with a proportion of 11.43% and 6.49% respectively.

Unit: RMB 1,000 Currency: RMB

Industries	December 31, 2021		December 31, 2020	
	Amount	Ratio (%)	Amount	Ratio (%)
Leasing and commercial service	173,763,034	12.42	148,724,739	12.38
Manufacturing industry	160,031,226	11.43	129,109,532	10.74
Real estate industry	90,833,819	6.49	89,337,212	7.43
Wholesale and retail industry	87,683,956	6.26	84,448,615	7.03
Water conservancy, environment and public facility management industry	78,702,377	5.62	65,421,712	5.44
Construction industry	40,330,547	2.88	39,480,864	3.29
Transportation, warehousing and mail business	19,096,827	1.36	18,356,249	1.53
Agriculture, forestry, animal husbandry, sideline occupations and fishery	16,138,745	1.15	10,084,951	0.84
Electricity, heat, gas and water production and supply industries	13,886,715	0.99	13,631,663	1.13
Information transmission, software and information technology services industry	10,832,517	0.77	9,751,131	0.81
Scientific research and technology services	10,344,911	0.74	7,428,373	0.62
Cultural, sports and entertainment industry	6,336,990	0.45	4,995,892	0.42
Neighborhood service, repair and other service industries	5,908,779	0.42	5,433,820	0.45
Accommodation and catering industry	3,102,192	0.22	2,101,976	0.17
Sanitation and social work	2,966,772	0.21	2,972,426	0.25
Education	2,136,480	0.15	2,447,029	0.20
Mining industry	1,358,947	0.10	1,319,013	0.11
Others	2,601,856	0.19	1,898,846	0.16
Subtotal of corporate loans and advances	726,056,690	51.85	636,944,043	53.00
Personal loans and advances	561,440,233	40.10	469,911,333	39.11
Notes discounted	112,674,831	8.05	94,754,053	7.89
<b>Various loans</b>	<b>1,400,171,754</b>	<b>100.00</b>	<b>1,201,609,429</b>	<b>100.00</b>

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

As of the end of the Reporting Period, of the Group's various loans, the balance of loan in Jiangsu area and Yangtze River Delta (excluding Jiangsu area) was RMB 1.1789 trillion and RMB 94.1 billion with a ratio of 84.20% and 6.72% respectively; the balance of loan in Bohai Rim Region and Pearl River Delta Region was RMB 63.4 billion and RMB 63.7 billion with a ratio of 4.53% and 4.55% respectively.

Unit: RMB 1,000 Currency: RMB

Region	December 31, 2021		December 31, 2020	
	Amount	Ratio (%)	Amount	Ratio (%)
Jiangsu area	1,178,937,582	84.20	991,840,970	82.54
Yangtze River Delta Region (excluding Jiangsu area)	94,145,576	6.72	82,398,586	6.86
Bohai Rim Region	63,364,224	4.53	65,811,733	5.48
Pearl River Delta Region	63,724,372	4.55	61,558,140	5.12
Total loans	1,400,171,754	100.00	1,201,609,429	100.00

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

As of the end of the Reporting Period, of the Group's various loans, the amount of loan with collateral was RMB 478.9 billion with a ratio of 34.21% while that of credit loan and guaranteed loan was RMB 521.4 billion and RMB 399.9 billion with a ratio of 37.23% and 28.56% respectively.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021		December 31, 2020	
	Amount	Ratio (%)	Amount	Ratio (%)
Credit loan	521,351,647	37.23	399,088,360	33.21
Guaranteed loan	399,913,468	28.56	337,011,255	28.05
Loan with collateral	478,906,639	34.21	465,509,814	38.74
Including: mortgage loan	398,746,785	28.48	375,848,773	31.28
Pledged loan	80,159,854	5.73	89,661,041	7.46
Total loans	1,400,171,754	100.00	1,201,609,429	100.00



## (5) Top 10 loan customers of the Bank

Of the Group's different loans as of the end of the Reporting Period, the balance of loans of the top 10 customers amounted to RMB 29.6 billion, accounting for 2.12% of the total loans and 12.51% of the net amount of capital.

Unit: RMB 1,000 Currency: RMB

No.	Borrower	Industries	Loan Balance	Proportion of Total Loans (%)	Proportion of Net Capital (%)
1	Customer A	Leasing and commercial service	4,845,520	0.35	2.05
2	Customer B	Real estate industry	4,571,430	0.33	1.93
3	Customer C	Wholesale and retail industry	4,091,009	0.29	1.73
4	Customer D	Manufacturing industry	3,000,000	0.21	1.27
5	Customer E	Water conservancy, environment and public facility management industry	2,471,000	0.18	1.05
6	Customer F	Water conservancy, environment and public facility management industry	2,322,778	0.17	0.98
7	Customer G	Manufacturing industry	2,234,886	0.16	0.95
8	Customer H	Leasing and commercial service	2,040,750	0.15	0.86
9	Customer I	Wholesale and retail industry	2,000,000	0.14	0.85
10	Customer J	Real estate industry	1,985,000	0.14	0.84
<b>Total</b>			<b>29,562,373</b>	<b>2.12</b>	<b>12.51</b>

## 2. Financial assets purchased for resale

As of the end of the Reporting Period, the book value of financial assets bought and resold by the Group was RMB 8.004 billion, 23.80% higher compared with at that the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021	December 31, 2020
Securities		
- Bonds of banks and other financial institutions	7,907,846	3,569,164
- Chinese government bond	60,000	2,512,913
- Note	-	414,475
- Corporate bonds	90,000	399,000
Subtotal	8,057,846	6,895,552
Accrued interest	2,849	743
Minus: Depreciation reserves	57,174	431,598
<b>Total</b>	<b>8,003,521</b>	<b>6,464,697</b>

### 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 266.9 billion, 8.97% higher compared with that at the end of last year. To be specific, investment fund was RMB 144.2 billion, 6.68% higher compared with that at the end of last year. Bond investment was RMB 75 billion, 80.04% higher compared with that at the end of last year. Wealth management investment was RMB 26.9 billion, with a drop of 45.16% in comparison to that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
- Government	1,654,605
- Policy banks	41,123,202
- Commercial banks and other financial institutions	6,146,378
- Other institutions	17,098,132
Subtotal	66,022,317
<b>Beyond the Chinese border</b>	
- Government	236,551
- Policy bank	715,212
- Commercial banks and other financial institutions	6,467,297
- Other institutions	1,585,089
Subtotal	4,715,193
Subtotal of bond investment	75,026,466
Investment fund	144,228,617
Wealth management products	26,896,379
Asset-backed securities	3,349,369
Asset management plan and trust plan	2,128,817
Equity investment	389,717
Other investments	14,852,218
<b>Total</b>	<b>266,871,583</b>



## (2) Creditor's right investment

As of the end of the Reporting Period, the book value of the Group's creditor's rights investment was RMB 531.6 billion, 4.74% higher than that at the end of last year. Of the balance of creditor's right investment, the bond investment was RMB 365.2 billion, 22.87% higher compared with that at the end of last year. The investment of asset management plan and trust plan investments was RMB 126.6 billion, with a drop of 26.33% compared to that at the end of last year. The investment of asset-backed securities was RMB 35.5 billion, increased by 27.52% compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
-Governments	309,999,924
- Policy banks	17,551,128
-Commercial banks and other financial institutions	2,050,000
-Other institutions	13,327,469
Subtotal	342,928,521
<b>Beyond the Chinese border</b>	
- Policy banks	95,230
-Commercial banks and other financial institutions	2,076,736
-Other institutions	20,063,760
Subtotal	22,235,726
Subtotal of bond investment	365,164,247
Asset management plan and trust plan	126,559,230
Asset-backed securities	35,467,979
Other investments	15,590,503
Total	542,781,959
Accrued interest	5,749,845
Minus: Depreciation reserves	16,925,433
<b>Book value</b>	<b>531,606,371</b>



**(3) Other creditor's rights investment**

As of the end of the Reporting Period, the book value of the Group's other creditor's right investment was RMB 119.6 billion, 28.18% higher compared with that at the end of last year. Of the balance of other creditor's right investment, bond investment was RMB 117.1 billion, 28.51% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
-Governments	32,405,733
-Policy banks	34,579,084
-Commercial banks and other financial institutions	9,176,985
-Other institutions	17,928,647
Subtotal	94,090,449
<b>Beyond the Chinese border</b>	
- Policy banks	175,972
- Commercial banks and other financial institutions	4,073,310
- Other institutions	18,758,225
Subtotal of bond investment	117,097,956
Asset-backed securities	736,179
Other investments	-
Total	117,834,135
Accrued interest	1,720,342
<b>Book value</b>	<b>119,554,477</b>

**(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 217 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 1.4788 trillion, 11.20% higher compared with that at the end of last year. The deposits were RMB 1.4512 trillion, with an increase of 11.10% compared with that at the end of last year. To be specific, corporate deposit was RMB 918.2 billion with a ratio of 63.27%, 6.10% higher compared with that at the end of last year. Individual deposit was RMB 423.1 billion, with a ratio of 29.16%, 17.75% higher compared with that at the end of last year.



Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021		December 31, 2020	
	Amount	Ratio (%)	Amount	Ratio (%)
<b>Corporate deposits</b>				
Current deposit	394,930,625	27.21	366,686,784	28.07
Fixed time deposit	523,295,304	36.06	498,752,271	38.18
Subtotal	918,225,929	63.27	865,439,055	66.25
<b>Personal deposits</b>				
Current deposit	81,803,215	5.64	80,893,653	6.19
Fixed time deposit	341,314,896	23.52	278,442,589	21.32
Subtotal	423,118,111	29.16	359,336,242	27.51
<b>Other deposits</b>				
Marginal deposit for security	97,964,265	6.75	75,489,058	5.78
Remittances outstanding	116,278	0.01	229,331	0.02
Fiscal deposits	93,547	0.01	37,495	0.00
Outward remittance	340,074	0.02	673,603	0.05
Treasury deposit	11,358,000	0.78	3,615,000	0.28
Customer financing fund	-	-	1,413,850	0.11
Subtotal	109,872,164	7.57	81,458,337	6.24
<b>Total deposits taking</b>	<b>1,451,216,204</b>	<b>100.00</b>	<b>1,306,233,634</b>	<b>100.00</b>

## 2. Deposit of interbank and other financial institutions

As of the end of the Reporting Period, the balance of the Group's deposit of interbank and other financial institutions was RMB 176.4 billion, 41.72% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021	December 31, 2020
Within Chinese territory		
-Banks	11,333,598	19,004,215
-Other financial institutions	165,071,623	105,467,946
<b>Total</b>	<b>176,405,221</b>	<b>124,472,161</b>

## VII. 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 organizational structure, 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 mechanism, optimized approval process, clarified the functions and responsibilities and intensified credit risk management and control. During the Reporting Period, in the face of latest dynamics of macro situation, the Group persisted on the bottom line thinking, improved internal control, intensified smart risk control and consolidated asset quality constantly. First, exert the guiding role of policies. Strictly control credit and compliance risks by taking the principle of "prioritizing manufacturing, green and science & technology" as the credit policy guidance and by setting policy red line and admission bottom line. Second, keep improving smart risk control capacity. Keep updating risk control model by highlighting "effectiveness and perspectiveness", optimize the systems of customer pre-warning, opinion monitoring, intelligent due diligence and credit management, operate new systems such as intelligent rating for small and micro businesses, "Sui e Loan" customer base risk scoring card, intelligent identification of anti-money laundering for corporate customers, management platform of risk name list and comprehensive monitoring platform of market risks, and enhance the Bank's level and capacity of risk management. Third, intensify the control over large amount of credit extension. Implement system and process control using internal evaluation of credit extension quota, avoid "excessive issuance of loan to big cities and enterprises" and prevent central risks of credit extension. Monitor the quality and dynamics of large amount of credit extension from different dimensions, discover risky customers in time, organize and implement exit and keep optimizing structure. Fourth, investigate credit extension risks at regular intervals. Carry out site check, classify "increase, holding, decrease and withdrawal", carry out differentiated disposal against the last two kinds of customers one by one and eradicate potential risks. Fifth, improve post-loan management mode. Optimize the frequency of post-loan regular check using rating layers and buffer zones, and further focus on the management of high risk customers and post-loan business. Highlight the elimination of pre-warning signals and adverse opinions in post-loan inspection, reduce the review process of post-loan inspection report of customers with no pre-warning and improve the effectiveness of post-loan inspection. Sixth, intensify the disposal of non-performing asset. Exert the central operation advantages of non-performing asset, implement responsibilities and schedules, and accelerate the disposal of non-performing asset by taking measures such as lawsuit, write-off and transfer. Seventh, reinforce the restrictions of responsibilities. Implement the asset quality control measures continuously, such as business delisting and recovery, asset quality red and yellow cards, discussion and interview, prior deduction of the first responsible person's performance, etc.

#### 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. During the Reporting Period, the Group continued 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.



First, 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 mainly includes the board of directors and its Risk Management Committee and senior management. The implementation system mainly 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. Second, 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. Third, 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. Fourth, 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 established a market risk monitoring platform, carried 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 used the market risk limit system composed of business limit, stop loss limit and risk limit to monitor various kinds of business market risks. At the same time, it strengthened the daily management, monitoring, analysis and reporting of authorization and limit to ensure that authorization and limit were strictly observed. Interest rate risk was mainly managed through interest rate repricing gap analysis, sensitivity analysis, asset portfolio construction and adjustment, profit and loss analysis, etc., and exchange rate risk was 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 improve 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 Group's 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, and highlights Internet security, data security, IT business continuity, IT outsourcing, etc. First, keep optimizing the key detection indicators of new information technology risks and improve risk monitoring mechanism gradually. Second, enlarge the coverage of information technology risk evaluation further and discover the weaknesses of risk disposal mechanism, process and method of information technology risks. Third, intensify the coordination of "three bottom lines" and outsourcing risk management and information security protection, and further improve the information technology risk management level. During the Reporting Period, the Group's information technology risk was within control generally and had no major science and technology risk loss events.

### **(2) Reputation risk**

Reputation risk refers to the risk of impairing brand value and affecting the normal operation or even market and social stability after interested party, the public or media make a negative evaluation on commercial bank due to the behavior of commercial banks, working staff or external event. The Group has established and improved its reputation risk management mechanism, optimized its public opinion response mechanism constantly, and improved its ability to judge, analyze and deal with public opinions. We have strengthened the investigation of potential reputational risks, and continuously improved the ability and level of reputational risk management. We have also carried out public opinion management actively to avoid reputation loss; organized and carried out reputation risk management drills, and improved the capacity of relevant posts in coping with emergent reputation risks. During the Reporting Period, the reputation risk situation was stable generally.



## (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	1,366,253,489	97.58	Increased by 0.25%
Special mention loans	18,780,549	1.34	Lowered by 0.02%
Subprime loans	7,884,170	0.56	Lowered by 0.17%
Doubtful loans	2,649,229	0.19	Lowered by 0.04%
Loss loans	4,604,317	0.33	Lowered by 0.02%
<b>Total</b>	<b>1,400,171,754</b>	<b>100.00</b>	

Note: According to the regulatory five-level classification policy, the Group's non-performing loans include loans classified as sub-prime, doubtful and loss. During the Reporting Period, the Group improved its credit policies properly, managed "three checks" of credit and accelerated the disposal of non-performing loans by focusing on "reducing old risks, controlling the generation of new risks", contributing to the further improvement of asset quality. As of the end of the Reporting Period, the balance of the Group's non-performing loan was RMB 15.138 billion and the ratio of non-performing loan was 1.08%, 0.24% lower compared with that at the beginning of this year. The total amount of special mention loan was RMB 18.781 billion with a ratio of 1.34%, 0.02% lower compared with that at the beginning of this year.

## (III) Migration rate data

Unit: %

Item	2021	2020	2019
Migration rate of normal loans	2.08	1.31	2.72
Migration rate of special mention loans	42.38	44.21	43.77
Migration rate of subprime loans	54.51	45.04	68.53
Migration rate of doubtful loans	78.32	22.37	24.33

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 $\times$ 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 $\times$ 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 $\times$ 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 $\times$ 100%.

## (IV) Quality of loan assets classified based on industry

Unit: RMB 1,000 Currency: RMB

Classification	Amount of NPL	Ratio (%)	Increase/Decrease Compared with that of the End of Last Year (%)
Agriculture, forestry, animal husbandry, sideline occupations and fishery	95,594	0.63	0.04
Mining	-	0.00	-0.63
Manufacturing industry	3,909,442	25.83	-8.69
Production and supply of electricity, heat, gas and water	182,033	1.20	0.08
Construction industry	427,612	2.82	1.38
Wholesale and retail industry	2,362,876	15.61	-3.68
Transportation, warehousing and mail business	139,042	0.92	-2.83
Accommodation and catering industry	46,710	0.31	-0.25
Information transmission, software and information technology services industry	85,761	0.57	-0.83
Finance industry	-	0.00	0.00
Real estate industry	1,335,816	8.82	8.58
Leasing and commercial service	1,926,986	12.73	-1.46
Scientific research and technical services	256,633	1.70	0.39
Water conservancy, environment and public facility management industry	87,528	0.58	0.11
Neighborhood service, repair and other service industries	5,878	0.04	0.03
Education	5,448	0.04	0.02
Sanitation and social work	14,054	0.09	0.06
Cultural, sports and entertainment industry	82,721	0.55	0.09
Personal operating loan	497,163	3.28	-0.28
Personal loans	3,676,418	24.29	7.88
<b>Total</b>	<b>15,137,716</b>	<b>100.00</b>	<b>0.00</b>



## (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 74.21%; the ratio of balance of the loan for more than 60 days overdue (non-performing loan) was 82.64%.

Unit: RMB 1,000 Currency: RMB

Classification	Open Balance	Closing Balance	Percentage (%)
Restructured loans	2,757,268	1,234,814	0.09
Overdue loans	14,454,537	16,433,997	1.17

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) Control over NPL

### 1. Control over the source

By highlighting the working goal of "optimizing asset quality while ensuring stability", the Bank took different measures at the same time to improve the perspectiveness and effectiveness of credit risk prevention and control. Intensified risk investigation, consolidated the management of "increase, holding, decrease and withdrawal", and discovered and prevented risks. The Bank intensified the management of potential risks, implemented policies for each household depending on the realities and strictly controlled the new NPL. We reviewed the name list of exiting customers with a large amount on a quarterly basis, ensured gradual and orderly exit and kept optimizing customer structure. We kept monitoring the quality of network loan asset continuously, updated the types of product risks on a quarterly basis, evaluated risk performance and issued the corresponding countermeasures. We built risk limit management platform, controlled the limit in real time and prevented central risks. The Bank deepened the utilization of AI pre-warning, speeded up the iteration of pre-warning signal, and kept improving risk identification and disposal efficiency; optimized the closed-off management of real estate project, intensified the cross use of data such as regulation and taxation and ensured the high quality development of relevant businesses. We have also optimized value evaluation process, elaborated the discount standards of mortgaged and pledged products and exerted the role of mortgaged and pledged products in risk mitigation.

### 2. Disposal

The Bank has intensified the disposal of NPL by taking different measures at the same time. First, optimize the asset preservation management system, and reinforce the central operation of non-performing assets. Second, strengthen the management of NPL collection and lawsuit-based clearing & recovery, accurately grasp the best litigation timing and intensify lawsuit clearing & recovery. Third, intensify cooperation with various kinds of assets management companies, financial asset trading centers, and Internet platform companies, promote asset disposal information by taking advantage of our WeChat official account, transfer creditor's rights by following the market principle strictly and keep improving the transfer benefits of NPA. 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 with Changes Included in Other Comprehensive Income			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Open Balance	22,472,728	6,707,136	11,405,091	40,584,955	1,347,503	8,101	-	1,355,604
Transfer of the current period:								
To Stage I	2,260,397	-2,231,133	-29,264	-	9,135	-9,135	-	-
To Stage II	-860,626	1,035,247	-174,621	-	-9,055	9,055	-	-
To Stage III	-197,102	-1,964,229	2,161,331	-	-	-	-	-
Provision of the current period	4,073,969	2,630,227	8,406,598	15,110,794	317,715	24,127	-	341,842
Write-off of the current period	-	-	-10,299,129	-10,299,129	-	-	-	-
Recovery of the original written	-	-	1,202,852	1,202,852	-	-	-	-
off loan in the current period	-10,772	-2,707	-4,589	-18,068	-	-	-	-
Other changes	27,738,594	6,174,541	12,668,269	46,581,404	1,665,298	32,148	-	1,697,446
Closing Balance								

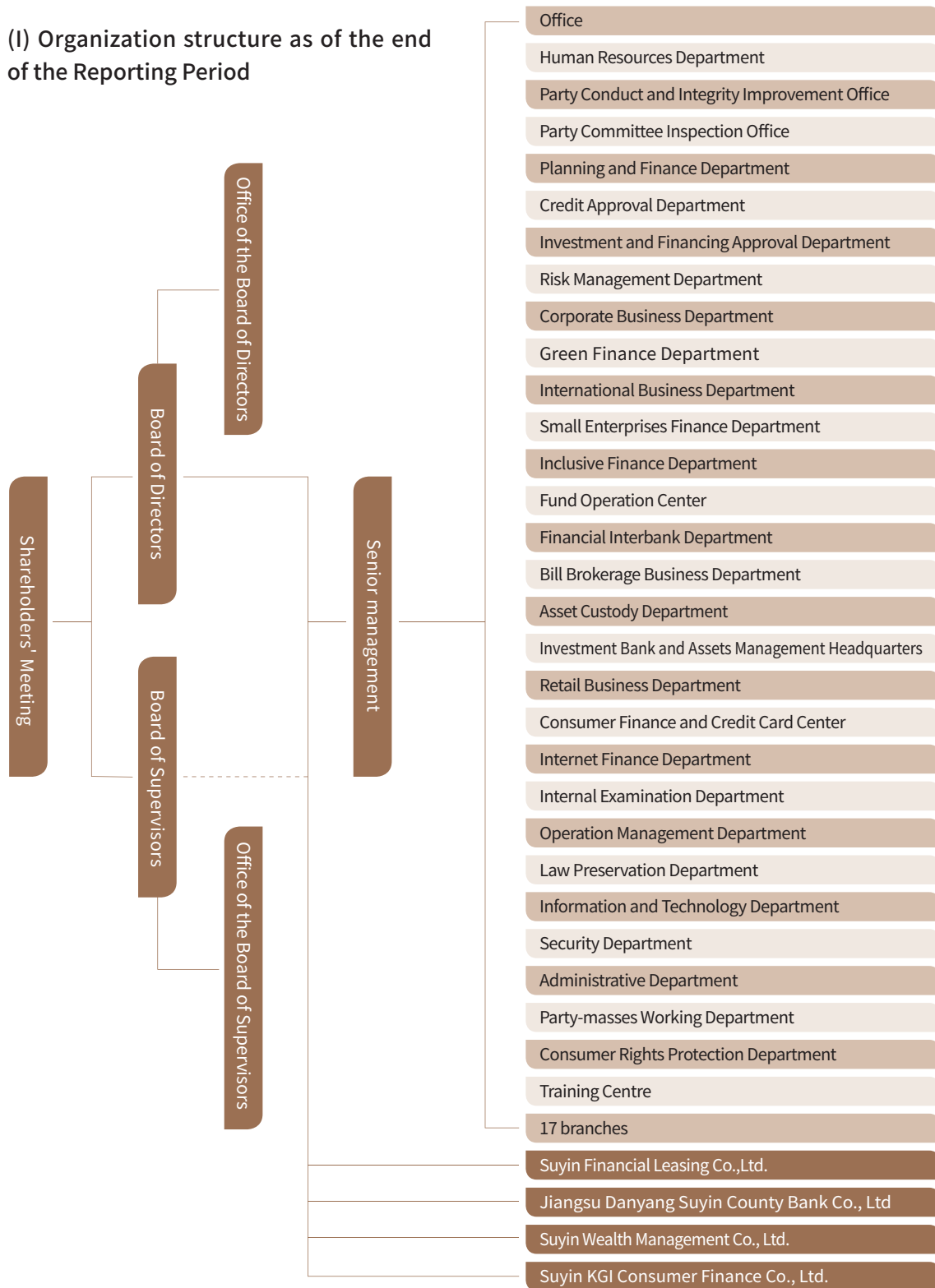
Note: The Stage I financial instruments are financial instruments of which the credit risk has not increased significantly since the initial confirmation; the Stage II financial instruments are those of which the credit risk has increased significantly since the initial confirmation, but there is no 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 with changes 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.



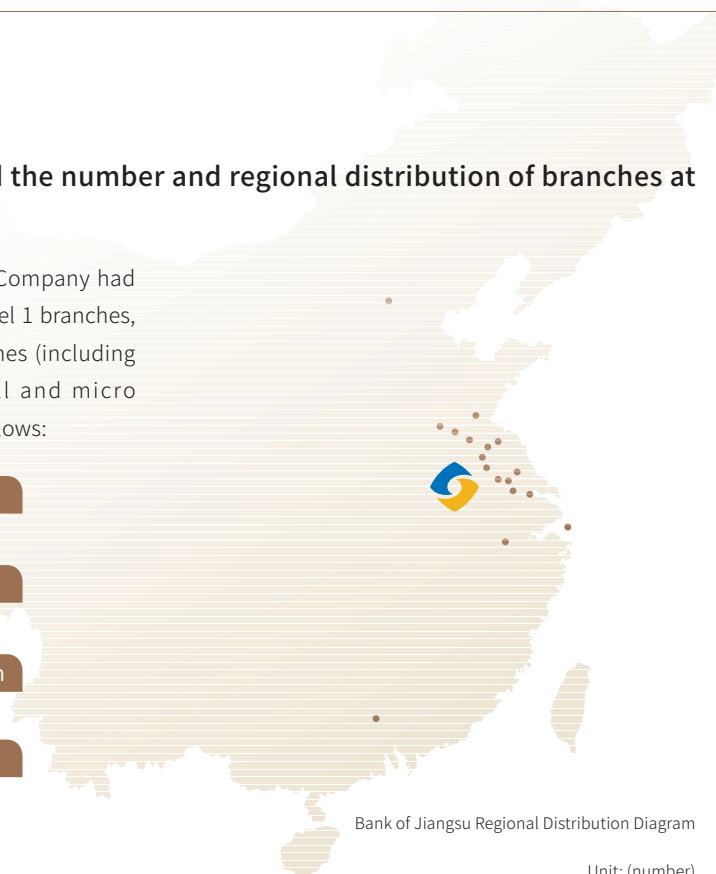
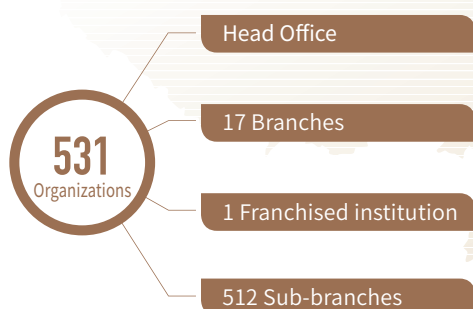
## VIII. Institutions

### (I) Organization structure as of 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 531 branches, including: Head Office, 17 Level 1 branches, 1 franchised institution and 512 sub-branches (including 3 community subbranches and 1 small and micro subbranch). The details are introduced as follows:



Bank of Jiangsu Regional Distribution Diagram

Unit: (number)

No.	Institution Name	Address	Quantity of Institutions (Each)	Number of Employees (Person)	Asset Scale
1	Head Office	No. 26, Zhonghua Road, Nanjing City	1	1145	652,987,404
2	Suzhou Branch	No. 157, Suya Road, Suzhou Industrial Park	48	1183	143,799,071
3	Wuxi Branch	No. 18, Jinrong 7 <sup>th</sup> Street, Wuxi City	107	2119	244,255,507
4	Nanjing Branch	No. 55, North Hongwu Road, Xuanwu District, Nanjing City	28	835	153,505,892
5	Nantong Branch	No. 118, South Gongnong Road, Chongchuan District, Nantong City	47	1120	130,175,325
6	Changzhou Branch	No. 500, Middle Yanling Road, Changzhou City	30	797	76,572,758
7	Xuzhou Branch	Building 2, Lyudi Business City (Plot B6-1), Yunlong District, Xuzhou City	32	969	87,198,528
8	Yangzhou Branch	No. 525, West Wenchang Road, Yangzhou City	25	727	69,159,378
9	Zhenjiang Branch	No. 12, Guancheng Road, Zhenjiang City	31	750	66,725,921
10	Taizhou Branch	No. 482, South Qingnian Road, Hailing District, Taizhou City	9	373	56,832,664
11	Huai'an Branch	No. 16, Shuidukou Avenue, Huai'an City	31	868	56,106,287
12	Yancheng Branch	No. 269, South Jiefang Road, Yancheng City	34	827	75,134,695
13	Lianyungang Branch	No. 1, Yingzhou Road, Haizhou District, Lianyungang City	27	788	58,490,888



No.	Institution Name	Address	Quantity of Institutions (Each)	Number of Employees (Person)	Asset Scale
14	Suqian Branch	No. 58, Qinghaihu Road, Sucheng District, Suqian City	11	371	38,003,004
15	Shanghai Branch	No. 1128, Shiji Avenue, Pudong New Area, Shanghai	17	582	99,043,060
16	Shenzhen Branch	No. 2, Lanxiang 1 <sup>st</sup> Street, Zhongxin Road, Nanshan District, Shenzhen City	18	591	82,755,702
17	Beijing Branch	Building 1, Guangxi Jiayuan, Chaoyang District, Beijing	23	665	88,865,961
18	Hangzhou Branch	No. 1379, Hongning Road, Yingfeng Sub-district, Xiaoshan District, Hangzhou City	11	397	50,502,085
19	Fund operation center	No. 117, Yincheng Road, Pudong New Area, Shanghai	1	49	388,760,130
Total			531	15156	2,618,874,260

Note: The franchised institution refers to the Capital Operation Center.

### (III) External 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 Danyang Village and Township Bank of Jiangsu Province. As of the end of the Reporting Period, the balance of the Company's equity investment was RMB 5.9444 billion, of which, the balance of equity investment in Suyin Financial Leasing was RMB 2.46 billion, with a shareholding ratio of 51.25%; the balance of equity investment in Suyin Wealth Management was RMB 2 billion, with a shareholding ratio of 100%; the balance of equity investment in Suyin KGI Consumer Finance was RMB 1.4106 billion with a shareholding ratio of 54.25% and that of equity investment in Danyang Baode Village and Township Bank was RMB 73,800,000 with a shareholding ratio of 41%.

## IX. 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 2021	Ratio in Amount/Balance of Transaction of the Same Kind (%)	End of 2020	Ratio in Amount/Balance of Transaction of the Same Kind (%)
Issued loans and advances	229,668	0.0165	186,657	0.0138
Deposit taking	269,682	0.0182	162,361	0.0097
Unused credit limit	71,591	0.2355	68,676	0.2534

Item	2021	Ratio in Amount of Transaction of the Same Kind (%)	2020	Ratio in Amount of Transaction of the Same Kind (%)
Interest income	10,099	0.0096	7,797	0.0055
Interest expenditures	5,714	0.0096	4,532	0.0081
Fee and commission income	10	0.0001	-	-

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

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2021	December 31, 2020
Credit commitment	402,580,481	321,388,198
Including:		
Loan commitment	61,844,257	32,147,092
Bank acceptance	273,094,429	236,323,235
Letters of guarantee	38,550,118	30,476,728
L/C	29,091,677	22,441,143
Operating lease commitment	-	1,377,907
Capital expenditure commitment	338,430	843,256



#### (IV) Types and amounts of financial bonds held

Unit: RMB 1,000 Currency: RMB

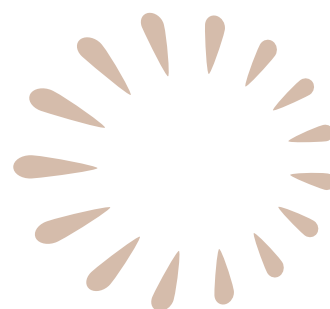
Category	Amount
Government	344,296,813
Policy banks	94,239,828
Commercial banks and other financial institutions	29,990,706
Other institutions	88,761,322

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

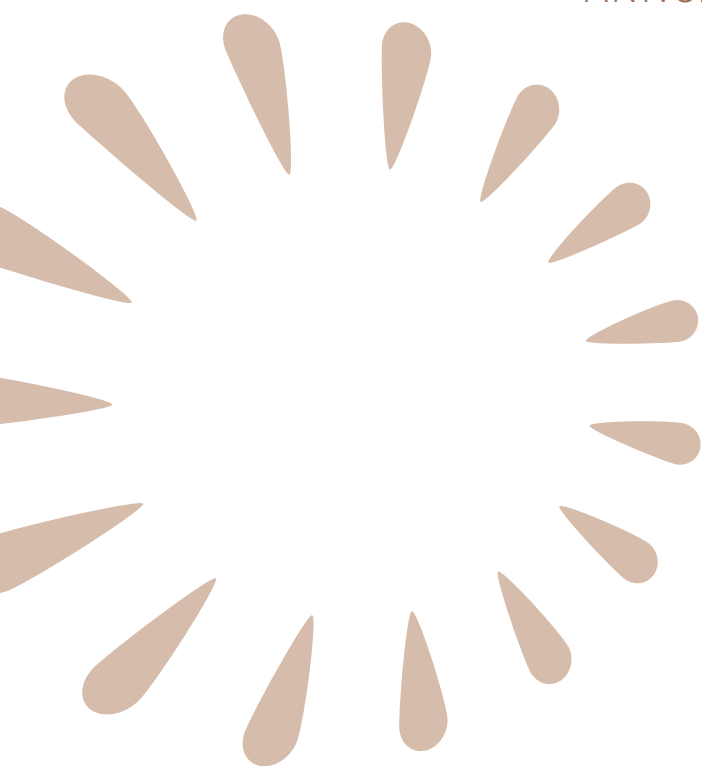
Unit: RMB 1,000 Currency: RMB

Abbreviation of Securities	Face Value	Interest Rate (%)	Maturity Date	Provision for Impairment
Bond A	3,450,000	3.28	2024-02-11	-
Bond B	2,300,000	3.12	2031-09-13	-
Bond C	2,070,000	2.05	2022-08-02	-
Bond D	2,000,000	2.08	2023-04-29	-
Bond E	1,830,000	3.51	2024-04-03	-
Bond F	1,810,000	4.11	2022-07-10	-
Bond G	1,800,000	2.04	2022-12-06	-
Bond H	1,500,000	2.19	2024-12-14	-
Bond I	1,310,000	4.05	2022-03-20	-
Bond J	1,270,000	2.20	2023-04-01	-

Note: Excluding the Phase 1 provision for loss accrued based on the requirements for expected credit loss model.



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Section IV



# Corporate Governance







# Corporate Governance

## I. Description of Corporate Governance

During the Reporting Period, the Company improved the corporate governance structure of decision-making, execution, separated supervision and mutual checking consisting of shareholders' meeting, board of directors, board of supervisors and the management constantly based on the regulatory requirements and its realities; improved the operation mechanism under which all governance subjects had clear division of responsibilities, performed their respective duties and responsibilities, enhanced the governance subjects' duty performance capacity and efficiency, and boosted more efficient governance system checking, more scientific decision-making, stronger supervision and more standard operation. The Company kept the organic integration of the leadership of the Party and corporate governance constantly, and implemented the requirements of Party committee's study and discussion before making major decisions on operation and management. The Company carried out regular corporate governance self-evaluation and enhanced the compliance and effectiveness of corporate governance significantly.

As of the end of the Reporting Period, the Bank had no controlling shareholder or actual controller. The corporate governance of the Bank had no significant difference with the requirement stipulated by China Securities Regulatory Commission.

## 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, 13 proposals were deliberated and reviewed, including 2020 Work Report of Board of Directors, 2020 Work Report of Board of Supervisors, 2020 Financial Settlement and 2021 Financial Budget, 2020 Profit Distribution Plan, 2020 Related Transaction Report, 2021 Expected Quota of Daily Related Transactions for Some Related Parties, Plan of Adjustment of Authorization for the Board of Directors by the Shareholders' Meeting and director election.



Meeting Session	Date of Convening	Query Index of The Designated Website for Published Resolution	Disclosure Date of Resolution Publishing
Shareholders' meeting of 2020	May 21, 2021	www.sse.com.cn	May 22, 2021
The 1 <sup>st</sup> interim shareholders' meeting of 2021	August 31, 2021	www.sse.com.cn	September 1, 2021

### III. Performance of Duties by Directors

#### (I) Directors' attendance in board meetings and shareholders' meetings

Directors	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	7	5	2	2	0	No	2
JI Ming	No	7	7	2	0	0	No	2
GU Xian	No	3	3	0	0	0	No	1
JI Jinsong	No	1	1	1	0	0	No	0
WU Dianjun	No	7	7	2	0	0	No	2
HU Jun	No	7	6	2	1	0	No	0
SHAN Xiang	No	7	7	2	0	0	No	0
JIANG Jian	No	7	7	2	0	0	No	0
TANG Jinsong	No	7	7	2	0	0	No	0
DU Wenyi	No	7	7	2	0	0	No	0
REN Tong	No	7	7	2	0	0	No	0
YU Chen	Yes	7	7	2	0	0	No	0
YANG Tingdong	Yes	7	7	2	0	0	No	0
DING Xiaolin	Yes	7	7	2	0	0	No	2
LI Xindan	Yes	7	7	2	0	0	No	0
HONG Lei	Yes	7	7	2	0	0	No	2

#### (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, intensified self-construction and coordination & arrangement for meeting plans, optimized the process of meeting proposals, reinforced the quality and efficiency of deliberating the matters to be decided, laid special emphasis on supervision and improved its capacity of scientific decision-making and operation

efficiency. Within the whole year, the Company held a total of 7 board meetings to deliberate 68 proposals, such as various annual or semiannual or quarterly special reports, setup of Green Finance Department, revision of basic accounting system, increase of investment in consumer finance company, disclosure of important evaluation indicators of global system, issuance of preferred stock interests, development strategy planning during "the 14<sup>th</sup> Five-year Planning", nomination of director candidate, adjustment of members of special committees of board of directors, employment of business director, change of securities affairs representatives, etc.; listened to 5 reports concerning annual evaluation of employees' behaviors, operation, development and management of branches in China's other provinces, advancement on the implementation of regulatory opinions, etc.

Times of board meetings held during the year	7
Including: Times of onsite meetings	5
Times of meetings held by means of communication	2
Times of meetings held onsite combining with means of communication	0

The details of meeting are as below:

Meeting Session	Date of Convening	Resolutions
The 9 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	February 2, 2021	<p>The following proposals were delivered and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Self-evaluation Report of Corporate Governance</li> <li>2. Proposal of Bank of Jiangsu on the 2020 Work Report and Statement of Anti-money Laundering and Antiterrorism Financing</li> <li>3. Proposal on Revising the Management Measures of Bank of Jiangsu on the Small Network Loan Business</li> <li>4. Proposal on Purchasing Business Offices for Bank of Jiangsu Nanjing Branch</li> <li>5. Proposal on Employing Business Director of Bank of Jiangsu</li> </ol>
The 10 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 28, 2021	<p>The following proposals were delivered and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Work Report of Board of Directors</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Work Report of Chairman</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Q1 Work Report of Chairman</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Annual Report and Its Abstract</li> <li>5. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Q1 Report</li> <li>6. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Evaluation Report of Strategy Implementation</li> <li>7. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Financial Report</li> <li>8. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Financial Settlement and 2021 Financial Budget</li> <li>9. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Profit Distribution Plan</li> <li>10. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Work Report of Consolidated Statement Management</li> <li>11. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Special Report of Storage and Use of Raised Fund</li> <li>12. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Report of Internal Control Evaluation</li> <li>13. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Evaluation Report of the Group's Internal Capital Sufficiency</li> <li>14. Proposal of Bank of Jiangsu Co., Ltd. on 2021-2023 Group Capital Planning</li> <li>15. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Management Plan of Capital Sufficiency Rate</li> <li>16. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Management Report of Capital Sufficiency Rate</li> <li>17. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Social Responsibility Report</li> <li>18. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Work Report of Consumer Protection and 2021 Working Emphases</li> </ol>



Meeting Session	Date of Convening	Resolutions		
The 10 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 28, 2021	19. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Report of Related Transactions		
		20. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Predicted Quota of Daily Related Transactions of Some Related Parties		
		21. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Comprehensive Risk Management Report		
		22. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Risk Limit Plan		
		23. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Risk Management Strategies		
		24. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Statement of Risk Preference		
		25. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Report of Online Loan Business Evaluation		
		26. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Report of Director's Performance Evaluation		
		27. Proposal on 2020 Performance Report of Audit Committee of Board of Directors of Bank of Jiangsu Co., Ltd.		
		28. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Work Report of Independent Directors		
		29. Proposal of Bank of Jiangsu Co., Ltd. on 2020 Remuneration Plan of Senior Managers		
		30. Proposal on the Further Appointment of Accounting Firm for Bank of Jiangsu Co., Ltd. in 2021		
		31. Proposal on 2020 Performance Report of Main Shareholders of Bank of Jiangsu Co., Ltd.		
		32. Proposal of 2020 Capital Supplementing Capacity of Main Shareholders of Bank of Jiangsu Co., Ltd.		
		33. Proposal on Revising the Comprehensive Risk Management Policies of Bank of Jiangsu Co., Ltd.		
		34. Proposal on Legal Risk Management Policies of Bank of Jiangsu Co., Ltd.		
		35. Proposal on Revising the Management Measures of Bank of Jiangsu Co., Ltd. on Consumer Protection Work		
		36. Proposal on the Management Measures of Bank of Jiangsu Co., Ltd. on Providing Financial Services against Emergencies		
		37. Proposal of Bank of Jiangsu Co., Ltd. on the Adjustment of Authorization for the Board of Directors by the Shareholders' Meeting		
		38. Proposal on the Adjustment of Chairman Authorization Plan by the Board of Directors of Bank of Jiangsu Co., Ltd.		
		39. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Total Salary Budget		
		40. Proposal of Bank of Jiangsu Co., Ltd. on Convening 2020 Shareholders' Meeting		
		The 11 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	June 25, 2021	The following proposals were delivered and ratified in the meeting:
				1. Proposal on Setup of Green Finance Department of Bank of Jiangsu Co., Ltd.
				2. Proposal of Bank on Revising the Working Rules of Strategy Committee of Board of Directors of Jiangsu Co., Ltd.
				3. Proposal on Revising the Policies of Bank of Jiangsu Co., Ltd. on Reputation Risk Management
		The 12 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	August 13, 2021	The following proposals were delivered and ratified in the meeting:
				1. Proposal on the Adjustment of Issued Amount of Financial Bond for "Agriculture, Rural Areas, and Rural Residents" of Bank of Jiangsu and Extending the Validity of Resolutions Made in the Shareholders' Meeting for Financial Bond for Small and Micro Businesses and "Agriculture, Rural Areas, and Rural Residents"
				2. Proposal of Bank of Jiangsu on Disclosing 2020 Global Important Performance Indicators of the System
				3. Proposal on Nominating the Director Candidates of Bank of Jiangsu
				4. Proposal on Holding 2021 1 <sup>st</sup> Interim Shareholders' Meeting of Bank of Jiangsu

Meeting Session	Date of Convening	Resolutions
The 13 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	August 24, 2021	The following proposals were delivered and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on the Chairman's Work Report for the First Half of 2021 2. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Semiannual Report and Its Abstract 3. Proposal of Bank of Jiangsu Co., Ltd. on Comprehensive Risk Management Report for the First Half of 2021 4. Proposal of Bank of Jiangsu Co., Ltd. on the Work Report of Consumer Protection for the First Half of 2021 5. Proposal on Revising the Basic Accounting System of Bank of Jiangsu Co., Ltd.
The 14 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	October 29, 2021	The following proposals were delivered and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Q3 Work Report of Board of Chairman 2. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Q3 Report 3. Proposal on the Issuance of Preference Dividends of Bank of Jiangsu Co., Ltd. 4. Proposal on Changing the Securities Affairs Representative of Bank of Jiangsu Co., Ltd.
The 15 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	December 21, 2021	The following proposals were delivered and ratified in the meeting: 1. Proposal on 2021-2025 Development Strategy Planning of Bank of Jiangsu Co., Ltd. 2. Proposal on 2022 Institution Development Planning of Bank of Jiangsu Co., Ltd. 3. Proposal on the Recovery Plan of Bank of Jiangsu Co., Ltd. 4. Proposal on the Suggestions of Disposal Plan of Bank of Jiangsu Co., Ltd. 5. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Special Audit Report of Business Continuity 6. Proposal on Adjusting the Special Committee Members of the 5 <sup>th</sup> Board of Directors of Bank of Jiangsu Co., Ltd.

### (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 served as their chairmen. All special committees could exchange company management and risks with senior managers and departments periodically, put forward opinions and suggestions and provided professional opinions for the board of directors or made 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.

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 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.

The Related Transaction Control Committee should manage, review and approve related transactions and control risks of the related transactions.

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.

The Nomination and Remuneration Committee should review the job qualifications of directors and senior management preliminarily, formulate the remuneration scheme for directors and senior managers, put forward the suggestion about remuneration scheme to the board of directors and supervise the scheme implementation.

The Consumer Protection Committee should formulate working plans on consumer protection, urge senior managers to implement relevant work effectively and listen to the special report on the implementation of consumer protection regularly.

Committees	Members
Strategy Committee	Chairman of committee: XIA Ping Members of committee: JI Ming, YU Chen, LI Xindan and HU Jun
Audit Committee	Chairman of committee: HONG Lei Members of committee: JI Ming, YANG Tingdong, DING Xiaolin and DU Wenyi
Related Transaction Control Committee	Chairman of committee: DING Xiaolin Members of committee: YU Chen, GU Xian (leaving office in July 2021) and JI Jinsong (appointed in December 2021)
Risk Management Committee	Chairman of committee: JI Ming Members of committee: GU Xian (leaving office in July 2021), JI Jinsong (appointed in December 2021), YANG Tingdong, HONG Lei and JIANG Jian
Nomination and Remuneration Committee	Chairman of committee: YANG Tingdong Members of committee: GU Xian (leaving office in July 2021), JI Jinsong (appointed in December 2021), WU Dianjun, LI Xindan and HONG Lei
Consumer Protection Committee	Chairman of committee: GU Xian (leaving office in July 2021) and JI Jinsong (appointed in December 2021) Members of committee: WU Dianjun and DING Xiaolin

During the Reporting Period, the Company held 24 special committee meetings of the board of directors. Below are the details

Committees	Meeting Times	Date of Convening	Meeting Contents	Important Opinions and Suggestions
Strategy Committee	3	April 21, June 22 and December 15, 2021	Deliberated and ratified the Company's 2020 Evaluation Report of Strategy Execution, group's 2021-2023 Capital Plan, 2020 Management Report of Capital Sufficiency Rate, 2021 Management Plan of Capital Sufficiency Rate, 2020 Social Responsibility Report, 2022 Organization Development Planning, and revised the Working Rule of Strategy Committee of the Board of Directors, 2021-2025 Development Strategy Planning and 2022 Work Plan of Strategy Committee of the Board of Directors.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.

Committees	Meeting Times	Date of Convening	Meeting Contents	Important Opinions and Suggestions
Audit Committee	5	April 27, August 23, October 28, November 29 and December 20, 2021	Deliberated and ratified the Company's 2020 Performance Report of the Audit Committee of the Board of Directors, 2021 Work Plan of the Audit Committee of the Board of Directors, 2020 work report and Its Abstract, 2020 Financial Report, 2021 Q1 report, 2020 Financial Settlement and 2021 Financial Budget, 2020 Report of Internal Control Evaluation, Further Appointment of Accounting Firm in 2021, 2020 Internal Audit Work Report, Initiation Report of 2021 Internal Audit Project Plan, 2020 Work Report of Consolidated Statement Management, 2020 Profit Distribution Plan, 2020 Storage and Use of Raised Fund, 2021 Semiannual Report and Its Abstract, Revision of the Company's Basic Accounting System, 2021 Q3 report, 2021 Special Audit Report of Business Continuity Management and listened to the 2020 Work Report of Director of Finance Department, 2020 Work Report of Director of Internal Audit Department, Report on the Preparation of Financial Statement and 2021 Report of Audit Plan.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Related Transaction Control Committee	4	April 20, June 22, August 16 and November 10, 2021	Deliberated and ratified 2021 Work Plan of the Related Transaction Control Committee of the Board of Directors, Name List of the Company's Related Parties as of the End of 2020, 2020 Report of Related Transaction, Amount Estimate for 2021 Daily Transactions of Part of Related Parties, 2021 Q1 Related Transaction Report, Report of Related Transactions in the First Half of 2021 and 2021 Q3 Related Transaction Report.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Risk Management Committee	6	January 28, April 21, June 22, August 23, November 10 and December 20, 2021	Deliberated and ratified the Company's 2020 Work Report and Statement of Anti-Money Laundering and Antiterrorism Financing, 2020 Evaluation Report of the Group's Internal Capital Sufficiency, 2020 Comprehensive Risk Management Report, 2021 Risk Limit Plan, 2021 Risk Management Strategies, 2021 Statement of Risk Preference, 2020 Report of Online Loan Business Evaluation, and revised the Company's Policies on Comprehensive Risk Management, Policies on Legal Risks Management, and 2021 Q1 Report of Comprehensive Risk Management; revised the Company's Policies on Reputation Risk Management, Report on Comprehensive Risk Management in the First Half of 2021, 2020 Special Audit Report of Anti-money Laundering and Antiterrorism Financing, 2021 Q3 Report of Comprehensive Risk Management, Suggestions on Company Recovery and Disposal Plans, and listened to the 2020 Report on the Implementation of Regulatory Opinions, 2020 Report on the Evaluation of Employees' Behaviors, Report on 2020 Operation Development and Management of Branches in Other Provinces and 2020 Report of Internal Control Case Prevention and Prevention of Employees' Financial Crime.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.



Committees	Meeting Times	Date of Convening	Meeting Contents	Important Opinions and Suggestions
Nomination and Remuneration Committee	4	February 1, April 19, July 20 and August 4, 2021	Deliberated and ratified the Company's 2021 Work Plan for Employing Business Director, Nomination of Board of Directors and Remuneration Committee, 2020 Report of Director's Performance Evaluation, 2020 Work Report of Independent Directors, 2020 Remuneration Plan of Senior Managers, 2020 Work Report of Remuneration Management, 2020 Special Audit Report of Remuneration Management and Nomination of Director Candidates.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Consumer Protection Committee	2	April 20 and August 23, 2021	Deliberated and ratified 2021 Working Plan of the Consumer Protection Committee of the Board of Directors, 2020 Work Report of Consumer Protection and 2021 Work Emphasis, and revised Management Measures on Consumer Protection Work, and Work Report of Consumer Protection for the First Half of 2021.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Information about other duty performance and disagreements				None

#### (IV) Work performance of directors and independent directors

During the Reporting Period, all directors of the Company performed their duties in strict accordance with laws and regulations, regulatory requirements and the Company's Articles of Association in a cautious, earnest, diligent and honest manner, exerted decision-making functions effectively and safeguarded the interests of all shareholders and the Company's overall interests. All directors knew about the Company's operation and management by listening to the report of the management, studying work data and communication with different parties, participated in the working affairs of the board of directors and special committees seriously, negotiated on relevant matters as per laws and regulations, exercised voting rights and made independent, professional and objective judgment on the matters within the scope of duties; relevant directors who could not attend meetings in person due to some reasons could entrust others according to relevant provisions. The directors could bring forth opinions and suggestions on the Company's corporate governance, internal control, risk management and operation development based on their profession and working experience so as to boost the Company's more standard and efficient operation. The directors took an active part in the trainings organized by Shanghai Stock Exchange concerning compliance operation, diligent performance of directors, supervisors and senior managers, specification of stock trading, etc. so as to enhance performance capacity constantly.

All independent directors performed their duties in an honest, diligent, independent and professional manner in strict accordance with laws, regulations, regulatory requirements, the Company's Articles of Association and working system for independent directors. They made decisions without being influenced by the principal shareholders, senior managers and other units and individuals with stake with the Company, laid special emphasis on the legal rights and interests of minority shareholders and other stakeholders; exerted specialty, issued independent opinions objectively and fairly on the execution of the Company's internal control, profit distribution plan, management of related transaction, external guarantee, further appointment of accounting firm, employment and remuneration plan of senior managers and director nomination, and played an important role in promoting scientific decision-making by the board of directors and safeguarding the rights and interests of minority shareholders and financial consumers.



## IV. Performance of Supervisors

### (I) Composition of the board of supervisors and attendance in meetings of the board of supervisors and shareholders' meetings

Supervisors	External Supervisor or not	Attendance in the Meeting of 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	4	4	1	0	0	No	2
TANG Xiaoqing	Yes	4	4	1	0	0	No	0
CHEN Zhibin	Yes	4	4	1	0	0	No	2
CHEN Libiao	Yes	4	4	1	0	0	No	0
ZHENG Gang	No	4	4	1	0	0	No	1
XIANG Rong	No	4	4	1	0	0	No	1
BAO Gang	No	4	4	1	0	0	No	1
SHI Shengjiu	No	4	4	1	0	0	No	1
JIN Rui	No	4	4	1	0	0	No	1
Times of meetings of the board of supervisors held during the year								4
Including: Times of onsite meetings								3
Times of meetings held by means of communication								1
Times of meetings held on site and by means of communication at the same time								0

### (II) Work performance of supervisors and external supervisors

During the Reporting Period, all supervisors of the Company actively attended various meetings, carefully deliberated all proposals and diligently performed legal duties. Those who could not attend the meetings in person performed the formalities for authorized entrustment according to relevant provisions; earnestly carried out supervision and inspection activities to promote and improve corporate governance; continuously improved professional level, constantly enriched the duty performance modes and effectively maintained the overall interests of all shareholders and the Company. The external supervisor earnestly attended the meetings



of the board of supervisors and the meetings of special committees as per the regulatory requirements strictly, 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 surveys 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 Managers

Senior managers 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 managers 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 Measures of Senior Managers of Bank of Jiangsu. It was found, from the evaluation, that the Company's senior managers completed various targets assigned by the board of directors well in 2021, and annual assessment level given by the board of directors to all senior managers was A. The board of supervisors of the Company carried out evaluation on performance of duties in 2021 of senior managers according to regulatory requirements and related rules and regulations of the Company. Assessment results of senior managers given by the board of directors and evaluation opinions on senior managers given by the board of supervisors were important basis of incentive and constraint of senior managers.

## VI. Directors, Supervisors and Senior Management

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

Unit: Share, RMB 10,000

Name	Position	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	33,000	42,900	9,900	99
JI Ming	Executive Director	Male	1962	August 2015 -change of term of office	35,000	45,500	10,500	99
	President			April 2015 -change of term of office				
JI Jin-song	Executive Director	Male	1967	August 2021 -change of term of office	13,000	16,900	3,900	91

Name	Position	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)
WU Dianjun	Executive Director	Male	1969	May 2018-change of term of office	31,900	41,470	9,570	92
	Deputy President			April 2019-change of term of office				
HU Jun	Secretary of the Board	Male	1970	August 2016-change of term of office				
	Non-executive Director			August 2015 -change of term of office				
SHAN Xiang	Non-executive Director	Male	1969	September 2017-change of term of office		-	-	-
JIANG Jian	Non-executive Director	Male	1966	March 2012 - change of term of office		-	-	-
TANG Jinsong	Non-executive Director	Male	1969	December 2006 - change of term of office	6,635	8,626	1,991	-
DU Wenyi	Non-executive Director	Male	1963	March 2014 - change of term of office		-	-	-
REN Tong	Non-executive Director	Male	1967	November 2019 - change of term of office		-	-	-
YU Chen	Independent Non-executive Director	Male	1971	August 2015 - August 2021		-	-	30
YANG Ting-dong	Independent Non-executive Director	Male	1960	December 2015 - December 2021		-	-	30
DING Xiaolin	Independent Non-executive Director	Male	1963	April 2017 - change of term of office		-	-	30
LI Xindan	Independent Non-executive Director	Male	1966	July 2020 - change of term of office		-	-	30
HONG Lei	Independent Non-executive Director	Male	1970	July 2020 - change of term of office		-	-	30
ZHU Qilong	Chief Supervisor	Male	1964	February 2016 - change of term of office	30,000	39,000	9,000	99
TANG Xiaoqing	External Supervisor	Male	1954	February 2015 - February 2021		-	-	28
CHEN Zhibin	External Supervisor	Male	1965	July 2020 - change of term of office		-	-	28



Name	Position	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)
CHEN Libiao	External Supervisor	Male	1982	July 2020 - change of term of office		-	-	28
ZHENG Gang	Shareholder Supervisor	Male	1974	July 2020 - change of term of office		-	-	-
XIANG Rong	Shareholder Supervisor	Male	1972	November 2019 - change of term of office		-	-	-
BAO Gang	Employee Supervisor	Male	1975	July 2020 - change of term of office		-	-	221
SHI Shengjiu	Employee Supervisor	Male	1969	July 2020 - change of term of office		-	-	187
JIN Rui	Employee Supervisor	Male	1973	July 2020 - change of term of office		-	-	178
GU Xian	Executive Director	Female	1963年	August 2015 - July 2021				
	Deputy President			October 2019 - change of term of office	25,000	32,500	7,500	90
ZHAO Hui	Deputy President	Male	1965	February 2018 - change of term of office	36,000	46,800	10,800	93
GE Renyu	Deputy President	Male	1965	February 2018 - change of term of office	31,600	41,080	9,480	91
	Chief Information Officer			February 2017 - change of term of office				
ZHOU Kai	Deputy President	Male	1977	April 2019 - July 2021	33,100	43,030	9,930	44
LI Min	Assistant to President	Male	1963	June 2009 - change of term of office	50,000	65,000	15,000	197
WANG Weibing	Assistant to President	Male	1967	April 2018 - change of term of office	545,438	709,070	163,632	374
ZHOU Aiguo	Business Director	Male	1972	February 2021 - change of term of office				156
LUO Feng	Business Director	Male	1972	February 2021 - change of term of office				157

Note:

1. The remuneration obtained by the newly-appointed or dismissed personnel from the Company during the Reporting Period shall be converted in accordance with the actual time in post during the Reporting Period.
2. Total pre-tax remuneration obtained by directors, supervisors and senior managers from the Company during the Reporting Period include various social insurance, housing fund, enterprise annuity, supplementary insurance and other unit contributions.

3. Final pre-tax remuneration of some directors, supervisors and senior managers of the Company remain to be confirmed, and disclosure will be carried out after confirmation.

4. Situations in which some non-executive directors and shareholder supervisors obtained remuneration of related parties of the Company are as follows:

1) 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 and shareholder supervisors obtain remuneration from the said related party.

2) 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 managers of the Company obtained remuneration from related parties of the Company except for the above said situations.

5. The Company deliberated and ratified the *Proposal of Employing the Company's Business Director* in the 9<sup>th</sup> meeting of the 5<sup>th</sup> board of directors held on February 2, 2021, agreeing ZHOU Aiguo and LUO Feng to serve as the Company's business directors. The Company received the *Reply of Jiangsu Branch, China Banking and Insurance Regulatory Commission on the Job Qualification of LUO Feng and ZHOU Aiguo* (S.Y.B.J.F. [2021] No. 189) for the *Announcement of Bank of Jiangsu on the Approval of Job Qualification of Senior Management Obtained from the Regulatory Authority* it released on May 11, 2021. Jiangsu Branch, China Banking and Insurance Regulatory Commission, approved the job qualification of LUO Feng and ZHOU Aiguo as the Company's business directors.

6. The Company released an *Announcement of Bank of Jiangsu on the Resignation of External Supervisors* on February 8, 2021, informing that TANG Xiaoqing had resigned from the offices of external supervisor and member of relevant committees of the board of supervisors. Due to TANG'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, TANG Xiaoqing 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 the *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Senior Managers* on July 10, 2021, informing that ZHOU Kai had resigned from the office of Deputy President due to work adjustment.

8. The Company released an *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Directors* on August 3, 2021, informing that GU Xian had resigned from the offices of director and member of relevant committees of the board of directors and still served as the office of the Bank's Deputy President.

9. The Company released an *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Independent Directors after Expiration of Term of Office* on August 21, 2021, informing that YU Chen had resigned from the office of independent director and member of relevant committees of the board of directors. Due to YU's resignation, the number of independent directors of the Company was lower than the 1/3 of the total number of board members. YU shall still perform the duties of independent director in accordance with laws and regulations and the Articles of Association before a new independent director was elected in shareholders' meeting and the new independent director's job qualification was approved by the regulatory authority.

10. The Company released an *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Independent Directors after Expiration of Term of Office* on December 16, 2021, informing that YANG Tingdong had resigned from the office of independent director and member of relevant committees of the board of directors. Due to YANG's resignation, the number of independent directors of the Company was lower than the 1/3 of the total number of board members. YANG shall still perform the duties of independent director in accordance with laws and regulations and the Articles of Association before a new independent director was elected in shareholders' meeting and the new independent director's job qualification was approved by the regulatory authority.

11. The Company elected JI Jinsong as the Company's director in the 1<sup>st</sup> Interim Shareholders' Meeting of 2021



on August 31, 2021. The Company received the *Reply of Jiangsu Branch, China Banking and Insurance Regulatory Commission on the Job Qualification of JI Jinsong* (S.Y.B.J.F. [2021] No. 505) for the *Announcement of Bank of Jiangsu Co., Ltd. on the Approval of Job Qualification of Directors Obtained from the Regulatory Authority* it released on December 8, 2021. Jiangsu Branch, China Banking and Insurance Regulatory Commission approved the job qualification of JI Jinsong as the Company's director.

12. 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, the 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 be allotted. Upon the approval of Shanghai Stock Exchange, the 3,225,083,672 RMB common shares that that Bank allotted this time were listed on January 14, 2021. The total shares added within the aforesaid shareholder's Reporting Period are the shares added by participating in the allotment of shares this time.

## (II) Basic information of directors, supervisors and senior managers

Name	Basic Information
XIA Ping	A member of the Communist Party of China, postgraduate, Master of Management, Principal Senior Economist. XIA once served as the 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; and Deputy Secretary of the Party Committee of Bank of Jiangsu. XIA now serves as the Chairman and Secretary of Party Committee of Bank of Jiangsu and Chairman of Suyin Financial Leasing Co., Ltd.
JI Ming	A member of the Communist Party of China, university degree, Bachelor of Science/Law, Principal Senior Economist and qualification of lawyer. JI 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 Bank of Jiangsu and concurrently as General Manager of Operation and Management Department of Head Office of Bank of Jiangsu. JI now serves as the Executive Director, President and Deputy Secretary of Party Committee of Bank of Jiangsu.
JI Jinsong	A member of the Communist Party of China, university degree, Bachelor of Economics, Economist. JI 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. JI now serves as Executive Director and Deputy Secretary of the Party Committee, and the Director of the Party Committee Patrol Office of Bank of Jiangsu.

Name	Basic Information
WU Dianjun	A member of the Communist Party of China, Master's Degree and PhD. Economics, Senior Economist. WU once worked in Agricultural Bank, Agricultural Development Bank and Bank of Jiangsu in succession and 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 in succession. WU now 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, Master's Degree, Economist. HU 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. HU now serves as Chairman of Jiangsu International Trust Co., Ltd., Director of Li'an Life Insurance Co., Ltd., and Shareholder Director of Bank of Jiangsu.
SHAN Xiang	A member of the Communist Party of China, Doctoral Degree, Chinese Certified Public Accountant and Principal Senior Accountant. SHAN once served as Section Member in Financial Planning Division of Nanjing Tourism Bureau, Chief Financial Officer of China United Travel Co., Ltd., Deputy Director (take charge of 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. SHAN now serves as Deputy General Manager of Jiangsu Phoenix Publishing & Media Group Co., Ltd. and Shareholder Director of Bank of Jiangsu.
JIANG Jian	A member of the Communist Party of China, Master's Degree. JIANG once served as Section Chief of Training and Education Section of HR 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 to 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 Bank of Jiangsu.
TANG Jinsong	A member of the Communist Party of China, Bachelor's Degree, Chinese Certified Public Accountant and Senior Accountant. TANG once served as the Division Chief of Economic Construction Division II of Wuxi Finance Bureau and Director of Wuxi Financial Investment Evaluation Center. TANG now serves as the Chairman and General Manager of Wuxi Construction and Development Investment Co., Ltd. and Shareholder Director of Bank of Jiangsu.
DU Wenyi	A member of the Communist Party of China, Bachelor's Degree, Senior Economist. DU 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 Director of Jiangsu Communications Industry Group Co., Ltd., Deputy General Manager of Jiangsu Expressway Company Limited, Head of Financial Audit Department of Jiangsu Communications Holding Co., Ltd., Chairman of Jiangsu Communications Holding Group Finance Co., Ltd., and Deputy Chief Accountant and Head 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 Bank of Jiangsu.



Name	Basic Information
REN Tong	A member of the Communist Party of China, Doctoral Degree, Senior Editor. REN 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 (HR Department) of Jiangsu Broadcasting Corporation. REN 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.
YU Chen	Master's Degree. YU 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 Bank of Jiangsu.
YANG Tingdong	A member of the Communist Party of China, Doctoral Degree, Senior Engineer, Principal Senior Economist and an expert who enjoys the special allowance granted by the State Council. YANG 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 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, YANG now serves as the Consultant of Jiangsu Backto Ecological Agricultural Development Co., Ltd., and Independent Director of Bank of Jiangsu.
DING Xiaolin	A member of the Communist Party of China, double bachelor's degree, First-grade Lawyer. DING once worked in Jiangsu Provincial Department of Justice, and served as the Director of Jiangsu Xinhua Law Firm and now serves as the Senior Partner of Co-effort Law Firm LLP -Nanjing, Arbitrator of Nanjing Arbitration Commission, and Independent Director of Bank of Jiangsu.
LI Xindan	A member of the Communist Party of China, Doctoral Degree, Professor, Doctoral Supervisor, and an expert who enjoys the special allowance granted by the State Council. LI once served as the Professor of the School of Economics and Management of Southeast University and Dean of the School of Engineering Management of Nanjing University and 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. LI 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, Master's Degree and Chinese Certified Public Accountant. 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 and 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, and Deputy Director of the Technical Committee of Nanjing Institute of Certified Public Accountants.



Name	Basic Information
ZHU Qilong	A member of the Communist Party of China, postgraduate, Master of Economics, Senior Economist and qualification of lawyer. ZHU 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 to President, Office Director, Director of Party Committee Office and Head of Publicity Department, Member of the Party Committee of Head Office, Secretary of the Board and Deputy President of Bank of Jiangsu. ZHU now serves as the Chairman of the Board of Supervisors and Member of the Party Committee of Bank of Jiangsu.
TANG Xiaoqing	A member of the Communist Party of China, Doctor's Degree in Economics. TANG 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. TANG now serves as the External Supervisor of 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	CHEN Libiao, postgraduate with a Master's Degree. CHEN 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, Undergraduate with a Master's Degree and Senior Economist and Chinese Certified Public Accountant. 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, university degree, Intermediate Economist. XIANG 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., Chairman of Yangzhou Jintou Commercial Factoring Co., Ltd. and Shareholder Supervisor of Bank of Jiangsu.
BAO Gang	A member of the Communist Party of China, university degree, Economist. BAO 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, university degree. SHI 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 to President of Nanjing Branch, Deputy Head of Party-Mass Work Department of Bank of Jiangsu (take charge of work) and Deputy General Manager of Consumer Protection Department (take charge of work). SHI now serves as the Head of Party-Mass Work Department of Bank of Jiangsu, Head of Party Committee United Front Work Department, General Manager of Consumer Protection Department and Deputy Secretary of CPC of the Head Office; Employee Supervisor of Bank of Jiangsu.
JIN Rui	A member of the Communist Party of China, university degree, Master of Accounting, Economist. JIN 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.
GU Xian	A member of the Communist Party of China, university degree, Bachelor of Laws, Senior Economist. GU 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 Bank of Jiangsu, Assistant to the President, member of the Party Committee, Deputy President of Bank of Jiangsu, Deputy Secretary of the Party Committee of Bank of Jiangsu, and Secretary of the Party Committee of the Head Office of Bank of Jiangsu. GU now serves as the Executive Director, Deputy President of Bank of Jiangsu, Deputy Secretary of the Party Committee of Bank of Jiangsu and Secretary of the Party Committee of Head Office of Bank of Jiangsu and Chairman of Suyin KGI Consumer Finance Co., Ltd.

Name	Basic Information
ZHAO Hui	A member of the Communist Party of China, university degree of Party School of the CPC Central Committee, Senior Executive, MBA, Senior Economist. ZHAO 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 (take charge of 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 Bank of Jiangsu. ZHAO now serves as the Deputy President and Member of the Party Committee of Bank of Jiangsu.
GE Renyu	A member of the Communist Party of China, university degree, Bachelor of Engineering, Senior Engineer. GE 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 Bank of Jiangsu. GE now serves as Vice President, Chief Information Officer and Member of the Party Committee of Bank of Jiangsu and Director of City Commercial Banks Clearing.
YUAN Jun	A member of the Communist Party of China, university degree, Master of Engineering, Economist. YUAN 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. YUAN 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, university degree, Bachelor of Economics, Senior Economist. LI 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 (take charge of the work) of Shanghai Branch, President of Shanghai Branch, Assistant to President of Head Office and President of Beijing Branch concurrently, Standing Deputy General Manager of Shenzhen Management Department (Assistant to President Level of Head Office), Standing Deputy President of Shenzhen Branch, and President of Shenzhen Branch and Secretary of the Party Committee of Bank of Jiangsu. LI now serves as the Assistant to President of Bank of Jiangsu.
WANG Weibing	A member of the Communist Party of China, university degree, Bachelor of Engineering, Senior Economist. WANG 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 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 Bank of Jiangsu. WANG now serves as the Assistant to President of Bank of Jiangsu, President and Secretary of the Party Committee of Wuxi Branch of Bank of Jiangsu.



Name	Basic Information
ZHOU Aiguo	A member of the Communist Party of China, university degree, Bachelor of Economics, Economist. ZHOU once served as the Chief Clerk of Risk Management Department, Manager of Comprehensive Section, General Manager Assistant and Deputy General Manager of CCB Jiangsu Branch, Member of the Party Committee and Deputy General Manager of Business Department of Jiangsu Branch, Secretary of the Party Committee and President (general manager level of provincial branch department) of direct branch. ZHOU now serves as the Business Director, General Manager of Business Department and General Manager of Green Finance Department of Bank of Jiangsu.
LUO Feng	A member of the Communist Party of China, postgraduate, Master of Management, Auditor and Chinese Certified Public Accountant. LUO once served as the Deputy Chief Clerk and Chief Clerk of Finance Audit Office of Nanjing Commissioner Office of National Audit Office, Chief Clerk and Deputy Director General of Finance Audit Office II and General Manager of Internal Audit Department of Bank of Jiangsu. LUO now serves as the Business Director and General Manager of Planning and Finance Department of Bank of Jiangsu.

### (III) Incumbency of current and former directors, supervisors and senior managers during the reporting period

#### 1. Office held in shareholding companies

Name of the Person in Office	Name of Legal-person Shareholder	Positions Held in Shareholding Companies
HU Jun	Jiangsu International Trust Corporation Limited	Secretary of the Party Committee and 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.

## 2. Situation of office holding in other institutions

Name of the Person in Office	Name of Other Institutions	Position Held in Other Institutions
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
SHAN Xiang	Shanghai FPL New Materials Co., Ltd.	Chairman
SHAN Xiang	Jiangsu Phoenix Publishing & Media Group Finance Co., Ltd.	Chairman
TANG Jinsong	Wuxi Urban Development Group Co., Ltd.	Secretary of the Party Committee and Chairman of the Board of Directors
TANG Jinsong	Xijin International Co., Ltd.	Director
TANG Jinsong	Xihui International Co., Limited	Director
TANG Jinsong	Wuxi Jianrong Guosu Investment Co., Ltd	Director
TANG Jinsong	Wuxi Jianrong Industrial Co., Ltd.	Chairman
DU Wenyi	Nanjing Yuejin Automobile Co., Ltd.	Director
DU Wenyi	Fu'anda Fund Management Co., Ltd.	Vice Chairman
DU Wenyi	Jiangsu Financial Leasing Co., Ltd.	Director
DU Wenyi	Jiangsu Railway Group Co., Ltd.	Chairman of the Board of Supervisors
REN Tong	Jiangsu Broadcasting International Media Co., Ltd.	Executive Director
REN Tong	Omnijoi Media Corporation Co., Ltd.	Director
REN Tong	Jiangsu Zijin Cultural Industry Development Fund (Limited Partnership)	Director
REN Tong	Jiangsu Join Hands Capital	Director General
YU Chen	Yeepay Co., Ltd	President
YANG Tingdong	Jiangsu Backto Ecological Agricultural Development Co., Ltd.	Consultant
DING Xiaolin	Co-effort Law Firm LLP -Nanjing	Senior Partner
DING Xiaolin	Nanjing Dashu Intelligent Science and Technology Co., Ltd.	Independent Director
LI Xindan	Nanjing Securities Co., Ltd.	Independent Director
LI Xindan	China Southern Asset Management Co., Ltd.	Independent Director
LI Xindan	Shandong Gold Financial Holding Capital Management Co., Ltd.	Independent Director
LI Xindan	HSBC Bank (China) Company Limited	Independent Director
HONG Lei	Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership)	Executive
HONG Lei	Shanghai Dicai Construction Project Management Center	Actual Controller
HONG Lei	ZKI Property and Casualty Insurance Co., Ltd.	External Director
HONG Lei	Nanjing XinGong Investment Group Co. Ltd.	External Director
HONG Lei	Omnijoi Media Corporation Co., Ltd.	Independent Director
CHEN Zhibin	Huatai Securities Co., Ltd.	Independent Director



Name of the Person in Office	Name of Other Institutions	Position Held in Other Institutions
CHEN Zhibin	Jiangsu Phoenix Publishing & Media Corporation Limited	Independent Director
CHEN Libiao	Guangzhou ZhangTao Network Technology Co., Ltd. (MobTech)	Chairman
ZHENG Gang	Suzhou Trust Corporation Limited	Director
ZHENG Gang	Soochow Securities Co., Ltd	Director
ZHENG Gang	SIDVC	Director
ZHENG Gang	Suzhou Industry Investment Group Co., Ltd.	Director
ZHENG Gang	Suzhou Guofa Financing Guarantee Co., Ltd.	Director
ZHENG Gang	Suzhou Equity Investment Fund Management Co., Ltd.	Director
XIANG Rong	Yangzhou Jintou Asset Management Co., Ltd.	Chairman
XIANG Rong	Yangzhou Jintou Commercial Factoring Co., Ltd.	Chairman
XIANG Rong	Yangzhou Rural Commercial Bank Co., Ltd.	Director
GE Renyu	City Commercial Banks Clearing	Director
GU Xian	Suyin KGI Consumer Finance	Chairman

Notes to the position in other units: None

#### (IV) Changes in directors, supervisors and senior managers of the Company

Name	Position Held	Situation of Change	Reason of Change
GU Xian	Director	Demission	Work reason
JI Jinsong	Director	Appointment	New appointment
YU Chen	Independent Director	Demission	Expiration of term of office
YANG Tingdong	Independent Director	Demission	Expiration of term of office
TANG Xiaoqing	External Supervisor	Demission	Expiration of term of office
ZHOU Kai	Deputy President	Demission	Work reason
ZHOU Aiguo	Business Director	Appointment	New appointment
LUO Feng	Business Director	Appointment	New appointment

## VII. Information of Employees of Parent Company and Main Subsidiaries

### (I) Information of employees

Number of current employees of parent company	15,156
Number of current employees of main subsidiaries	397
Total number of current employees	15,553
Number of retired employees whose expenses shall be undertaken by parent company and main subsidiaries	2,832

#### Professional composition

Category of professional composition	Number of professional composition
Management personnel	4,616
Marketing personnel	5,258
Operating personnel	5,552
Others	127
Total	15,553

#### Education background

Category of educational background	Number (Person)
Postgraduate	2,779
University	10,687
Junior college	1,578
Technical secondary school or below	509
Total	15,553

### (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 managers 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 actively conducted trainings for the employees at all levels, including middle and senior management, young and middle-aged cadres, branch presidents, branches' middle managers, head office's department and team directors, reserved talents, business backbones, customer managers, tellers and new employees, holding 3,332 offline trainings of all kinds throughout the year, with 231,988 person-times; the average number of training hours per participant was 130.77, of which 80.18 hours per participant were offline and 50.59 hours per participant were online (including cloud learning: 37.38 credit hours; e-classroom micro-class learning (158.48 courses): 13.21 credit hours). In 2022, the Company will deepen the idea of strengthening moral education and cultivating people, boost the transformation from business knowledge and skill training to business knowledge and skills, political accomplishment, comprehensive quality and comprehensive development of people with efforts, and provide strong support for the Bank's high quality development with high quality trainings.

### (IV) Labor outsourcing

Total hours of labor outsourcing	10,286,988 h
Total remuneration paid for labor outsourcing	RMB 691,160,000

## VIII. Plan for Profit Distribution of Common Shares or Capital Reserve Increase

### (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 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 2020 shareholders' meeting, the Company formulated the profit distribution plan as follows: Based on the total share capital registered on the equity registration date for dividends distribution, it intended to distribute the cash dividend of RMB 3.16 (tax-inclusive) for every 10 shares to all shareholders. The Company completed the issuance of allotted shares in December 2020, and on January 14, 2021, a total of 3,225,083,672 shares increased in allotment of shares were listed for circulation. The Company's total share capital will be increased to 14,769,606,643 shares upon the completion of the allotted shares, and therefore, it was calculated that the total cash dividends planned to be distributed should be RMB 4,667,200,000 (tax inclusive). In 2020, the proportion of the Company's cash dividend was 30.98% (i.e., the proportion of cash dividend in the net profits belonging to the Company's common stock shareholders in the consolidated statement). 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 was completed on June 18, 2021. The equity registration date for distribution of rights and interests was June 17, 2021, and in light of the Company's total shares of 14,769,612,313 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 0.316 (tax-inclusive), and therefore, totally RMB 4,667,197,491 cash dividends were distributed.

3. The Company's 2021 profits distribution plan has been approved in the 19<sup>th</sup> meeting of the 5<sup>th</sup> board of directors, and the board of directors gave the proposal as follows: The Company planned to distribute cash dividends to all A-share common stock shareholders with RMB 4.00 (tax inclusive) per 10 shares. Once calculated based on the Company's total 14,769,628,784 shares as of the end of the year, the distributed cash dividends totaled to RMB 5.908 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. The plan will be deliberated and approved in the Company's 2021 annual shareholders' meeting.

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 2021 Profit Distribution Plan of Jiangsu Bank Co., Ltd.* of the Company has been deliberated and approved at the 19<sup>th</sup> meeting of the 5<sup>th</sup> 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 2021 Profit Distribution Plan of Jiangsu Bank Co., Ltd.*, which was deliberated and approved at the 19<sup>th</sup> meeting of the 5<sup>th</sup> 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, ensures that the capital adequacy ratio of the Company in 2022 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.



Can the requirements of the Company's Articles of Association or the resolution of shareholders' meeting be met?	Yes
Are the standard and proportion of dividend explicit and clear?	Yes
Are relevant decision-making procedures and mechanisms complete?	Yes
Did independent directors perform their duties and exert their role?	Yes
Did minority shareholders have the chance of expressing their opinions and demands and are their legitimate rights and interests well protected?	Yes

## (II) The company's common shares dividend distribution scheme or plan, and that of Capital reserve converted into share capital in the past three years (the reporting period included)

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 Listed Companies in the Annual Consolidated Statement of Dividends	Ratio of Net Profit Attributable to Listed Companies in Consolidated Statements (%)
2021	0	4.00	0	5,907,851,514	19,694,365,000	30.00
2020	0	3.16	0	4,667,197,491	15,065,745,000	30.98
2019	0	2.78	0	3,209,370,995	14,618,609,000	21.95

## IX. Whether to Disclose Self-evaluation Report on Internal Control

The Company disclosed the full text of the self-evaluation report on internal control of 2021 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 13, 2022.

## X. Description of the Internal Control Audit Report

The Company disclosed the full text of 2021 internal control audit report on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 13, 2022.

## XI. 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 all staff to study and popularize 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, 45 temporary reports and 76 network files for various kinds.

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

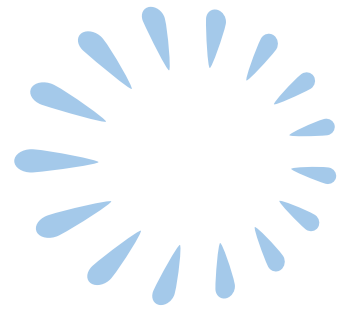
Date	Announcement Title
2021-01-06	Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2021-01-09	Announcement of Bank of Jiangsu on the Changes of Rationed Shares and Listing of Rationed Stocks
2021-01-19	Announcement of Bank of Jiangsu on Signing Regulatory Agreement on the Dedicated Deposit Account for Funds Raised for Rationing Shares to the Original A-share Shareholders
2021-01-19	Bulletin Announcement of Bank of Jiangsu on 2020 Performance
2021-02-03	Announcement of Bank of Jiangsu on the Resolutions of Board of Supervisors
2021-02-03	Announcement of Bank of Jiangsu on the Board Resolutions
2021-02-08	Announcement of Bank of Jiangsu on the Resignation of External Directors
2021-03-02	Announcement of Bank of Jiangsu on Approving the Business Opening of Suyin KGI Consumer Finance
2021-03-09	Announcement of Bank of Jiangsu on the 2021 Payment of Interest of "Suyin Convertible Bond"
2021-04-03	Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2021-04-22	Announcement of Bank of Jiangsu on Holding Performance Exchange
2021-04-29	Announcement of Bank of Jiangsu on the Amount Estimate for 2021 Daily Transactions of Part of Related Parties
2021-04-29	Announcement of Bank of Jiangsu on the Renewal of the Employment for Accounting Firm
2021-04-29	Announcement of Bank of Jiangsu on the Resolutions of Board of Supervisors
2021-04-29	Announcement of Bank of Jiangsu on the Board Resolutions
2021-04-29	Announcement of Bank of Jiangsu on 2020 Profits Distribution Scheme
2021-04-29	Announcement of Bank of Jiangsu on Holding 2020 Shareholders' Meeting
2021-04-29	2020 Annual Report of Bank of Jiangsu
2021-04-29	2021 Q1 Report of Bank of Jiangsu
2021-05-11	Announcement of Bank of Jiangsu on the Approval of Job Qualification of Senior Management Obtained from the Regulatory Authority
2021-05-22	Announcement of Bank of Jiangsu on the Resolutions of 2020 Shareholders' Meeting
2021-05-22	Announcement of Bank of Jiangsu on the Change of Sponsor Representative
2021-06-04	Informative Announcement of Bank of Jiangsu on the Implementation of 2020 A-share Dividend Distribution and the Continuous Suspension for the Conversion of "Suyin Convertible Bonds" into Shares
2021-06-10	Announcement of Bank of Jiangsu on the Adjustment of the Conversion Price of A-share Convertible Corporate Bonds under the 2020 Profit Distribution Plan
2021-06-10	Announcement of Bank of Jiangsu on Implementing 2020 Equity Distribution
2021-06-26	Announcement of Bank of Jiangsu on the Board Resolutions
2021-06-26	Announcement of Bank of Jiangsu on the 2021 Tracking Rating Results of A-share Convertible Corporate Bonds
2021-07-02	Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares



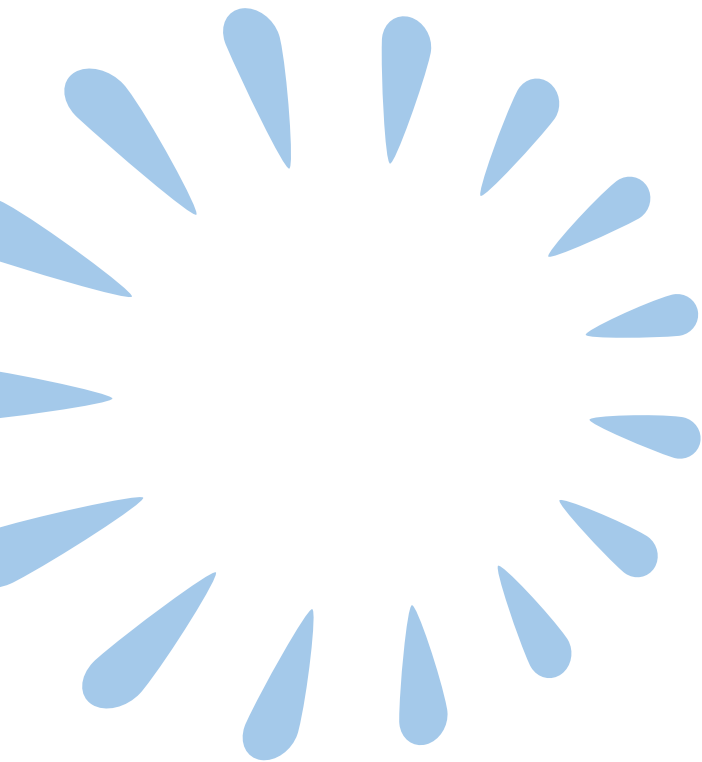
Date	Announcement Title
2021-07-10	Announcement of Bank of Jiangsu on the Resignation of Senior Management
2021-07-19	Announcement of Bank of Jiangsu on Receiving the Reply of Jiangsu Branch, China Banking and Insurance Regulatory Commission on the Qualification of Relevant Shareholders
2021-07-28	Announcement of Bank of Jiangsu on Initial Public Offering of Restricted Sales Stock for Listing and Circulation
2021-08-03	Announcement of Bank of Jiangsu on the Resignation of Directors
2021-08-14	Announcement of Bank of Jiangsu on the Board Resolutions
2021-08-14	Notice of Bank of Jiangsu on Holding 2021 1 <sup>st</sup> Interim Shareholders' Meeting
2021-08-21	Announcement of Bank of Jiangsu on the Resignation of Independent Directors Upon Expiration of Term of Office
2021-08-25	Announcement of Bank of Jiangsu on the Resolutions of Board of Supervisors
2021-08-25	Announcement of Bank of Jiangsu on the Board Resolutions
2021-08-25	2021 Semiannual Report of Bank of Jiangsu
2021-09-01	Announcement of Bank of Jiangsu on the Resolutions of 2021 1 <sup>st</sup> Interim Shareholders' Meeting
2021-09-25	Informative Announcement of Bank of Jiangsu on the Change of Shareholders' Equities
2021-10-09	Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares
2021-10-30	Announcement of Bank of Jiangsu on the Resolutions of Board of Supervisors
2021-10-30	Announcement of Bank of Jiangsu on the Board Resolutions
2021-10-30	Announcement of Bank of Jiangsu on the Change of Securities Affairs Representative
2021-10-30	2021 Q3 Report of Bank of Jiangsu
2021-11-19	Announcement of Bank of Jiangsu on the Dividend Distribution of Preferred Shares
2021-12-08	Announcement of Bank of Jiangsu on the Approval of Job Qualification of Directors Obtained from the Regulatory Authority
2021-12-16	Announcement of Bank of Jiangsu on the Resignation of Independent Directors Upon Expiration of Term of Office
2021-12-22	Announcement of 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. In 2021, 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 85 roadshows both in online and offline forms, with more than 1,000 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.



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Section V



# Environment and Social Responsibilities



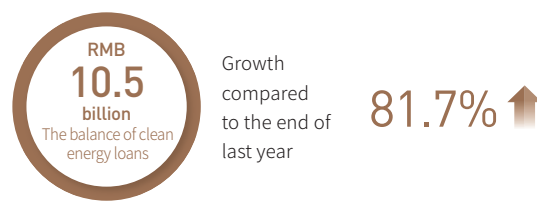
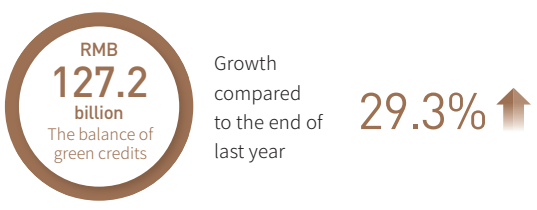


# Environment and Social Responsibilities

## I. Environment Information

### (I) Annual overview

We earnestly implemented the national strategic deployment of "peak carbon dioxide emissions and carbon neutrality" and drastically developed the green finance business, so as to support the green, low-carbon transformation of economy and society. We are dedicated to building a green finance brand that is "domestically leading and internationally influential", with ongoing efforts to enhance the business proficiency in green finance. With innovations in products and services of green finance, we have launched a plurality of pioneering green finance products in the country or in the provinces, thereby establishing a diversified product system of green finance covering green credit, green bonds, green lease, green retailing, and green financing. The environmental and social risk management has been intensified by completing climate sensitivity stress tests in the industries of steel, cement and thermal power and prompting the application of environmental protection credit rating results in the credit business management procedures. As of the end of 2021, the balance of green credits was RMB 127.2 billion, increased by 29.3% over the end of the previous year; and the balance of clean energy loans was RMB 10.5 billion, increased by 81.7% over the end of the previous year. Considerable environmental and social benefits have been attained accordingly.





## (II) Environment-related governance structure

The Green Finance Committee was established in June 2021 to take charge of decision making related to sustainable development and deliberation on significant environmental issues of the Bank. In July of the same year, the Green Finance Department (head office tier one department) was established for overall management of environmental and social risks of the Bank.

## (III) Environment-related policies and rules

In April 2021, the Bank has pioneered in disclosing the "carbon neutrality" action plan for financial services in the domestic banking industry. Moreover, the Bank has announced to adopt the "Principles for Responsible Banking" of UN to drive the alignment of business development strategies with the Sustainable Development Goals (SDGs) of UN and with the goals of Paris Agreement. The environmental and social risk management has been intensified by revising and distributing the new version of *Environmental and Social Risk Management Measures of Bank of Jiangsu* in 2021. Since becoming the first city commercial bank of Equator Principles at home with the adoption of Equator Principles in January 2017, the Bank has continued to enhance the management of Equator Principles projects by revising and distributing the new version of *Equator Principles Projects Management Measures of Bank of Jiangsu*. The Bank's own green, low-carbon operation has been strengthened by issuing the *Improvement Plans for Green, Low-Carbon, Energy-Conservation, Environmentally-friendly Management of Business Offices of Bank of Jiangsu* and the *Working Measures for Green, Low-Carbon Operation and Management of Business Buildings of Bank of Jiangsu*.

The application of environmental protection credit rating results has been intensified. Specifically, list-based management applies to business entities rated as red or black in environmental protection credit, differentiated approval policies are developed, and post-loan supervision and evaluation is reinforced. In the *Credit Investment Guidance* the green credit investment requirements are specified, the industries of energy conservation and environmental protection, clean energy and the like are listed as industries of prior support, and the expansion of marketing is greatly encouraged. The Bank supports the transformation of high-carbon industries to energy-saving, low-carbon industries, and increases funding support to the technological transformation projects for energy conservation and emission reduction.

The priority on resources is further given to green credit, and specialized marketing funds are allocated for green credit, ensuring the increasing ratio of green credit to a wide range of loans and the higher increase rate in balance of green credit than other loans. The differentiated credit access policies and green approval channels are provided for green subdivided industries and critical areas, so as to increase the approval efficiency. The FTP preferential pricing is granted to green credit, together with the specialized asset package and preferential funding support.

## (IV) Innovation of environment-related products and services

The Bank continuously enhances the innovation of green finance products to construct a diversified system of green finance products. Cooperating with the People's Bank of China Nanjing Branch, the Department of Ecology and Environment of Jiangsu Province, the Jiangsu Provincial Energy Bureau, the National Carbon Trading Market and the like, the Bank has creatively launched "SU TAN RONG", the first carbon account loan linked to refinancing support nationwide; the first "ESG Performance Linked Loan" nationwide; the first "Renewable Energy Subsidy Authentic Right Loan" in Jiangsu Province; the first "Ecology-Oriented Development (EOD) Mode Loan" in Jiangsu Province; and the first "Carbon Quota Pledge Loan" and other characteristic products in such cities as Xuzhou and Suqian.



The Bank's "EOD Service Mode for Comprehensive Improvement Phase III (Jieyou Lake) Project of Pan'an Lake Coal Mining Subsidence" has been selected by the China Banking Association as the "Typical Example of Inclusive Finance of China Banking Industry in 2021".

The Bank actively guides clients to the green, low-carbon life and issues green, low-carbon credit cards to young customer groups who advocate environmental protection and are greatly devoted to green consumption. By constructing the green, low-carbon credit system, the Bank encourages card holders in green consumption, e.g., bus and subway, shared bicycle, high-speed railway, etc. The vertical scene layout of green consumption including new energy vehicles is expanded. With the priority given to resources for consumption credit policies, the "green finance contribution" by credit card offline installment products is elevated.

## **(V) Environmental risk management procedures**

At the strategy level, the Bank implements the "Principles for Responsible Banking", communicates the sustainable development concept, and vigorously carries out the environmental and social risk analysis, the responsible banking influence analysis, and the disclosure of relevant information.

At the business level, the Bank enhances the management of Equator Principles projects, and regulates the client environment risks based on ESG ratings and environmental protection credit assessment results. The online intelligent identification system of Equator Principles projects is developed to achieve automated sorting and management of environmental and social risks. For projects with medium and high risks, the Bank employs the professional third party to review environmental and social risks and to formulate action plans for potential risks. The online ESG rating system for credit clients is developed, in which the client ESG rating result is used as the credit granting decision basis to promote the application of ESG ratings in the client internal credit rating. The environmental protection credit assessment result is used as the credit granting decision basis. For business entities rated as red or black in environmental protection credit, no additional loans are granted before the environmental protection credit rating is elevated, and those business entities are gradually excluded, as the case may be.

At the asset portfolio level, the Bank takes the lead in completing credit asset environment stress tests in the industries of pharmacy and chemical engineering at home. In 2021, the Bank has completed climate risk sensitivity analysis on credit assets in the industries of steel, cement and thermal power. The environmental and climatic risk management at the asset portfolio level is achieved by assessing environmental risk impacts of specific credit asset portfolios.

At the information disclosure level, the Bank carries out disclosure of environmental information in an organized manner by the carriers of trial report on disclosure of climatic and environmental information by Sino-British financial institutions, report on disclosure of Equator Principles, social responsibility report, annual report, etc.

## **(VI) Influences of environmental factors on the Bank**

As a member of the Sino-British Green Finance Working Group, the Bank continuously promotes the disclosure pilot of climatic and environmental information by Sino-British financial institutions and vigorously conducts stress tests on environmental and climatic risks. The environmental risk stress tests for industries of pharmacy and chemical engineering are accomplished based on the industrial structure and environmental protection policies of Jiangsu Province. Stress scenarios are provided in the fields of policy risk, water risk, climate risk, accident risk, etc. The impacts of environmental risks on financial costs in the industries of pharmacy and chemical engineering are quantified using the average industry level, the charging mechanism in Jiangsu or the like, thereby transforming



the environmental impacts into a stress transmission mode affecting customer credit ratings. Under the short-term scenario, the main stress source lies in policies; under the medium-term scenario, the business entities are faced with large carbon emission stresses; under the long-term scenario, the carbon emission stress is relieved, while for a certain period of time, remains to be the main environmental stress faced by business entities. The Bank has joined the climate risk stress tests organized by the People's Bank of China, and evaluated potential impacts on credit assets imposed by the transformation based on goals of carbon peak and carbon neutrality. The test results indicate that, under stress scenarios, credit risks have increased for clients in the industries of thermal power, steel and cement, whereas the impacts on capital adequacy level are controllable as a whole.

### **(VII) Environmental impacts by the Bank's investment and financing activities**

In 2021, the Bank, with the focus on key areas having significant carbon reduction effects, e.g., energy conservation and environmental protection, clean energy and carbon emission reduction technology, continuously expanded the issue of green credit and clean energy loans, reaching annual emission reduction of 669,200 tons of standard coal, 1,733,200 tons of carbon dioxide equivalent, 80,100 tons of COD, 2,428 tons of ammonia nitrogen, 14,200 tons of sulfur dioxide and 36,500 tons of nitrogen oxides, and saving 25,650,200 tons of water. In this regard, carbon dioxide emission reduction increased by 86.22% year on year, leading to considerable environmental benefits.

### **(VIII) Environmental impacts by the Bank's business activities**

Adhering to the concept of resource conservation and environmental protection, the Bank has continuously driven energy saving, striving to reduce environmental impacts from the business level. No major environmental violations took place in 2021.

The green, low-carbon management has been strengthened by issuing the *Improvement Plans for Green, Low-Carbon, Energy-Conservation, Environmentally-friendly Management of Business Offices of Bank of Jiangsu and the Working Measures for Green, Low-Carbon Operation and Management of Business Buildings of Bank of Jiangsu*, which have specified energy-conservation operation and management standards to prompt low-carbon operation of the Bank.

The green office has been advocated by making full use of online platform and electronic office, greatly promoting paperless conference systems and paperless counters, reducing the printing and distribution of paper documents, and lowering paper consumption. The area quota standards for business offices are duly respected. For the sub-branches of the Bank, the green, low-carbon energy conservation is included into the inspection scope, and energy consumption inspections are conducted on a regular basis. The training on and publicity of energy conservation and emission reduction are carried out properly, and the training on energy conservation knowledge is organized and delivered within the whole Bank in combination with the national energy conservation publicity week and the low carbon day.

Saving of water and electricity and reduction of energy consumption has been promoted. The electric energy is effectively saved by regular maintenance and reasonable adjustment of air conditioners, illumination facilities and other energy consuming devices in business offices. The utilization of renewable energies is intensified, and the technical applications, e.g., solar photovoltaic power generation and ground source heat pump, are widely promoted. In 2021, the expenses and expenditures of energy consumption of water, electricity and gas within the whole Bank decreased by RMB 1,072,200 over 2019, reaching a cost saving rate of 1.53%. The improvement of energy conservation level of buildings has been driven by an investment of RMB 358,000 in energy-saving

transformation of facilities within the whole Bank, which led to annual electricity conservation of 731,900 kW · h and water conservation of 1,260 tons. The solar photovoltaic power generation reaches an installation area of 905 m<sup>2</sup> in aggregate and yields annual power generation of 63,800 kW · h. 16,455 tons of water is saved by the rainwater recovery system.

### **(IX) Data sorting, verification and protection**

The Bank continuously reinforces the financial-technology-enabled green finance development, and develops the online automated measurement system for environmental benefits to achieve the function of automated measurement of energy conservation and emission reduction volumes of typical pollutants, carbon dioxide and the like. The online intelligent identification system for green credit has been developed which, by reference to green credit identification criteria, realizes a precise identification of green projects, thereby effectively preventing the "green bleaching" and "green washing" risks. The sorting and verification of environmental benefit data are carried out on a regular basis to ensure authenticity and traceability of green credit identification data and of information disclosed to the public.

### **(X) Innovation and research outcomes of green finance**

The Bank makes ongoing efforts to strengthen frontier research of green finance by, for example, establishing a research center on response to climate changes in cooperation with the Central University of Finance and Economics and the Ecological Environment Assessment Center of Jiangsu Province and winning successfully the bid of the Topic "Study on the Cultivation of Carbon Financial Market System in Jiangsu Province". Besides, the Bank has successively completed research topics including the "Environmental Information Disclosure for China's Banking Industry under the United Nations Office for Project Services (UNOPS)" and the "'14<sup>th</sup> Five-Year' Plan for Green Finance of Jiangsu Provincial Financial Supervision Administration". The Bank is an active member of seven research topics including the "Carbon Accounting Data Criteria for Banking Industry" of the China Banking Association. The transformation of research outcomes has been actively promoted by, for example, 3 papers on green finance published on the financial journals at home and 2 reports completed relevant to green finance and carbon finance.

### **(XI) Others**

The academic communication has been intensified by attending about 20 events of a wide variety of academic communication activities, including green finance summit forum, academic seminar and expert panel conference, where the Bank's innovation practice and experience in green finance were systematically introduced. The government-bank-enterprise matching has been established by organizing over 30 events of a wide variety of matching activities, including "Financial Institutions and Environmental Protection" Conference, to track policy and industry trends and actively seize market opportunities. The construction of green finance ecosystem has been driven by taking the lead in initiating the establishment of a wide variety of green finance organizations, including the Green Finance Specialty Committee of Jiangsu Banking Association, the Alliance of Ecological Green Integrated Development Demonstration Area of Yangtze River Delta, and the Green Finance Alliance of Small and Medium-sized Banks.

Attending the frontier training actively organized by the Bank, some of our employees have obtained the qualification certificate of Environmental and Social Risk Analyst (ESRA) issued by the Financial Initiative of United Nations Environment Programme, the certificate of carbon asset manager issued by the Ministry of Human



Resources and Social Security of the PRC, etc. The green finance brand is recognized within the community. The Bank has received multiple awards, including the "Green Carbon Pioneer - Miracle Cure Award" for the Best Innovation Bank in 2021 granted by the CAILIANPRESS, and the "Tianji Award for ESG Practice in China Banking Industry" granted by the *Securities Times*.

## II. Fulfillment of Social Responsibilities

With a strong focus on the mission of "creating a beautiful life" and the market orientation of "serving small and medium-sized enterprises, local economy and urban and rural residents", the Bank incorporates the corporate social responsibilities into the development strategies and into the whole operation processes, establishes and improves social responsibility management systems, and actively explores the fulfillment mode of social responsibilities conforming to our own characteristics, contributing to the sustainable development of economy and society and striving to maximize the comprehensive value of economy, environment and society. In recent years, for the fulfillment of social responsibilities, the Bank has been recognized by all social circles and has received such honors as the "Award for Most Socially Responsible Financial Institution" granted by the China Banking Association, the "Best Achievement Award of Inclusive Finance", the "Advanced Organization for Green Finance Development" granted by the Jiangsu Financial Association, the "Excellent Social Responsibility Report" granted by the China Banking and Insurance News, the "2020 Social Responsibility Award" granted by the China Times, and the "Tianji Award for ESG Practice in China Banking Industry" granted by the *Securities Times*.

The Bank attaches great importance to the communication with interested parties and, for this purpose, establishes a normalized communication mechanism. The annual social responsibility report has been disclosed for 8 consecutive years, which is published and released on the website of Shanghai Stock Exchange and on the official website of the Bank. In each step of daily operation and service, the Bank actively expands communication channels with interested parties, listens to comments and feedback from interested parties, and encourages interested parties in the interaction.

Standing fast at the position of local legal person bank, the Bank takes serving the real economy as its first priority and continuously enhances the investment of resources, keeping at the forefront in Jiangsu Province as to credit increment. Focusing on the three-year "Strong Industrial Chain" action in Jiangsu, the integrated financial service programmes for 28 industrial chains have been formulated to improve the industrial specialization service level. The Bank extends intensive support to the advanced manufacture industry, strategic emerging industries and other significant fields, takes characteristic advantages of supply chain finance, cash management and the like, and provides integrated and customized financial services to customers. Under the concepts of "helping small and micro enterprises is to help ourselves" and "engaging in small and micro enterprises is to create the future", the Bank further provides small and micro enterprises and scientific innovation enterprises with financial services that are more extensive and more facilitated. The Bank is the only one receiving the title of "Advanced Organization for Inclusive Finance Service" in Jiangsu Province for 13 consecutive years.

The Bank earnestly complies with deployment requirements on "carbon peak and carbon neutrality" by CPC Central Committee and Jiangsu Provincial Party Committee, becoming the first city commercial bank nationwide employing the "Principles for Responsible Banking" and the "Equator Principles" simultaneously. Moreover, the Bank has distributed the first "carbon neutrality" action plan in the industry, and stays ahead in Jiangsu

Province for many years as to scale of green credit. The Bank actively constructs the environmental and social risk management system, and continuously improves the social and environmental risk management capability by means of differentiated industry credit, Equator Principles projects management, ESG rating system, stress test on environmental and climatic risks, etc. The "carbon neutrality" bank construction is being accelerated and promoted. The research is conducted to formulate specific measures for green, low-carbon operation of business offices. Through the ongoing strengthening of employees' awareness of energy conservation and environmental protection, the Bank is striving to promote the concept of green operation.

In active response to the rural revitalization strategy, the Bank consistently expands credit investment and service coverage for the county economies and for the three fields of "agriculture, countryside and farmers", for the purpose of solidifying and expanding the key anti-poverty achievements and the effective links to rural revitalization. As of the end of 2021, the balance of loans invested in agriculture and related industries has increased by more than 20% over the end of the last year. In order to deepen the concept of "supporting local industry, prospering local region and enriching local people", the Bank, focusing on 11 national advantageous zones for characteristic agricultural products in Jiangsu, serves the leading industries including high-quality rice and wheat and green vegetables by issuing loans of over RMB 53 billion. The project of "hundred sub-branches jointly constructing hundred villages" has been promoted by jointly constructing 100 economically weak villages under the project of "linking ten thousand enterprises to ten thousand villages" and posting "financial commissioners". The Bank has served 635 projects for strengthening villages and enriching villagers, with loans of RMB 3 billion.

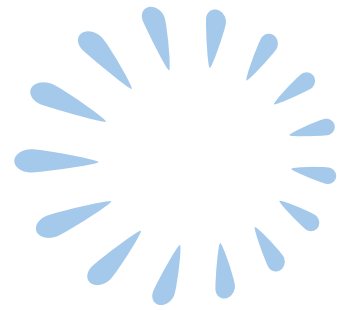
Under the "customer-centrism" concept, the Bank severely complies with rules and regulations on protection of rights and interests of financial customers as promulgated by regulatory authorities, improves systems and mechanisms for protection of rights and interests of customers, fully respects and consciously protects the rights of financial customers, and carries on business in compliance with laws and regulations, thereby stimulating the ongoing improvement of service quality and customer experience. The Bank drives the ongoing improvement and optimization of products and services by unblocking online and offline customer complaint feedback channels, specifying the duty in each step of customer complaint, and improving the problem feedback mechanisms. As accumulated from all channels throughout the year, 7,553 customer complaints were accepted, each of which was settled within the year. The Bank develops public-welfare, normalized publicity and education activities on financial knowledge to help customers increase their risk awareness. Focusing on customer privacy protection and data security, the Bank reinforces management in aspects of business procedure, operation and maintenance supervision, staff education, etc.

The Bank firmly engages in finance for and in favor of people, actively participates in social public welfare

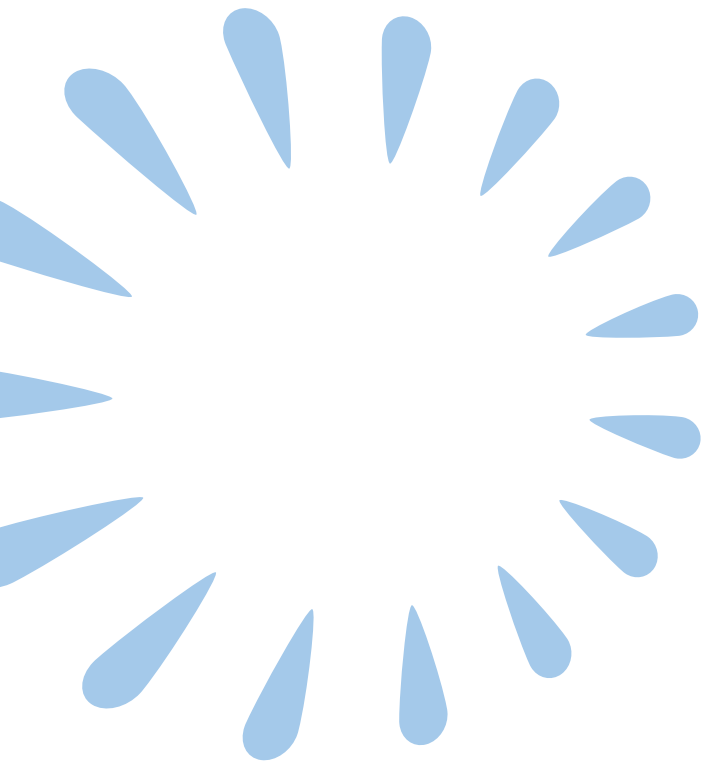


undertakings, and holds responsibilities, as a banking practitioner of Jiangsu, in the battle against pandemic and the volunteer service. Considering the promotion of common prosperity as a significant task in financial arrangements, the Bank has organized the first "919 Fortune Festival" and other events, boosting residents' wealth growth. For 7 consecutive years, the Bank has organized the project of "Party members going to communities" in the form of "unification in five aspects", and has performed volunteer services centering on publicity and education on financial knowledge, pandemic prevention in communities, resumption of work and production, finance-facilitated livelihood, etc., with over 5,600 events accumulated throughout the year. The Bank duly fulfills "six 'one' commitments" for the service of financial assistance to the elderly in the Jiangsu banking industry, stimulating the enforcement of policies on financial assistance to the elderly in all aspects. There are totally 12 branches within the whole Bank that are rated as "Elderly-Suitable Branch of Civilized and Standardized Service in Jiangsu Banking Industry" by Jiangsu Banking Association, and the head office is rated as the "Best Organization in Civilized and Standardized Elderly-Suitable Service in Jiangsu Banking Industry".

For more details, please refer to the full text of the 2021 Social Responsibility Report disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) by the Company on April 13, 2022.



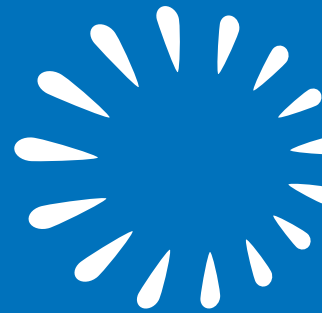
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Section VI

# Important Matters







# Important Matters

## I. 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	Time Limit for Performance Required or Not	Commitment Performed Strictly or Not	Cause of Timely Implementation Failure	Subsequent Plan against Timely Performance Failure
	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
Commitments related to initial public offerings	Restricted on sales of shares	TANG Jinsong, current and outgoing directors, supervisors and senior manager and 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	Time Limit for Performance Required or Not	Commitment Performed Strictly or Not	Cause of Timely Implementation Failure	Subsequent Plan against Timely Performance Failure
Refinancing-related commitments	Others	Director and senior manager	See Note 4 for details	Since November 29, 2016	No	Yes	N/A	N/A
	Others	Director and senior manager	See Note 5 for details	Since February 2, 2018	No	Yes	N/A	N/A
	Others	Director and senior manager	See Note 6 for details	Since July 9, 2020	No	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 largest shareholder of the Bank has issued a letter of commitment, main contents of which are as follows:

1. Bank of Jiangsu and its branches are 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, the same below) does not involve in main commercial bank business, having no case in which the Company has horizontal competition with Bank of Jiangsu and its branches. 2. In business carried out in future, the Company will not carry out horizontal competition with Bank of Jiangsu, namely, the Company and its subordinates will not directly or indirectly carry out business activities in 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 Bank of Jiangsu to confirm whether it has horizontal competition with the Company, the Company commits 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 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 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 a fair price audited or appraised by qualified intermediary institutions under the same condition. 4. The Company undertakes 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 to seek illegal profit by using status of majority shareholder, or to damage lawful rights and interests of 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 Bank of Jiangsu.

Note 4: Commitment of directors and senior managers 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. Undertake not to send profits to other units or individuals for free or in unfair conditions, or take other ways to damage the interests of the Bank. 2. Undertake to restrain personal post-related consumption behaviors. 3. Undertake not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties. 4. Undertake 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. Undertake 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 managers 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. Undertake 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. Undertake to restrain personal post-related consumption behaviors. 3. Undertake not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties. 4. Undertake 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. Undertake 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 managers 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. Undertake 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. Undertake to restrain personal post-related consumption behaviors.
3. Undertake not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.
4. Undertake 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. Undertake 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.

## II. Analysis and Explanation on the Causes and Effects of Changes in Accounting Policies and Accounting Estimates or Correction of Major Accounting Errors

In 2021, 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. 14 – Income (Revised)* (hereinafter referred to as "the new income standards")
- *Interpretation of Accounting Standards for Enterprises No. 13* (C.K. [2019] No. 21) (hereinafter referred to as "the interpretation No. 13")
- *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 2021 Annual Report* (C.K. [2022] No. 6)

## III. Appointment and Dismissal of Accounting Firms

Unit: RMB 10,000 Currency: RMB

	Present Appointment
Name of domestic accounting firm	KPMG (Special General Partnership)
Remuneration of domestic accounting firms	421.2
Audit years of domestic accounting firms	6 years

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

## IV. Non Operating Funds Occupied by Controlling Shareholders and Other Related Parties during the Reporting Period

The Company did not have any capital occupied by the controlling shareholders and other related parties within the Reporting Period or which still exist upon the occurrence before the Reporting Period.



## V. Illegal Guarantee

Guarantee business is one of the Company's conventional banking businesses approved by relevant regulatory authorities. The Company laid special emphasis on the risk management of such business, implemented relevant operation process and approval procedure and contained the risks of external guarantee businesses effectively. During the Reporting Period, the Company had no other major guarantee matters that needed disclosing, besides the financial guarantee businesses within the scope of business as approved by relevant regulatory authorities.

## VI. 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 5 cases with the amount of more than RMB 10 million for each case and the amount of money involved in the cases is RMB 132.5 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.

## VII. Suspected Violation, Punishment and Rectification of the Company Its Directors, Supervisors, Senior Managers, Controlling Shareholders and Actual Controllers

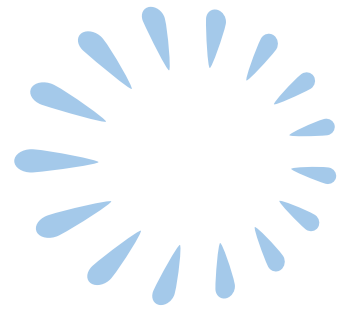
The Company had no controlling shareholders or actual controllers. During the Reporting Period, the Company and its directors, supervisors and senior managers were not subjected to any compulsory measures taken by judicial and discipline inspection authorities, transfer to judicial authority or investigation of criminal liabilities, investigation by putting on records, administrative punishment or administrative regulatory measures by China Securities Regulatory Commission, discipline punishment by stock exchange or major influence of other regulatory authorities on business.

## VIII. Integrity of the Company, Its Controlling Shareholders and Actual Controllers during the Reporting Period

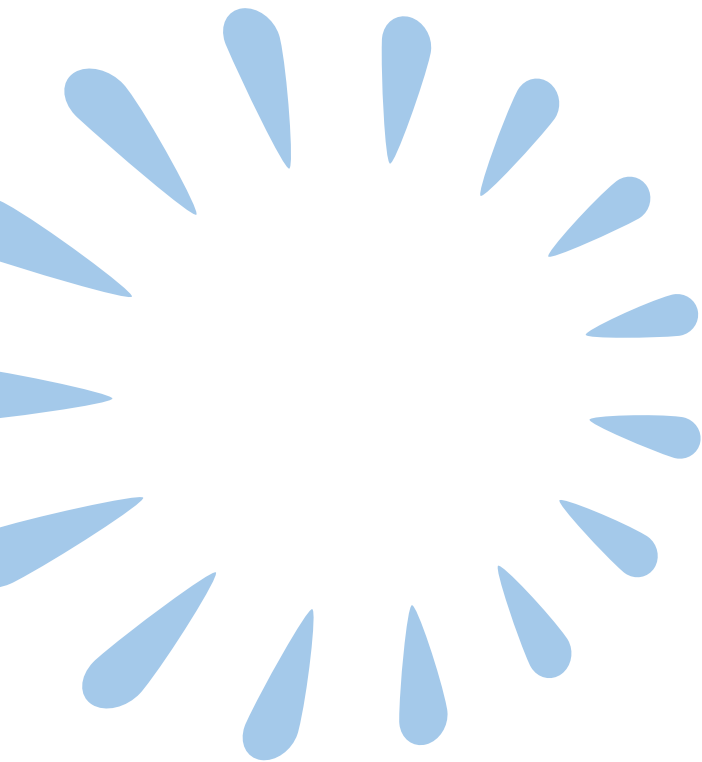
The Company had no controlling shareholders or actual controllers. During the Reporting Period, the Company did not involve in the cases of failing to perform the obligations determined in the legal documents that took effect from the court or repay mature liabilities of significant amount.

## IX. Significant Related-party Transactions

The Company dealt with related transactions as per relevant provisions of regulatory authorities and businesses with related parties were generated based on normal business activity demands and carried out based on general commercial terms in a fair and reasonable manner. The transactions did not make the Company superior to other borrowers or trading rivals and conform to the overall interests of the Company and shareholders. See the note to Financial Statements for the major related transactions between the Company and its related parties within the Reporting Period.



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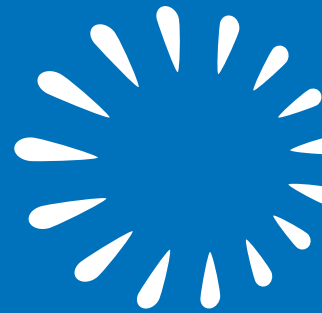




Section VII



# Changes In Shares and Shareholdings of Shareholders



# Changes In Shares and Shareholdings of Shareholders

## I. Capital Change

### (I) Statement of share changes

Unit: Shares

	Prior to Change		Increase/Decrease of This Change ( + , - )				After Change	
	Quantity	Ratio (%)	Allotment	Converting Convertible Bond into Shares	Desterilization of Non-tradable Shares	Subtotal	Quantity	Ratio (%)
1. Shares with limited sales conditions	114,242,278	0.99			-24,480,445	-24,480,445	89,761,833	0.61
1. Shares held by the state								
2. Shares held by state owned legal persons								
3. Shares held by other domestic capital	114,242,278	0.99			-24,480,445	-24,480,445	89,761,833	0.61



	Prior to Change		Increase/Decrease of This Change ( + , - )				After Change	
	Quantity	Ratio (%)	Allotment	Converting Convertible Bond into Shares	Desterilization of Non-tradable Shares	Subtotal	Quantity	Ratio (%)
Including: shares held by domestic non-state-owned legal persons	38,505	0.00			-8,251	-8,251	30,254	0.00
Shares held by domestic natural persons	114,203,773	0.99			-24,472,194	-24,472,194	89,731,579	0.61
4. Foreign share holding								
Including: Shares held by overseas legal person								
Shares held by overseas natural person								
II. Circulating shares without restrictions	11,430,280,693	99.01	3,225,083,672	22,141	24,480,445	3,249,586,258	14,679,866,951	99.39
1. RMB common shares	11,430,280,693	99.01	3,225,083,672	22,141	24,480,445	3,249,586,258	14,679,866,951	99.39
2. Domestic listed foreign shares	-	0.00						
3. Overseas listed foreign shares	-	0.00						
4. Others	-	0.00						
III. Total of shares	11,544,522,971	100.00	3,225,083,672	22,141	-	3,225,105,813	14,769,628,784	100.00

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 on the Start of Conversion of "Suyin Convertible Bonds"* disclosed by the Company on September 17, 2019. As of the end of December 2021, the number of shares formed due to conversion was 95,112 shares, and in particular, the number of shares formed due to conversion during the period from January 1, 2021 to December 31, 2021 was 22,141. For details, please refer to *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, *Correction Announcement of Bank of Jiangsu on the*



*Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on January 8, 2020, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on April 3, 2020, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on July 3, 2020, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on October 10, 2020, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on January 6, 2021, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on April 6, 2021, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on July 2, 2021, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on October 9, 2021, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on January 5, 2022.

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 14,655,364,365 circulating shares without sales restriction. For details, please refer to the announcement that the Bank disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

## (II) 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 on Sales	Date of Release
Shareholders holding initial restricted shares with lockup period of 60 months from the listing date to listing and circulation	24,480,445	24,480,445	-	Initial issuance of restricted shares	August 2, 2021
Other shareholders holding shares in restricted period	89,761,833	-	89,761,833		Lockup period of 72-96 months
Total	114,242,278	24,480,445	89,761,833	/	/



### (III) Other contents that the Company believes necessary to disclose or disclosed at the request of securities regulatory authorities

The Company performed its obligations of information disclosure as per the regulatory requirements and did not involve in any information disclosure that shall have been made.

## II. Issuing and Listing of Securities

### (I) Securities issuance as of the Reporting Period

On July 27, 2020, the Proposal on the Scheme of Allotment of Shares was deliberated and ratified in 2020 1<sup>st</sup> 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 3<sup>rd</sup> meeting of the 5<sup>th</sup> 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 (11,544,522,822) 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 3,463,356,846 and the issue price was RMB 4.59/share. On January 14, 2021, 3,225,083,672 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 serve as reference. As of the end of the Reporting Period, the Company had 89,731,579 internal employee shares, accounting for 0.61% of the general capital stock.

## III. Shareholders

### (I) Total number of shareholders

Total number of common shareholders (accounts) as of the end of the Reporting Period	163,436
Total number of common shareholders (accounts) as of the end of the last month before the disclosure date of the Annual Report	128,867
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 shareholding of top 10 shareholders

Unit: Shares

Shareholders	Increase/Decrease within the Reporting Period	Number of Shares Held at the End of the Period	Ratio (%)	Number of Shares Held with Restriction on Sales	Situation of Pledge, Marking or Freezing		Shareholder Nature
					Share	Quantity	
Jiangsu International Trust Corporation Limited	278,447,786	1,206,607,072	8.17	-	None	-	State-owned legal person
Jiangsu Phoenix Publishing & Media Group Co., Ltd.	276,265,298	1,197,149,625	8.11	-	None	-	State-owned legal person
Huatai Securities Co., Ltd.	192,050,000	832,050,000	5.63	-	None	-	State-owned legal person
Wuxi Construction and Development Investment Co., Ltd.	163,946,756	710,435,942	4.81	-	None	-	State-owned legal person
Jiangsu Expressway Company Limited	283,224,800	567,484,800	3.84	-	None	-	State-owned legal person
Hong Kong Securities Clearing Company Limited	175,780,841	463,207,134	3.14	-	None	-	Overseas legal person
Jiangsu Broadcasting and Television Group Co., Ltd.	104,008,388	450,703,013	3.05	-	None	-	State-owned legal person
Suzhou International Development Group Co., Ltd.	81,105,986	351,459,272	2.38	-	Pledge	70,000,000	State-owned legal person
Jiangsu Guoxin Investment Group Limited	67,431,091	292,201,391	1.98	-	None	-	State-owned legal person
Jiangsu Phoenix Publishing Media Group Co., Ltd.	53,958,213	267,152,256	1.81	-	None	-	State-owned legal person
Descriptions of special account for repurchase among the top 10 shareholders							None
Descriptions of voting trust, voting proxy and waiver of voting right							None
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 has dispatched its director to Huatai Securities Co., Ltd.; 3. The director of Jiangsu International Trust Corporation Limited doubles as the supervisor of Huatai Securities Co., Ltd.; 4. Jiangsu Phoenix Asset Management Co., Ltd. is the subsidiary of Jiangsu Phoenix Publishing Media Group Co., Ltd.; 5. Except for the above, the Company does not know the incidence relation or concerted action among the said shareholders.



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, the number of participation shareholders was 137,900, and accumulative 3,225,000,000 shares were allotted, accounting for 93.12% of the total shares able to be allotted. Upon the approval of Shanghai Stock Exchange, the 3,225,083,672 RMB common shares that that Bank allotted at this time were listed on January 14, 2021. The total shares added by the aforesaid shareholders except for Huatai Securities Co., Ltd., Jiangsu Expressway Company Limited and Hong Kong Securities Clearing Company Limited within the Reporting Period are the shares participating in the allotment of shares this time. The total shares participating in the allotment of shares this time by Huatai Securities Co., Ltd., Jiangsu Expressway Company Limited and Hong Kong Securities Clearing Company Limited are 192,000,000, 85,278,000 and 45,263,087 respectively.

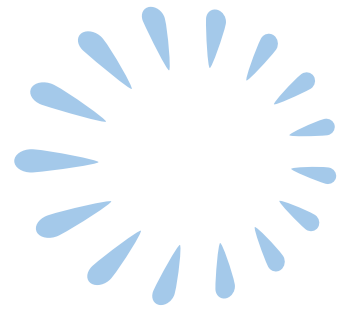
### (III) Shares held by top 10 shareholders with restriction on sales

Unit: Shares

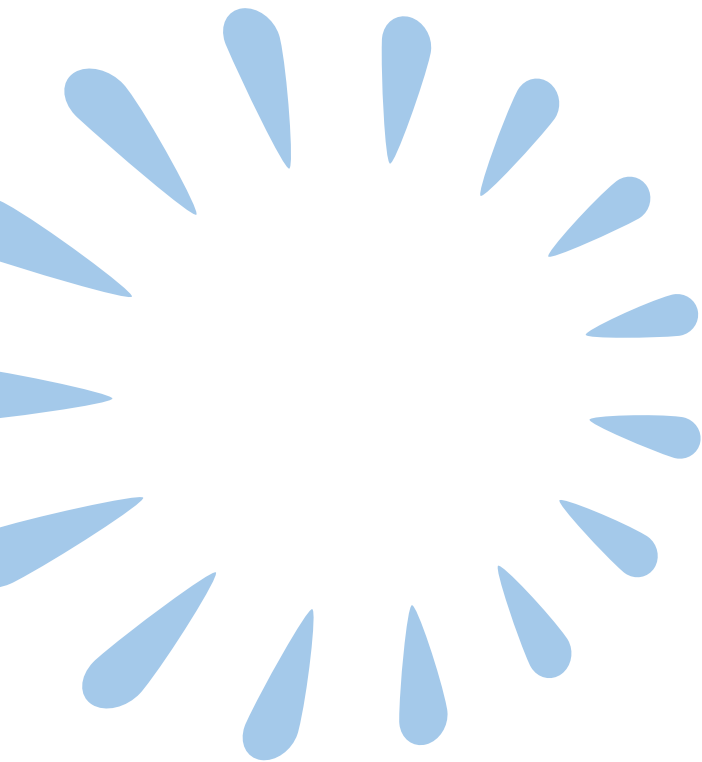
No.	Name of Shareholders with Restriction on Sales	Number of Shares Held with Restriction on Sales	Listing and Trading of Shares with Restriction on Sales		Restriction on Sales
			Time for Listing and Trading	Number of Newly Increased Shares that can Be Listed and Traded	
1	AI Chen	275,000	August 2, 2022	25,000	Initial public offering
2	JIANG Tao	274,993	August 2, 2022	24,998	Initial public offering
3	WANG Weibing	274,910	August 2, 2022	24,991	Initial public offering
4	SHAN Yi	274,861	August 2, 2022	24,986	Initial public offering
5	CUI Meiling	274,043	August 2, 2022	24,913	Initial public offering
6	YANG Yi	273,338	August 2, 2022	24,848	Initial public offering
7	SUN Xiren	272,951	August 2, 2022	24,814	Initial public offering
8	ZHANG Wenbin	272,951	August 2, 2022	24,814	Initial public offering
9	YU Yunfei	268,812	August 2, 2022	24,438	Initial public offering
10	WANG Zuhong	264,533	August 2, 2022	24,047	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.		

### (IV) Corporate shareholders with a shareholding ratio above 10%

As of the end of the Reporting Period, the Company had no corporate shareholders with a shareholding ratio above 10%.



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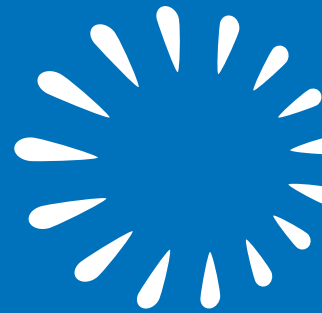




Section VIII



# Information of Preferred Shares





# Information of Preferred Shares

## I. Issuance and Listing of Preferred Shares within the Reporting Period

During the Reporting Period, the Bank did not issue or list any preferred shares.

In November 2017, the Company had 200,000,000 preferred shares of nonpublic offering at a price of RMB 100/share and the shares were listed in Shanghai Stock Exchange on December 21, 2017 (stock code: 360026; abbreviation: Suyinyou 1).

## II. Preferred Shareholder

### (I) Number of preferred shareholders

Total shareholders of preferred shares (accounts) as of the end of the Reporting Period	27
Total shareholders of preferred shares (accounts) as of the end of previous month before the disclosure date of the Annual Report	30



## (II) Shares held by the top 10 preferred shareholders as of the end of the Reporting Period

Unit: Shares

Situation of Shares Held by the Top 10 Preferred Shareholders						
Shareholders	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
Xinhua Asset Management - Bank of Shanghai - Xinhua Assets - Minghui No. 1 asset management product	31,340,000	31,340,000	15.67	Domestic preferred shares	Without pledge	Others
Everbright Yongming Assets Management - China Everbright Bank - Juyou No. 1 Equity Asset Management Product of Everbright Yongming Asset	27,000,000	27,000,000	13.50	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
CITICS - SPDB - Xingchen No. 50 Collective Assets Management Plan of CITICS	15,150,000	15,150,000	7.58	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	5,500,000	9,000,000	4.50	Domestic preferred shares	Without pledge	Others
CITICS - SPDB - Xingchen No. 43 Collective Assets Management Plan of CITICS	9,000,000	9,000,000	4.50	Domestic preferred shares	Without pledge	Others
Everbright Securities Assets Management-China Everbright Bank - Xinyou Collective Asset Management Program under Everbright Securities Asset Management	3,500,000	8,500,000	4.25	Domestic preferred shares	Without pledge	Others
CITIC Securities Co., Ltd.	7,980,000	7,980,000	3.99	Domestic preferred shares	Without pledge	State-owned legal person

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 19, 2021, the Company disclosed the *Announcement of 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 dividends was November 26, 2021, ex-dividend date was November 26, 2021, the interest value date of distribution of dividends was November 28, 2020, and the dividend distribution date was November 29, 2021. Calculated as per book value dividend yield of Suyinyou 1 at 5.20%, the cash dividend of RMB 5.20 (tax-inclusive) shall be distributed for each preferred share, and the total cash dividend distributed was RMB 1.040 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

Unit: RMB Currency: RMB

Year	Distribution Amount	Proportion of Distribution (%)
2021	1,040,000,000	5.20
2020	1,040,000,000	5.20
2019	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. Disclosure of the Restoration and Exercise of Preferred Shares Voting Rights If They Were Restored during the Reporting Period

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

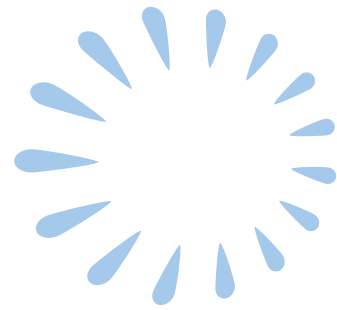


## VI. Accounting Policies and Reasons Adopted by the Company for Preferred Shares

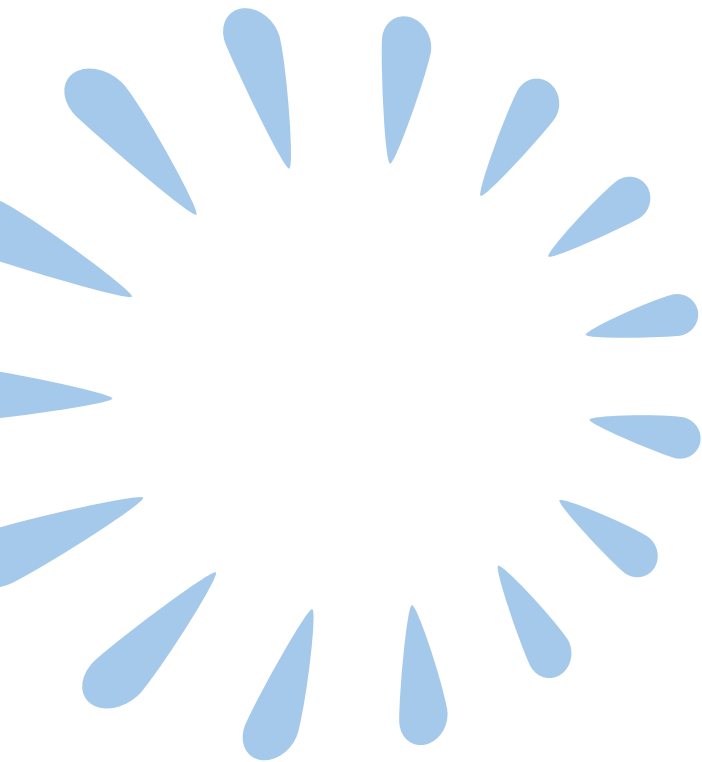
In accordance with the contract terms of the issued preferred shares and their economic essence, the Bank combines the definitions of financial assets, financial liabilities and equity instruments to classify these financial instruments or their components as financial assets, financial liabilities or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

The preferred shares issued by the Bank 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 Bank which were classified as equity instruments are included in equity according to the received amount. The distribution of dividends or interests during existence was treated as profit distribution. If preferred shares are redeemed according to the contractual provisions, equity should be written down at the redemption price.



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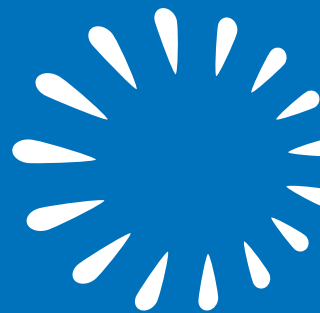




Section IX



# Convertible Corporate Bonds





# Convertible Corporate Bonds

## I. Issuance of Convertible Bonds

In February 2018, the Company's convertible bond issuance plan was reviewed and approved by the board of directors, and it was 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" could 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 shall be paid during the extended period. It is an interest calculation year between every adjacent interest payment days.

The registration date of interest creditor's rights of each year is the trading day before the annual interest payment date, 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. Changes in Convertible Bonds within the Reporting Period

Unit: RMB 1,000 Currency: RMB

Name of Convertible Corporate Bond	Prior to Change	Increase/Decrease This Time			After Change
		Conversion	Redemption	Repurchase	
Suyin Convertible Bond	19,999,452	143			19,999,309

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

Name of convertible corporate bond	Suyin Convertible Bonds
Number of holders of convertible bonds as of the end of the period	11,851
Guarantor of the convertible bonds of the Company	None
Major changes of the guarantor's profitability, asset and credit status	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)	3,803,985,000	19.02
Special account for bond repurchase and pledge of registration and settlement system (CCB)	1,322,275,000	6.61
Special account for bond repurchase and pledge of registration and settlement system (BOC)	1,204,892,000	6.02
Special account for bond repurchase and pledge of registration and settlement system (ABC)	771,399,000	3.86
Special account for bond repurchase and pledge of registration and settlement system (BOCOM)	634,598,000	3.17
Special account for bond repurchase and pledge of registration and settlement system (China Merchants Bank Co., Ltd.)	446,678,000	2.23
Special account for bond repurchase and pledge of registration and settlement system (China Galaxy Securities Co., Ltd.)	413,752,000	2.07
Special account for bond repurchase and pledge of registration and settlement system (Bank of Beijing Co., Ltd.)	407,573,000	2.04
Special account for bond repurchase and pledge of registration and settlement system (SPDB)	336,339,000	1.68
Bank of Beijing Co., Ltd. - Shunjing Great Wall Jingyi dual-interest bond securities investment fund	318,169,000	1.59

## IV. Cumulative Conversion of Convertible Corporate Bonds after Issuance

Name of convertible corporate bond	Suyin Convertible Bonds
Amount of converted shares during the Reporting Period (RMB)	143,000
Number of shares transferred during the Reporting Period (bonds)	22,141
Cumulative number of converted shares (bonds)	95,112
Proportion of cumulative number of converted shares in the total number of shares issued by the Company before conversion (%)	0.0008
Amount of shares not converted (RMB)	19,999,309,000
Proportion of non-converted shares to bonds in total amount of issued convertible bonds (%)	99.9965

## V. Adjustments of Conversion Price

Unit: RMB Currency: RMB

Name of convertible corporate bond				Suyin Convertible Bond
Adjustment Date of Conversion Price	Price after Adjustment	Disclosure Date	Disclosure Media	Descriptions of Conversion Price Adjustment
July 12, 2019	7.56	July 5, 2019	www.sse.com.cn	Adjustment of conversion price due to distribution of common stock profit in 2018
June 24, 2020	7.28	June 18, 2020	www.sse.com.cn	Adjustment of conversion price due to distribution of common stock profit in 2019
December 18, 2020	6.69	December 17, 2020	www.sse.com.cn	Adjustment of conversion price due to allotment adjustment
June 18, 2021	6.37	June 10, 2021	www.sse.com.cn	Adjustment of conversion price due to distribution of common stock profit in 2020
Latest conversion price as of the end of the Reporting Period				6.37

## VI. The Company's Liabilities, Credit Change and Cash for Repayment in the Future

The Bank has a favorable operation status, steady financial indicators and full debt paying capacity. On June 24, 2021, China Chengxin Securities Rating Co., Ltd. rated the Bank and its convertible bond this time again and still granted the credit rating of AAA. The rating outlook is stable and the rating of the Bank's convertible corporate bond was still AAA this time. The rating above remained unchanged.

# Financial Report

## I. Audit Report

See the attachment for details.

## II. Financial Statement

See the attachment for details.

# Contents of Documents Available for Reference

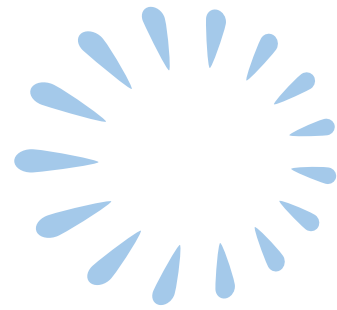
Contents of Documents Available for Reference	Original of Annual Report signed and stamped by the Company's legal representative
	The accounting statement signed and stamped by the Company's legal representative, the person in charge of accounting work, and the person in charge of the accounting organization
	Original of Audit Report stamped by accounting agency and signed and stamped by certified public accountants
	Original of all company 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

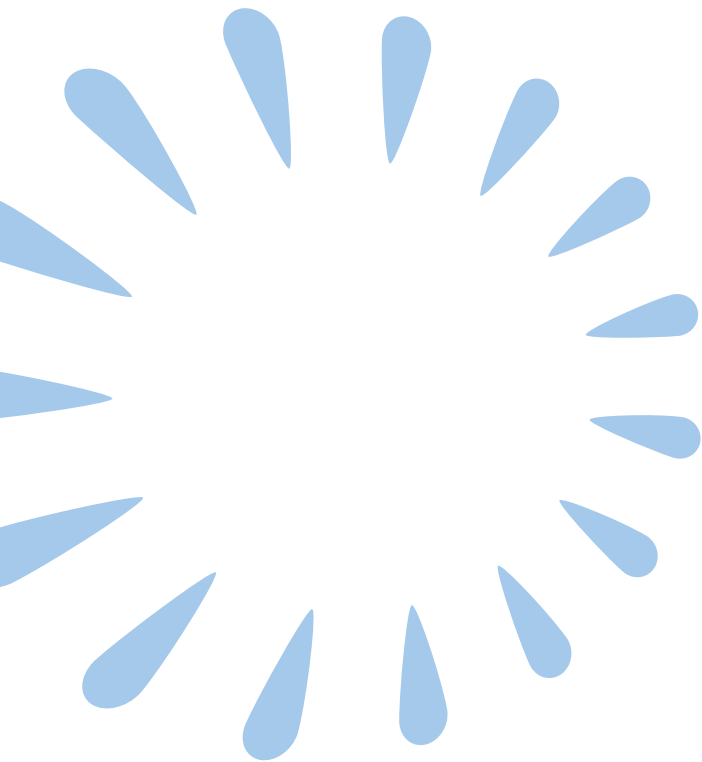


Date of submission approved by the board of directors: April 12, 2022





BANK OF JIANGSU  
ANNUAL REPORT 2021

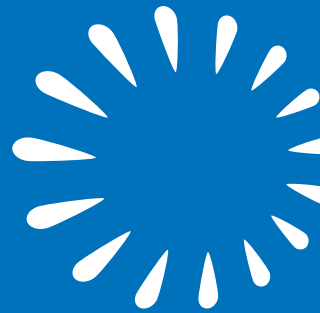




Section X



# Financial Statements



# Bank of Jiangsu Co.,Ltd

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR 1 JANUARY 2021 TO 31 DECEMBER 2021  
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 2202374 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 140, which comprise the consolidated and the Bank's balance sheet as at 31 December 2021, 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 2021, 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)(g) to the Financial Statements: Impairment" 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

The Group has adopted the expected credit loss model according to New financial instruments standards ("CAS 22").

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

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.

#### How the matter was addressed in our audit

Our audit procedures to assess ECL for loans and advances to customers and financial investments at amortized cost included the following:

- 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;

- 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)(g) to the Financial Statements: Impairment" 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

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.

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.

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.

#### How the matter was addressed in our audit

- 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 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 Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments.



### 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	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.</p> <p>The Group may acquire an ownership interest in, or act as a sponsor to a structured entity, through issuing an investment fund, a trust plan, an asset-backed security, a wealth management product, or an asset management plan.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> <li>• Learning and assessing the design, implementation and operating effectiveness of key internal controls over consolidation of structured entities;</li> <li>• Selecting samples on significant structured entities and performing the following procedures for each structured entity selected: <ul style="list-style-type: none"> <li>- 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;</li> <li>- 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;</li> <li>- 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;</li> <li>- Assessing management's judgement over whether the structured entity should be consolidated or not;</li> </ul> </li> <li>• 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.</li> </ul>

## Other Information

The Group's management is responsible for the other information. The other information comprises all the information included in 2021 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 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, including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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



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


Dou Youming (Engagement Partner)

Xue Chengjun

Beijing, China


12-04-2022



  
 Bank of Jiangsu Company Limited  
 Consolidated and the Bank's balance sheet as at 31 December 2021  
 (Expressed in thousands of Renminbi, unless otherwise stated)


	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Assets					
Cash and deposits with central bank	5(1)	132,508,177	147,073,643	132,188,845	146,697,185
Deposits with banks and other financial institutions	5(2)	50,518,998	43,147,476	46,510,782	42,136,606
Placements with banks and other financial institutions	5(3)	55,152,181	47,121,635	65,208,431	49,393,560
Derivative financial assets	5(4)	2,068,083	2,600,601	2,068,083	2,600,601
Financial assets held under resale agreements	5(5)	8,003,521	6,464,697	3,024,991	6,025,194
Loans and advances to customers	5(6)	1,359,127,491	1,165,964,075	1,346,864,681	1,164,662,057
Financial investments:	5(7)				
Financial investments measured at fair value through profit or loss		266,871,583	244,914,470	212,726,347	217,780,476
Financial investments measured at amortised cost		531,606,371	507,528,658	530,372,487	506,611,957
Financial investments measured at fair value through other comprehensive income		119,554,477	93,269,900	119,554,477	93,269,900
Financial investments designated at fair value through other comprehensive income		216,938	194,970	216,938	194,970
Long-term receivables	5(8)	63,604,653	53,623,665	-	-
Long-term equity investments	5(9)	-	-	5,944,400	4,533,800
Structured entities included in the consolidation scope		-	-	38,571,977	20,273,700
Fixed assets	5(10)	7,289,878	5,227,446	6,281,030	4,970,243
Intangible assets	5(11)	589,548	599,205	571,004	595,692
Deferred tax assets	5(12)	15,165,251	14,156,463	14,462,055	13,681,437
Other assets	5(13)	6,597,110	6,006,010	6,261,906	5,933,605
Total assets		<u>2,618,874,260</u>	<u>2,337,892,914</u>	<u>2,530,828,434</u>	<u>2,279,360,983</u>

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.

  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 253 form part of these financial statements.



  
**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's balance sheet as at 31 December 2021 (continued)**  
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Liabilities and shareholders' equity					
Liabilities					
Borrowings from central bank		183,379,765	195,611,850	183,136,699	195,322,053
Deposits from banks and other financial institutions	5(15)	177,552,170	125,229,961	178,395,077	125,386,102
Borrowings from banks and other financial institutions	5(16)	71,567,135	51,472,417	25,824,814	16,564,959
Financial liabilities held for trading	5(17)	254,093	344,031	49,926	40,504
Derivative financial liabilities	5(4)	1,818,408	2,555,317	1,818,408	2,555,317
Financial assets sold under repurchase agreements	5(18)	39,229,402	12,487,400	21,399,586	8,164,428
Deposits from customers	5(19)	1,478,812,360	1,329,869,837	1,477,801,674	1,328,999,901
Employee benefits payable	5(20)	8,441,738	7,140,406	8,233,530	7,056,292
Taxes payable	5(21)	7,489,150	6,546,401	7,074,871	6,250,537
Provision	5(22)	1,883,482	660,582	1,883,412	660,542
Debt securities issued	5(23)	432,760,951	412,999,027	427,351,442	408,430,417
Other liabilities	5(24)	17,629,858	10,896,412	8,343,325	3,573,720
Total liabilities		2,420,818,512	2,155,813,641	2,341,312,764	2,103,004,772
Equity					
Share capital	5(25)	14,769,629	14,769,607	14,769,629	14,769,607
Other equity instruments	5(26)	42,762,619	42,762,639	42,762,619	42,762,639
Including: Preference shares		19,977,830	19,977,830	19,977,830	19,977,830
Perpetual bonds		19,996,928	19,996,928	19,996,928	19,996,928
Capital reserve	5(27)	27,699,613	27,699,318	27,619,675	27,619,538
Other comprehensive income	5(28)	2,266,574	1,304,697	2,266,574	1,304,697
Surplus reserve	5(29)	22,786,262	19,859,396	22,786,262	19,859,396
General reserve	5(30)	37,215,107	32,381,679	36,231,150	31,585,692
Retained earnings	5(31)	44,727,274	39,260,403	43,079,761	38,454,642
Total equity attributable to shareholders of the Bank		192,227,078	178,037,739	189,515,670	176,356,211
Non-controlling interests		5,828,670	4,041,534	-	-
Total shareholders' equity		198,055,748	182,079,273	189,515,670	176,356,211
Total liabilities and shareholders' equity		2,618,874,260	2,337,892,914	2,530,828,434	2,279,360,983

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.




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 253 form part of these financial statements.

Bank of Jiangsu Company Limited  
Consolidated and the Bank's Income Statement  
for the year ended 31 December 2021  
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Interest income		104,871,482	92,403,625	99,590,910	88,337,934
Interest expenses		(59,391,791)	(55,417,110)	(57,704,223)	(54,183,689)
Net interest income	5(32)	45,479,691	36,986,515	41,886,687	34,154,245
Fee and commission income		8,190,410	5,694,156	7,538,977	5,674,039
Fee and commission expenses		(700,292)	(337,634)	(441,153)	(325,812)
Net fee and commission income	5(33)	7,490,118	5,356,522	7,097,824	5,348,227
Investment income	5(34)	8,503,786	8,282,728	8,569,269	8,408,219
Other income		336,872	251,638	329,118	246,797
Net gains/(losses) from changes in fair value	5(35)	1,306,817	514,404	1,272,917	555,858
Net foreign exchange gains		456,484	312,902	450,842	312,902
Other operating income		68,613	66,244	25,284	23,292
Gains from asset disposals		128,972	255,242	129,316	255,242
Operating income		63,771,353	52,026,195	59,761,257	49,304,782
Taxes and surcharges		(736,743)	(641,086)	(716,968)	(628,175)
General and administrative expenses	5(36)	(14,307,278)	(12,204,764)	(13,874,851)	(12,034,827)
Impairment losses on credit	5(37)	(22,280,093)	(22,389,035)	(21,117,574)	(21,248,310)
Other operating expenses		(38,956)	(26,681)	(9,583)	(9,822)
Operating expenses		(37,363,070)	(35,261,566)	(35,718,976)	(33,921,134)
Operating profit		26,408,283	16,764,629	24,042,281	15,383,648
Add: Non-operating income		122,641	41,930	122,475	41,851
Less: Non-operating expenses		(55,067)	(58,553)	(54,811)	(56,961)
Profit before income tax		26,475,857	16,748,006	24,109,945	15,368,538
Less: Income tax expenses	5(38)	(6,066,597)	(1,128,263)	(5,445,302)	(734,207)
Net profit for the year		20,409,260	15,619,743	18,664,643	14,634,331

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.



Xia Ping

Legal Representative



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Luo Feng

The head of the accounting department

The notes on pages 152 to 253 form part of these financial statements.



Bank of Jiangsu Company Limited  
Consolidated and the Bank's income statement  
for the year ended 31 December 2021 (continued)  
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Net profit for the year		20,409,260	15,619,743	18,664,643	14,634,331
Attributable to:					
Shareholders of the Bank		19,694,365	15,065,745	18,664,643	14,634,331
Non-controlling interests		714,895	553,998	-	-
Other comprehensive income, net of tax	5(28)	961,877	(340,154)	961,877	(340,154)
Other comprehensive income (net of tax) attributable to shareholders of the Bank		961,877	(340,154)	961,877	(340,154)
Items that may not be reclassified to profit or loss:					
Changes in fair value of financial investments designated at FVOCI		16,476	42,970	16,476	42,970
Items that may be reclassified to profit or loss:					
Changes in fair value of financial investments measured at FVOCI		515,497	(847,514)	515,497	(847,514)
Credit losses of financial investments measured at FVOCI		429,904	464,390	429,904	464,390
Other comprehensive income (net of tax) attributable to non-controlling interests		-	-	-	-
Total comprehensive income for the year		21,371,137	15,279,589	19,626,520	14,294,177

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.

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Bank of Jiangsu Company Limited  
 Consolidated and the Bank's Income statement  
 for the year ended 31 December 2021 (continued)  
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Total comprehensive income for the year		21,371,137	15,279,589	19,626,520	14,294,177
Attributable to shareholders of the Bank		20,656,242	14,725,591		
Attributable to non-controlling interests		714,895	553,998		
Earnings per share					
Basic earnings per share (RMB yuan)	5(39)	1.21	1.21		
Diluted earnings per share (RMB yuan)	5(39)	1.05	1.04		

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.



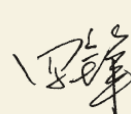

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The notes on pages 152 to 253 form part of these financial statements.



Bank of Jiangsu Company Limited  
Consolidated and the Bank's cash flow statement  
for the year ended 31 December 2021  
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Cash flows from operating activities:					
Net decrease in deposits with central bank, banks and other financial institutions		24,118,350	-	24,304,286	-
Net increase in deposits from customers, banks and other financial institutions		196,846,978	109,934,197	197,400,894	109,939,380
Net increase in borrowings from central bank		-	71,505,120	-	71,215,530
Net increase in borrowings from banks and other financial institutions		46,547,176	-	22,417,688	-
Interest, fee and commission receipts		101,078,503	83,089,034	95,758,796	79,241,519
Proceeds from other operating activities		2,303,206	1,281,801	486,899	429,840
Sub-total of cash inflows		370,894,213	265,810,152	340,368,563	260,826,269
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		(207,427,789)	(169,871,925)	(196,156,040)	(169,713,384)
Net increase in placements with banks and other financial institutions		(3,614,597)	(16,480,436)	(9,013,538)	(26,377,110)
Net increase in financial assets held for trading purpose		(3,137,455)	(9,939,468)	(5,427,523)	(7,648,446)
Net decrease in borrowings from central bank		(12,151,099)	-	(12,104,426)	-
Net decrease in borrowings from banks and other financial institutions		-	(10,397,452)	-	(13,870,682)
Interest, fee and commission payments		(42,024,146)	(40,593,227)	(40,517,283)	(39,439,035)
Payment to and for employees		(7,587,799)	(6,662,733)	(7,392,833)	(6,570,579)
Payment of various taxes		(11,913,556)	(8,016,208)	(11,323,636)	(7,408,054)
Payment for other operating activities		(11,266,265)	(10,442,919)	(933,811)	(3,496,853)
Sub-total of cash outflows		(299,122,706)	(285,093,882)	(282,869,090)	(286,349,302)
Net cash inflows from operating activities	5(40)(a)	71,771,507	(19,283,730)	57,499,473	(25,523,033)

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.



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The notes on pages 152 to 253 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 2021 (continued)  
 (Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Cash flows from investing activities:					
Proceeds from disposal of investments		2,074,741,145	2,418,426,669	2,104,421,285	2,421,863,340
Investments returns received		25,358,718	24,869,992	25,456,641	25,047,309
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		355,179	401,778	354,946	401,762
Sub-total of cash inflows		2,100,455,042	2,443,698,439	2,130,232,872	2,447,312,411
Payment for acquisition of investments		(2,146,819,105)	(2,476,835,430)	(2,165,117,383)	(2,475,203,958)
Payment for establishment of a subsidiary		-	-	(1,410,600)	(2,000,000)
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(3,128,172)	(740,256)	(2,311,782)	(541,889)
Sub-total of cash outflows		(2,149,947,277)	(2,477,575,686)	(2,168,839,765)	(2,477,745,847)
Net cash outflows from investing activities		(49,492,235)	(33,877,247)	(38,606,893)	(30,433,436)
Cash flows from financing activities:					
Proceeds from establishment of a subsidiary		1,189,399	14,772,048	-	14,772,048
Including: Proceeds from non-controlling shareholders of subsidiaries		1,189,399	-	-	-
Cash inflows from issuance of other equity instruments		-	19,996,928	-	19,996,928
Proceeds from issuance of debt securities		460,303,276	470,072,950	457,012,850	468,086,916
Sub-total of cash inflows		461,492,675	504,841,926	457,012,850	502,855,892
Repayment of debt securities		(451,700,000)	(426,760,000)	(449,200,000)	(426,760,000)
Payment for dividends, profits distributions or interest		(8,941,350)	(6,652,261)	(8,532,640)	(6,385,261)
Payment for other financing activities		(431,512)	-	(421,971)	-
Sub-total of cash outflows		(461,072,862)	(433,412,261)	(458,154,611)	(433,145,261)
Net cash inflows from financing activities		419,813	71,429,665	(1,141,761)	69,710,631

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.

Xia Ping

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The person in charge of accounting affairs

Luo Feng

The head of the accounting department

The notes on pages 152 to 253 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 2021 (continued)  
(Expressed in thousands of Renminbi, unless otherwise stated)



	Note	The Group		The Bank	
		2021	2020	2021	2020
Effect of foreign exchange rate changes on cash and cash equivalents		(929,877)	(1,065,644)	(929,877)	(1,065,644)
Net decrease in cash and cash equivalents	5(40)(b)	21,769,208	17,203,044	16,820,942	12,688,518
Add: Cash and cash equivalents at the beginning of the year		68,586,982	51,383,938	66,507,267	53,818,749
Cash and cash equivalents at the end of the year	5(40)(c)	90,356,190	68,586,982	83,328,209	66,507,267

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.



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The notes on pages 152 to 253 form part of these financial statements.



Bank of Jiangsu Company Limited  
Consolidated statement of changes in shareholders' equity  
for the year ended 31 December 2021  
(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 2021		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
Changes in equity during the year											
1. Total comprehensive income											
2. Shareholders' contributions of capital											
(1) Contribution by Non-controlling shareholders	5(27)	-	-	-	961,877	-	-	19,694,365	20,656,242	714,895	21,371,137
3. Convertible bonds conversion	5(23),(25),(27)	22	(20)	158	-	-	-	-	158	1,189,241	1,189,399
4. Appropriation of profits											
(1) Appropriation for surplus reserve	5(29)	-	-	-	-	2,926,866	-	(2,926,866)	-	-	-
(2) Appropriation for general reserve	5(30)	-	-	-	-	-	4,833,428	(4,833,428)	-	-	-
(3) Ordinary share dividend distribution	5(31)	-	-	-	-	-	-	(4,667,200)	(4,667,200)	(117,000)	(4,784,200)
(4) Preference share dividend distribution	5(31)	-	-	-	-	-	-	(1,040,000)	(1,040,000)	-	(1,040,000)
(5) Payments for interest on perpetual bonds classified as financial liabilities	5(31)	-	-	-	-	-	-	(760,000)	(760,000)	-	(760,000)
Balance at 31 December 2021		14,769,629	42,762,619	27,699,613	2,266,574	22,786,262	37,215,107	44,727,274	192,227,078	5,828,670	198,055,748

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.

  Xia Ping	  Ji Ming	  Luo Feng	
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Legal Representative

The person in charge of accounting affairs

The head of the accounting department

The notes on pages 152 to 253 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 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 of the bank	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(23),(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 12 April 2022.

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

Legal Representative

The person in charge of accounting affairs


The head of the accounting department

The notes on pages 152 to 253 form part of these financial statements.

Bank of Jiangsu Company Limited  
Statement of changes in shareholders' equity  
for the year ended 31 December 2021  
(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 2021		14,769,607	42,762,639	27,619,538	1,304,697	19,859,396	31,585,692	38,454,642	176,356,211
Changes in equity during the year									
1. Total comprehensive income		-	-	-	961,877	-	-	18,664,643	19,626,520
2. Convertible bonds conversion	5(23),(25),(27)	22	(20)	137	-	-	-	-	139
3. Appropriation of profits									
(1) Appropriation for surplus reserve	5(29)	-	-	-	-	2,926,866	-	(2,926,866)	-
(2) Appropriation for general reserve	5(30)	-	-	-	-	-	4,645,458	(4,645,458)	-
(3) Ordinary share dividend distribution	5(31)	-	-	-	-	-	-	(4,667,200)	(4,667,200)
(4) Preference share dividend distribution	5(31)	-	-	-	-	-	-	(1,040,000)	(1,040,000)
(5) Payments for interest on perpetual bonds classified as financial liabilities	5(31)	-	-	-	-	-	-	(760,000)	(760,000)
Balance at 31 December 2021		14,769,629	42,762,619	27,619,675	2,266,574	22,786,262	36,231,150	43,079,761	189,515,670

These financial statements were approved by the Board of Directors of the Bank on 12 April 2022.

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The head of the accounting department




The notes on pages 152 to 253 form part of these financial statements.



Bank of Jiangsu Company Limited  
Statement of changes in shareholders' equity (continued)  
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 of the bank	5(25),(27)	3,225,084	-	11,546,964	-	-	-	-	14,772,048
(2) Contribution by holders of other equity instruments	5(26)	-	19,996,928	-	-	-	-	-	19,996,928
3. Convertible bonds conversion	5(23),(25),(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 12 April 2022.

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**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.

During the reporting period, the information about new subsidiaries of the group is disclosed in Note VI

## 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 and implemented the Accounting Standard for Business Enterprises No. 21 – Leases revised by MOF in 2018 since 1 January 2021 (see Note 3(27)(a)).

## 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 2021, 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, its subsidiaries and structured entities. 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.

Structured entities are entities that is designed without voting rights or similar rights as determinants in confirming its controller. The basis for the activities of the entities are usually contractual arrangements or other arrangements.

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.

**(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.

*Designated At 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 liabilities at amortised cost*

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

**(d) Financial guarantees contracts and loan commitments**

*Financial guarantees contracts*

Financial guarantees contracts are contracts in which the Group acting as a guarantor agrees with the creditor on assuming the responsibility and making payment as agreed when the creditor fails to make payment. Financial guarantee liabilities are measured initially at fair value. The fair value is amortized over the period of the financial guarantee contract. When the Group in the probability of fulfilling obligations under the financial guarantee contract, 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 III.7(g)) and the amount initially recognised less the cumulative amount of income.

*Loan commitments*

Loan commitments are the firm commitments to provide credit according to the pre-defined terms and conditions.

The loan commitments provided by the Group are assessed for impairment according to the expected credit loss. The Group does not promise to grant loans at any price lower than the market interest rate, nor does it take the payment of cash or the issuance of other financial instruments as the net settlement of loan commitments.

The Group discloses the loss allowances of loan commitments and financial guarantees contracts in the provisions. However, if an



instrument includes both loans and unused commitments, and the Group cannot distinguish the expected credit loss caused by the loan part from the unused commitment part, the loss allowances of the two parts should be disclosed in the loss allowances of loan. Unless the total loss allowances of the two parts exceed the book value of the loan, the loss allowances should be disclosed in the provisions.

#### (e) 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.

#### (f) 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.

In the case of transferred financial asset, if the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, and retains the control over the financial assets, the relevant financial assets shall be recognized according to the degree of continuous involvement in the transferred financial assets, and the corresponding liabilities also need to be recognized.

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 recognizes 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.

#### (g) 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.

Except for trade receivables and lease receivables, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

- If the financial instrument is determined to have low credit risk at the balance sheet date;
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

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(22) 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.

#### (h) 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.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditure relating to the repurchase is recorded in the cost of the treasury shares, with the transaction recording in the share register. Treasury shares are excluded from profit distributions and are presented as a deduction under shareholders' equity in the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

#### (i) 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.

#### (j) 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%	4.25% - 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 losses 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.

For the repossessed financial assets that are transferred, the Group conducts initial measurement at their fair value, and conducts classification and subsequent measurement according to the accounting policies described in Note 3(7)(b).

For repossessed non-financial assets that are transferred, the Group conducts initial measurement based on the fair value of the waived creditor's rights and other costs that can be directly attributable to the asset, and conducts subsequent measurement based on the lower of the book value of the foreclosed asset and the recoverable amount. The method of impairment testing and the method of accruing impairment reserves See Note 3(13).

### (13) Impairment of assets other than financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date 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
- right-of-use asset
- long-term deferred expenses



- repossessed assets

The Group conducts impairment tests on assets that has indication of impairment to determine its recoverable amount. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see 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 specified, 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) 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 the 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:

- Where 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

#### **(16) 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 in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government.

- According to the "Measures for Enterprise Annuity" (Order of the Ministry of Labor and Social Security and the Ministry of Finance of the People's Republic of China No.36), 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.

Basic pension insurance contributions payable 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.

(c) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under 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 in important operation management positions 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.

## (17) 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 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.



## (18) 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 only 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 deductible 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 amounts of the assets and liabilities, using tax rates enacted at the balance sheet 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 of 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 liabilities and current tax assets 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.

## (19) Leases

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, as a lessor, the Group



separate lease components from non-lease components. However, as a lessee, the Group has elected not to separate lease components from non-lease components and account for the lease and non-lease components as a single lease component.

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 3.(13).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the [straight-line method] [other systematic basis] over the lease term.

(b) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note 3.(7).



Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the [straight-line method] [other systematic basis] over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

## (20) 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.

## (21) Revenue recognition

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than 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.

## (22) 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.

## (23) 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.

## (24) 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 Company 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 determines 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.

## (25) 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.

## (26) Significant accounting estimates and judgements

The preparation of the financial statements 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 as well as underlying assumptions and uncertainties involved 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 assets such as fixed assets and intangible assets (See Note 3(10) and Note 3(11)) and provision for impairment of various types of assets (see Notes 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 determining control, joint control or significant influence over other entity.

## (27) Changes in significant accounting policies and accounting estimates

In 2021, the Group has adopted the following newly revised accounting standards and implementation guidance and illustrative examples issued by the MOF:

- CAS No.21 - Lease (Revised) (Caikuai [2018] No.35) ("the new lease standard")
- The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10) and Notice of Extending the Applicable Period of 'Accounting Treatment of COVID-19 Related Rent Concessions' (Caikuai [2021] No.9)
- CAS Bulletin No.14 (Caikuai [2021] No.1) ("Bulletin No. 14")

### (a) New leases standard

The new leases standard has revised CAS No.21 – Leases issued by the MOF in 2006 ("the previous leases standard").

The new leases standard refines the definition of a lease. The Group assesses whether a contract is or contains a lease in accordance with the definition in the new leases standard. For contracts which existed before the date of initial application, the Group has elected not to reassess whether a contract is or contains a lease at the date of initial application.

As a lessee

Under the previous leases standard, the Group classifies leases as operating or finance leases based on its assessment of whether the lease transfers significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

Under the new leases standard, the Group no longer distinguishes between operating leases and finance leases. The Group recognises right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low-value assets which are accounted for using the practical expedient).

For a contract that contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has elected to recognise the cumulative effect of adopting new leases standard as an adjustment to the opening balances of retained earnings and other related items in the financial statements in the initial year of application. Comparative information has not been restated.

For leases classified as operating leases before the date of initial application, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. Right-of-use assets are measured at either:

- accounted for the leases for which the lease term ends within 12 months of the date of initial application as short-term leases;
- applied a single discount rate to leases with similar characteristics when measuring lease liabilities;
- excluded initial direct costs from measuring the right-of-use assets;
- determined the lease term according to the actual implementation or other updates of options before the date of initial application if

the contract contains options to extend or terminate the lease;

- adjusted the right-of-use assets by the amount of onerous contract provision applying CAS No.13 – Contingencies immediately before the date of initial application, as an alternative to an impairment review;
- accounted for lease modifications before the initial year of application according to the final arrangement of the change under the new leases standard without retrospective adjustments.

For leases classified as finance leases before the date of initial application, the right-of-use asset and the lease liability are measured at the original carrying amount of the assets under finance lease and obligations under finance leases at the date of initial application.

As a lessor

The Group is not required to make any adjustments to the opening balances of retained earnings and other related items in the financial statements in the initial year of application and surplus for leases for which it acts as a lessor. The Group has applied new leases standard since the date of initial application.

The Group applies the requirements of transaction price allocation under the new revenue standard to allocate consideration in the contract to each lease and non-lease component under new leases standard.

As the lessor, the Group does not reassess whether the asset transfer complies with the provisions of Accounting Standards for Business Enterprises No. 14 - Revenue for accounting treatment as sales for existing sale and leaseback transactions prior to the date of initial application.

Effect of the application of the new leases standard since 1 January 2021 on financial statements

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2021. The weighted-average rate applied by the Group is 3.65%.

The reconciliation between the unpaid minimum lease payments for significant operating leases disclosed on 31 December 2020 and the lease liabilities as of 1 January 2021:

	The Group	The Company
The total future minimum lease payments of significant operating leases disclosed in the consolidated financial statements as at 31 December 2020	1,377,907	1,372,506
Present value discounted using the Group's incremental borrowing rate at 1 January 2021	1,277,890	1,272,554
Less: the affected amounts of short-term leases that will be completed within 12 months from 1 January 2021	(46,410)	(43,327)
Lease liabilities under new leases standard at 1 January 2021	<u>1,231,480</u>	<u>1,229,227</u>

The impact of adoption the new leases standard on the consolidated and company balance sheets as at 1 January 2021 are summarised as follows:

*The Group*

	31 December 2020	1 January 2021	Adjustments
<b>Assets</b>			
Other assets			
Prepayments	681,822	487,725	(194,097)
Right-of-use assets	-	1,425,577	1,425,577
Other assets	<u>6,006,010</u>	<u>7,237,490</u>	<u>1,231,480</u>
<b>Liabilities</b>			
Other liabilities	<u>10,896,412</u>	<u>12,127,892</u>	<u>1,231,480</u>
Total shareholders' equity	<u>182,079,273</u>	<u>182,079,273</u>	-



*The company*

	31 December 2020	1 January 2021	Adjustments
Assets			
Other assets	5,933,605	7,162,832	1,229,227
Liabilities			
Other liabilities	3,573,720	4,802,947	1,229,227
Total shareholders' equity	176,356,211	176,356,211	-

**(b) Caikuai [2020] No.10 and Caikuai [2021] No.9**

The Accounting Treatment of COVID-19 Related Rent Concessions (Caikuai [2020] No.10) provides practical expedient under certain conditions for rent concessions occurring as a direct consequence of the COVID-19 pandemic. If the company choose to adopt the practical expedient, then there is no need to assess whether there is a lease change or reassess the lease classification. In combination of the requirements of Caikuai [2021] No.9, such practical expedient is only applicable to any reduction in lease payments due before 30 June 2022. Cumulative effects of adopting the above regulations are adjusted to the opening retained earnings or other comprehensive income for the year 2021. Comparative information is not restated.

The adoption of the above regulations does not have significant effect on the financial position and financial performance of the Group.

**(c) Bulletin No.14**

Bulletin No.14 explains that in the process of implementing the Accounting Standards for Business Enterprises, the private party's accounting treatment of the government-private partnership (ie "PPP") project contract and the changes in the basis for determining the cash flow of the relevant contract due to the reform of the benchmark interest rate.

The benchmark interest rate reform is the reform of the benchmark interest rate formation mechanism in the financial market, including replacing the interbank quoted interest rate with an approximate risk-free benchmark interest rate based on actual transactions, and improving the quotation mechanism of the interbank quoted interest rate( Namely "LIBOR") reform. When the basis for determining the contractual cash flows of financial assets or financial liabilities for which interest income or expense is determined by the effective interest rate method is changed directly due to the reform of the benchmark interest rate, and the basis for determination before and after the change is economically equivalent, the enterprise does not need to assess whether the change is This results in the termination of recognition of the financial asset or financial liability, nor the adjustment of the book balance of the financial asset or financial liability. Instead, the actual interest rate should be recalculated according to the future cash flow after the change only due to the reform of the benchmark interest rate with reference to the treatment method for changes in floating interest rates. , and based on this for subsequent measurement. Enterprises should generally judge whether the basis for determination is economically equivalent based on whether the overall contractual cash flows of financial assets or financial liabilities before and after the change are basically similar. An enterprise may make the determination basis before and after the change economically equivalent by: adding a necessary fixed interest margin when replacing the reference benchmark interest rate or changing the calculation method of the reference benchmark interest rate to compensate for the basis difference between the determination basis before and after the change; Benchmark interest rate reform Change the reset period, reset date or the number of days between coupon payment dates; add supplementary clauses that include the first two items, etc.

Bulletin No.14 takes effect on 26 January 2021. From January 1, 2021 to the implementation date of Bulletin No. 14, the new business stipulated in the Bulletin shall be adjusted according to the Bulletin. As of December 31, 2021, please refer to Note 10. 2(1) for information related to the reform of the Group's benchmark interest rate. The adoption of Bulletin No.14 does not have significant effect on the financial position and financial performance of the Group.

## 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 3% - 13% 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 Rural Bank", formerly "Jiangsu Danyang Baode Rural Bank Ltd."), 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 2021	31 December 2020	31 December 2021	31 December 2020
Cash on hand		1,514,254	1,489,586	1,509,517	1,480,624
Deposits with domestic central bank					
- Statutory deposit reserves	(i)	115,405,796	128,093,748	115,106,695	127,751,837
- Surplus deposit reserves	(ii)	14,905,898	16,353,412	14,890,431	16,327,857
- Fiscal deposits		628,180	558,923	628,180	558,923
- Foreign exchange risk reserves	(iii)	-	515,941	-	515,941
Sub-total		130,939,874	145,522,024	130,625,306	145,154,558
Accrued interest		54,049	62,033	54,022	62,003
Total		132,508,177	147,073,643	132,188,845	146,697,185

(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 operating. As at 31 December 2021, the reserve ratio for RMBdeposits of the Bank is 8% (31 December 2020: 10%), and the reserve ratio for foreign currency deposits of the Bank is 9% (31 December 2020: 5%). The reserve ratio for RMBdeposits of the Bank's subsidiary, Suyin Rural Bank, is 5% (31 December 2020: 6%), and for Suyin Financial Leasing Co., Ltd., is 5% (31 December 2020: 6%).

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

(iii) Fiscal deposits refer to funds from financial institutions and deposited with the People's Bank of China in accordance with regulations, which cannot be used for daily business operations.

(iv) 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. The foreign exchange risk reserve ratio is adjusted to 0% from October 12, 2020.

### (2) Deposits with banks and other financial institutions

Analysed by location of counterparties and type



	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deposits in mainland China				
- Banks	39,698,108	27,524,388	35,713,677	26,513,188
Deposits outside mainland China				
- Banks	10,700,175	16,638,364	10,700,175	16,638,364
Sub-total	50,398,283	44,162,752	46,413,852	43,151,552
Accrued interest	229,233	130,340	203,827	130,188
Less: Provision for impairment losses	(108,518)	(1,145,616)	(106,897)	(1,145,134)
Total	50,518,998	43,147,476	46,510,782	42,136,606

As at 31 December 2021, deposits placed with banks in mainland China of the Group and the Bank included RMB43 million pledged deposits (31 December 2020: RMB42 million pledged deposits).

### (3) Placements with banks and other financial institutions

Analysed by location and type of counterparties

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Placements in mainland China				
- Banks	4,063,661	9,404,975	4,063,661	9,404,975
- Other financial institutions	49,847,020	37,382,353	59,817,019	39,632,353
Sub-total	53,910,681	46,787,328	63,880,680	49,037,328
Placements outside mainland China				
- Banks	998,017	486,055	998,017	486,055
Sub-total	54,908,698	47,273,383	64,878,697	49,523,383
Accrued interest	707,822	411,601	794,053	433,506
Less: Provision for impairment losses	(464,339)	(563,349)	(464,319)	(563,329)
Total	55,152,181	47,121,635	65,208,431	49,393,560

### (4) Derivative financial assets and liabilities

*The Group and the Bank*

	31 December 2021			31 December 2020		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives	459,513,419	1,752,938	(1,526,211)	212,453,968	2,106,060	(2,155,092)
Interest rate derivatives	50,765,663	315,145	(290,861)	248,344,192	493,875	(395,622)
Credit derivatives	500,000	-	(1,336)	460,000	666	(4,603)
Total	510,779,082	2,068,083	(1,818,408)	461,258,160	2,600,601	(2,555,317)

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 2021	31 December 2020	31 December 2021	31 December 2020
Bonds				
- Bonds issued by banks and other financial institutions	7,907,846	3,569,164	2,991,200	3,569,164
- Bonds issued by other institutions	90,000	399,000	90,000	-
- Bonds issued by Chinese government	60,000	2,512,913	-	2,472,913
- Bills	-	414,475	-	414,475
Sub-total	8,057,846	6,895,552	3,081,200	6,456,552
Accrued interest	2,849	743	956	231
Less: Provision for impairment losses	(57,174)	(431,598)	(57,165)	(431,589)
Total	8,003,521	6,464,697	3,024,991	6,025,194

## (b) Analysed by location and type of counterparties.

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
In mainland China				
- Banks	3,902,645	3,042,150	786,000	2,742,150
- Other financial institutions	4,155,201	3,853,402	2,295,200	3,714,402
Sub-total	8,057,846	6,895,552	3,081,200	6,456,552
Accrued interest	2,849	743	956	231
Less: Provision for impairment losses	(57,174)	(431,598)	(57,165)	(431,589)
Total	8,003,521	6,464,697	3,024,991	6,025,194



## (6) Loans and advances to customers

### (a) Analysed by nature

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<i>Measured at amortised cost</i>				
Loans and advances to corporates	717,530,548	635,446,408	716,376,099	634,383,707
Loans and advances to individuals				
- Property mortgages	243,896,280	223,808,967	243,698,019	223,597,464
- Personal consumption loans	254,403,462	198,814,733	243,358,849	198,793,096
- Personal business loans	34,756,920	24,921,002	34,644,180	24,852,481
- Credit cards	28,383,571	22,366,631	28,383,571	22,366,631
Sub-total	561,440,233	469,911,333	550,084,619	469,609,672
Discounted bills	138,791	403,519	138,791	403,519
Sub-total	1,279,109,572	1,105,761,260	1,266,599,509	1,104,396,898
<i>Measured at FVOCI</i>				
Loans and advances to corporates	8,526,142	1,497,635	8,526,142	1,497,635
Discounted bills	112,536,040	94,350,534	112,536,040	94,350,534
Sub-total	121,062,182	95,848,169	121,062,182	95,848,169
Accrued interest	5,537,141	4,939,601	5,423,618	4,937,035
Less: Provision for impairment losses	(46,581,404)	(40,584,955)	(46,220,628)	(40,520,045)
Carrying amount	1,359,127,491	1,165,964,075	1,346,864,681	1,164,662,057

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 2021	31 December 2020	31 December 2021	31 December 2020
Unsecured loans	521,351,647	399,088,360	510,293,150	399,067,821
Guaranteed loans	399,913,468	337,011,255	399,079,166	336,234,312
Loans secured by tangible assets	398,746,785	375,848,773	398,135,701	375,291,373
Loans secured by monetary assets	80,159,854	89,661,041	80,153,674	89,651,561
Total	1,400,171,754	1,201,609,429	1,387,661,691	1,200,245,067

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

	The Group				The Bank			
	31 December 2021		31 December 2020		31 December 2021		31 December 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Leasing and commercial services	173,763,034	12.42	148,724,739	12.38	173,725,435	12.51	148,681,338	12.39
Manufacturing	160,031,226	11.43	129,109,532	10.74	159,543,323	11.49	128,673,729	10.72
Real estate	90,833,819	6.49	89,337,212	7.43	90,833,819	6.55	89,337,212	7.44
Wholesale and retail	87,683,956	6.26	84,448,615	7.03	87,497,176	6.31	84,295,185	7.02
Water, environment and public utility management	78,702,377	5.62	65,421,712	5.44	78,375,327	5.65	65,122,012	5.43
Construction	40,330,547	2.88	39,480,864	3.29	40,283,517	2.90	39,422,964	3.28
Transportation, storage and postal services	19,096,827	1.36	18,356,249	1.53	19,095,277	1.38	18,354,428	1.53
Agriculture, forestry, husbandry and fishery	16,138,745	1.15	10,084,951	0.84	16,093,506	1.16	10,035,837	0.84
Electricity, thermo power, gas and water supply	13,886,715	0.99	13,631,663	1.13	13,886,715	1.00	13,631,663	1.14
Information transmittal, software and information technology service	10,832,517	0.77	9,751,131	0.81	10,827,517	0.78	9,746,131	0.81
Scientific research and technological services	10,344,911	0.74	7,428,373	0.62	10,344,911	0.75	7,428,373	0.62
Culture, sports and entertainment	6,336,990	0.45	4,995,892	0.42	6,328,990	0.46	4,987,892	0.42
Resident services, repairs and other services	5,908,779	0.42	5,433,820	0.45	5,902,331	0.43	5,427,288	0.45
Hospitality and catering	3,102,192	0.22	2,101,976	0.17	3,100,342	0.22	2,099,976	0.17
Hygiene and social work	2,966,772	0.21	2,972,426	0.25	2,966,772	0.21	2,972,426	0.25
Education	2,136,480	0.15	2,447,029	0.20	2,136,480	0.15	2,447,029	0.20
Mining	1,358,947	0.10	1,319,013	0.11	1,358,947	0.10	1,319,013	0.11
Others	2,601,856	0.19	1,898,846	0.16	2,601,856	0.19	1,898,846	0.16
Sub-total of Loans and advances to corporates	726,056,690	51.85	636,944,043	53.00	724,902,241	52.24	635,881,342	52.98
Loans and advances to individuals	561,440,233	40.10	469,911,333	39.11	550,084,619	39.64	469,609,672	39.13
Discounted bills	112,674,831	8.05	94,754,053	7.89	112,674,831	8.12	94,754,053	7.89
Total	1,400,171,754	100.00	1,201,609,429	100.00	1,387,661,691	100.00	1,200,245,067	100.00



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

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Jiangsu	1,178,937,582	991,840,970	1,166,427,519	990,476,608
Bohai Rim	63,364,224	65,811,733	63,364,224	65,811,733
Yangtze River Delta (excluding Jiangsu)	94,145,576	82,398,586	94,145,576	82,398,586
Pearl River Delta	63,724,372	61,558,140	63,724,372	61,558,140
Total	1,400,171,754	1,201,609,429	1,387,661,691	1,200,245,067

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

*The Group*

	As at 31 December 2021				
	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	3,903,913	2,805,868	626,249	203,952	7,539,982
Guaranteed loans	719,285	1,565,266	1,109,325	446,064	3,839,940
Loans secured by tangible assets	581,285	1,513,719	2,017,279	488,131	4,600,414
Loans secured by monetary assets	1,798	447,801	4,062	-	453,661
Total	5,206,281	6,332,654	3,756,915	1,138,147	16,433,997

	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	3,668,909	4,676,657	5,064,194	1,044,777	14,454,537

*The Bank*

	As at 31 December 2021				
	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	3,681,811	2,720,680	626,167	203,952	7,232,610
Guaranteed loans	718,722	1,562,890	1,109,325	446,064	3,837,001
Loans secured by tangible assets	578,620	1,509,845	2,017,279	488,131	4,593,875
Loans secured by monetary assets	1,798	447,801	4,062	-	453,661
<b>Total</b>	<b>4,980,951</b>	<b>6,241,216</b>	<b>3,756,833</b>	<b>1,138,147</b>	<b>16,117,147</b>

	2020年12月31日				
	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	2,026,281	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
<b>Total</b>	<b>3,660,157</b>	<b>4,676,057</b>	<b>5,064,194</b>	<b>1,044,777</b>	<b>14,445,185</b>

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*

	2021			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(22,472,728)	(6,707,136)	(11,405,091)	(40,584,955)
Transfer:				
- to stage 1	(2,260,397)	2,231,133	29,264	-
- to stage 2	860,626	(1,035,247)	174,621	-
- to stage 3	197,102	1,964,229	(2,161,331)	-
Charge	(4,073,969)	(2,630,227)	(8,406,598)	(15,110,794)
Write-offs	-	-	10,299,129	10,299,129
Recoveries	-	-	(1,202,852)	(1,202,852)
Others	10,772	2,707	4,589	18,068
As at 31 December	(27,738,594)	(6,174,541)	(12,668,269)	(46,581,404)

	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)

*The Bank*

	2021			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(22,438,902)	(6,682,974)	(11,398,169)	(40,520,045)
Transfer:				
- to stage 1	(2,253,988)	2,224,724	29,264	-
- to stage 2	860,501	(1,035,122)	174,621	-
- to stage 3	197,102	1,964,156	(2,161,258)	-
Charge	(3,836,422)	(2,621,646)	(8,341,728)	(14,799,796)
Write-offs	-	-	10,283,993	10,283,993
Recoveries	-	-	(1,202,848)	(1,202,848)
Others	10,772	2,707	4,589	18,068
As at 31 December	(27,460,937)	(6,148,155)	(12,611,536)	(46,220,628)

	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)



## (ii) Loans and advances to customers measured at FVOCI

*The Group and The Bank*

	2021			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(1,347,503)	(8,101)	-	(1,355,604)
Transfer:				
- to stage 1	(9,135)	9,135	-	-
- to stage 2	9,055	(9,055)	-	-
- to stage 3	-	-	-	-
Charge/(Reverse)	(317,715)	(24,127)	-	(341,842)
As at 31 December	(1,665,298)	(32,148)	-	(1,697,446)

	2020			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
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)

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 2021	31 December 2020	31 December 2021	31 December 2020
Financial investments measured at FVTPL	(a)	266,871,583	244,914,470	212,726,347	217,780,476
Financial investments measured at amortised cost	(b)	531,606,371	507,528,658	530,372,487	506,611,957
Financial investments measured at FVOCI	(c)	119,554,477	93,269,900	119,554,477	93,269,900
Financial investments designated at FVOCI	(d)	216,938	194,970	216,938	194,970
Total		918,249,369	845,907,998	862,870,249	817,857,303



## (a) Financial investments measured at FVTPL

Analysed by type of issuer and geographical location

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Debt instruments				
Issued in mainland China:				
- Government	1,654,605	5,669,568	1,651,502	4,234,591
- Policy banks	41,123,202	10,553,986	1,893,069	1,749,157
- Banks and other financial institutions	6,146,378	8,328,404	1,557,318	2,515,863
- Other institutions	17,098,132	12,405,290	16,387,525	11,756,403
Sub-total	66,022,317	36,957,248	21,489,414	20,256,014
Issued outside mainland China				
- Government	236,551	-	236,551	-
- Policy banks	715,212	-	715,212	-
- Banks and other financial institutions	6,467,297	4,504,500	6,467,297	4,504,500
- Other institutions	1,585,089	210,693	1,585,089	210,693
Sub-total	9,004,149	4,715,193	9,004,149	4,715,193
Sub-total of debt instruments	75,026,466	41,672,441	30,493,563	24,971,207
Fund investments	144,228,617	135,197,054	143,793,129	129,211,784
Wealth management products	26,896,379	49,048,939	26,452,880	48,658,070
Asset-backed securities	3,349,369	2,258,499	3,334,019	1,795,578
Asset management and trust fund	2,128,817	1,715,220	2,128,817	1,352,248
Equity investments	389,717	443,869	389,717	443,869
Other investments	14,852,218	14,578,448	6,134,222	11,347,720
Total	266,871,583	244,914,470	212,726,347	217,780,476

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



## (b) Financial investments measured at amortised cost

## (i) Analysed by type of issuer and geographical location

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Debt instruments				
Issued in mainland China:				
- Government	309,999,924	252,446,052	308,690,406	251,746,975
- Policy banks	17,551,128	19,971,416	17,551,128	19,971,416
- Banks and other financial institutions	2,050,000	2,269,927	2,050,000	2,269,927
- Other institutions	13,327,469	6,961,250	13,467,469	6,736,144
Sub-total	342,928,521	281,648,645	341,759,003	280,724,462
Issued outside mainland China				
- Policy banks	95,230	-	95,230	-
- Banks and other financial institutions	2,076,736	-	2,076,736	-
- Other institutions	20,063,760	15,549,946	20,063,760	15,549,946
Sub-total	22,235,726	15,549,946	22,235,726	15,549,946
Sub-total of debt instruments	365,164,247	297,198,591	363,994,729	296,274,408
Asset management and trust fund	126,559,230	171,788,957	126,559,230	171,803,407
Asset-backed securities	35,467,979	27,814,628	35,467,979	27,814,628
Other investments	15,590,503	18,423,026	15,540,730	18,351,430
Sub-total	542,781,959	515,225,202	541,562,668	514,243,873
Accrued interest	5,749,845	5,635,886	5,735,108	5,628,652
Less: Provision for impairment losses	(16,925,433)	(13,332,430)	(16,925,289)	(13,260,568)
Total	531,606,371	507,528,658	530,372,487	506,611,957

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*

	2021			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(4,050,069)	(4,356,238)	(4,926,123)	(13,332,430)
Transfer:				
- to stage 1	(158,331)	158,331	-	-
- to stage 2	2,489,612	(2,489,612)	-	-
- to stage 3	65,045	573,987	(639,032)	-
Charge/(Reverse)	(6,602,286)	(217,114)	2,102,633	(4,716,767)
Written-offs and transfer out and other movements	231,761	144	891,859	1,123,764
As at 31 December	(8,024,268)	(6,330,502)	(2,570,663)	(16,925,433)

	2020			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
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)



*The Bank*

	2021			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(4,049,803)	(4,356,238)	(4,854,527)	(13,260,568)
Transfer:				
- to stage 1	(158,331)	158,331	-	-
- to stage 2	2,489,612	(2,489,612)	-	-
- to stage 3	65,045	573,987	(639,032)	-
Charge/(Reverse)	(6,602,408)	(217,114)	2,102,635	(4,716,887)
Written-offs and transfer out and other movements	231,761	144	820,261	1,052,166
As at 31 December	(8,024,124)	(6,330,502)	(2,570,663)	(16,925,289)

	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)

## (c) Financial investments measured at FVOCI

(i) Analysed by type of issuer and geographical location

*The Group and the Bank*

	31 December 2021	31 December 2020
Debt instruments		
Issued in mainland China:		
- Government	32,405,733	36,174,777
- Policy banks	34,579,084	26,430,764
- Banks and other financial institutions	9,176,985	8,041,088
- Other institutions	17,928,647	5,955,757
Sub-total	94,090,449	76,602,386
Issued outside mainland China		
- Policy banks	175,972	-
- Commercial banks and other financial institutions	4,073,310	313,286
- Other institutions	18,758,225	14,203,081
Sub-total	23,007,507	14,516,367
Sub-total of debt instruments	117,097,956	91,118,753
Asset-backed securities	736,179	624,796
Other investments	-	67,651
Sub-total	117,834,135	91,811,200
Accrued interest	1,720,342	1,458,700
Total	119,554,477	93,269,900

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*

	2021			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(78,219)	(10,785)	(189,353)	(278,357)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Charge/(Reverse)	(468,914)	(18,241)	(155,459)	(642,614)
Written-offs and transfer out and other movements	-	-	11,250	11,250
As at 31 December	(547,133)	(29,026)	(333,562)	(909,721)



	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)	-
Charge/(Reverse)	(400,459)	(99,245)	298,063	(201,641)
As at 31 December	(78,219)	(10,785)	(189,353)	(278,357)

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 2021	31 December 2020
Equity investments	216,938	194,970

The Group designates non-trading equity investments as financial investments measured at FVOCI. During the year, dividend income recognised for such equity investments was RMB6.53 million (2020: RMB4.56 million).

#### (8) Long-term receivables

##### *The Group*

	31 December 2021	31 December 2020
Finance leases	41,616,788	62,408,345
Including: Unearned finance income	(3,584,770)	(6,077,892)
Finance leasing receivables	38,032,018	56,330,453
Leaseback receivables after sale	28,712,279	N/A
Sub-total	66,744,297	56,330,453
Less: Provision for impairment losses	(3,139,644)	(2,706,788)
Carrying amount	63,604,653	53,623,665

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

	31 December 2021			31 December 2020		
	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables
Overdue	446,505	(58,930)	387,575	482,275	(67,339)	414,936
Within 1 year	17,822,994	(1,576,930)	16,246,064	22,167,032	(2,411,597)	19,755,435
1 year to 2 years	13,509,488	(1,146,093)	12,363,395	17,481,301	(1,965,440)	15,515,861
2 years to 3 years	6,426,467	(438,418)	5,988,049	13,477,150	(1,080,376)	12,396,774
3 years to 5 years	2,521,364	(202,625)	2,318,739	8,061,850	(471,544)	7,590,306
Above 5 years	889,970	(161,774)	728,196	738,737	(81,596)	657,141
Total	41,616,788	(3,584,770)	38,032,018	62,408,345	(6,077,892)	56,330,453

## (9) Long-term equity investments

*The Bank*

	31 December 2021	31 December 2020
Investments in subsidiaries		
Suyin Finance Leasing	2,460,000	2,460,000
Suyin Wealth Management	2,000,000	2,000,000
Suyin KGI Consumer Finance	1,410,600	-
Suyin Rural Bank	73,800	73,800
Carrying amount	5,944,400	4,533,800

## Movements of Long-term equity investments:

Investments in subsidiaries	31 December 2021			
	Balance at 1 January	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	2,000,000	-	2,000,000	-
Suyin KGI Consumer Finance	-	1,410,600	1,410,600	-
Suyin Rural Bank	73,800	-	73,800	-
Total	4,533,800	1,410,600	5,944,400	-

Investments in subsidiaries	31 December 2020			
	Balance at 1 January	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 Rural Bank	73,800	-	73,800	-
Total	2,533,800	2,000,000	4,533,800	-

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
<b>Cost</b>						
As at 1 January 2021	7,131,733	242,392	761,648	264,186	903,619	9,303,578
Additions	260,240	1,607,687	86,390	644,675	212,095	2,811,087
Transfers in/(out) of construction in progress	777,056	(777,056)	-	-	-	-
Disposals	(267,923)	(879)	(87,590)	(12,071)	(31,633)	(400,096)
As at 31 December 2021	7,901,106	1,072,144	760,448	896,790	1,084,081	11,714,569
<b>Accumulated depreciation</b>						
As at 1 January 2021	(2,762,736)	-	(602,124)	(78,933)	(627,559)	(4,071,352)
Charge for the year	(351,970)	-	(76,410)	(23,069)	(72,355)	(523,804)
Disposals	52,244	-	82,516	11,409	29,006	175,175
As at 31 December 2021	(3,062,462)	-	(596,018)	(90,593)	(670,908)	(4,419,981)
<b>Provision for impairment loss</b>						
As at 1 January 2021	(4,780)	-	-	-	-	(4,780)
Disposals	70	-	-	-	-	70
As at 31 December 2021	(4,710)	-	-	-	-	(4,710)
<b>Carrying amount</b>						
As at 1 January 2021	4,364,217	242,392	159,524	185,253	276,060	5,227,446
As at 31 December 2021	4,833,934	1,072,144	164,430	806,197	413,173	7,289,878



	Premises and buildings	Construction in progress	Electronic equipment	Motor vehicles	Other equipment	Total
<b>Cost</b>						
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	7,131,733	242,392	761,648	264,186	903,619	9,303,578
<b>Accumulated depreciation</b>						
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	(2,762,736)	-	(602,124)	(78,933)	(627,559)	(4,071,352)
<b>Provision for impairment loss</b>						
As at 1 January 2020	(4,780)	-	-	-	-	(4,780)
As at 31 December 2020	(4,780)	-	-	-	-	(4,780)
<b>Carrying amount</b>						
As at 1 January 2020	4,047,365	812,043	153,331	32,261	282,040	5,327,040
As at 31 December 2020	4,364,217	242,392	159,524	185,253	276,060	5,227,446

As at 31 December 2021, there was no significant amounts of temporarily idle fixed assets (as at 31 December 2020: Nil).

As at 31 December 2021, title deeds were not yet finalised for the Group's premises and buildings with the book value of RMB13 million (as at 31 December 2020: RMB28 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 2021, 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 RMB1,012 million (as at 31 December 2020: RMB279 million).



## (11) Intangible assets

*The Group*

	Land use right	Software	Total
Cost			
As at 1 January 2021	746,194	472,142	1,218,336
Additions	-	67,434	67,434
Disposals	(1,813)	-	(1,813)
As at 31 December 2021	744,381	539,576	1,283,957
Accumulated amortization			
As at 1 January 2021	(199,474)	(419,497)	(618,971)
Charge for the year	(18,809)	(56,925)	(75,734)
Disposals	456	-	456
As at 31 December 2021	(217,827)	(476,422)	(694,249)
Provision for impairment loss			
As at 1 January 2021	(160)	-	(160)
As at 31 December 2021	(160)	-	(160)
Carrying amount			
As at 1 January 2021	546,560	52,645	599,205
As at 31 December 2021	526,394	63,154	589,548

	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

**(12) Deferred tax assets and liabilities****(a) Analysed by nature***The Group*

## Deferred tax assets

		31 December 2021				
	Note	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
Provision for Impairment losses		58,441,916	14,610,479	-	-	14,610,479
Employees benefits payable		3,209,512	802,378	-	-	802,378
Fair value change		-	-	(2,496,370)	(624,093)	(624,093)
Others	(i)	1,917,228	479,307	(411,280)	(102,820)	376,487
<b>Total</b>		<b>63,568,656</b>	<b>15,892,164</b>	<b>(2,907,650)</b>	<b>(726,913)</b>	<b>15,165,251</b>

		31 December 2020				
	Note	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
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
<b>Total</b>		<b>56,986,433</b>	<b>14,246,608</b>	<b>(360,581)</b>	<b>(90,145)</b>	<b>14,156,463</b>

(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	2021			
		1 January 2021	Recognised in profit or loss	Recognised in equity	31 December 2021
Deferred tax					
- Provision for Impairment losses	(i)	13,364,335	1,789,446	(543,302)	14,610,479
- Employee benefits Payables		637,461	164,917	-	802,378
- Fair value change	(ii)	(90,145)	(286,903)	(247,045)	(624,093)
- Others		244,812	131,675	-	376,487
Net balance		14,156,463	1,799,135	(790,347)	15,165,251

	Note	2020			
		1 January 2020	Recognised in profit or loss	Recognised in equity	31 December 2020
Deferred tax					
- Provision for Impairment losses	(a)	8,860,157	4,658,975	(154,797)	13,364,335
- Employee benefits Payables		558,220	79,241	-	637,461
- Fair value change	(b)	(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

(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 2021	31 December 2020
Settlement and liquidation		3,819,081	4,400,258
Right-of-use assets	(a)	1,419,663	N/A
Cash paid as collateral		436,251	267,718
Long-term deferred expenses	(b)	376,509	294,565
Tax assets		201,490	46,272
Other receivables	(c)	187,201	101,070
Prepayments	(d)	140,768	681,822
Interest receivables		9,844	208,002
Debt-expiated assets		6,303	6,303
Total		6,597,110	6,006,010

## (a) Right-of-use assets

*The Group*

	Plant & buildings
Cost	
Balance at the beginning of the year	1,425,577
Additions during the year	399,228
Balance at the end of the year	1,824,805
Accumulated depreciation	
Balance at the beginning of the year	-
Charge for the year	(405,142)
Balance at the end of the year	(405,142)
Provision for impairment	
2021.1.1-2021.12.31	-
Carrying amounts	
At the beginning of the year	1,425,577
At the end of the year	1,419,663

## (b) Long-term deferred expenses

*The Group*

	2021					
	As at 1 January	The impact of the new lease standard at the beginning of the year	Additions	Amortisation charged for the year	Other decreases	As at 31 December
Long-term deferred expenses	294,565	(25,671)	266,478	(158,795)	(68)	376,509

	2020 年				
	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

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

## (c) Other receivables analysed by aging schedules

*The Group*

	31 December 2021	31 December 2020
Within 1 year (inclusive)	154,659	70,272
Over 1 year but within 2 years (inclusive)	22,322	42,542
Over 2 years but within 3 years (inclusive)	12,655	25,205
Over 3 years	100,856	131,612
Sub-total	290,492	269,631
Less: Provision for bad and doubtful debts	(103,291)	(168,561)
Total	187,201	101,070



(d) Prepayments mainly included decoration, communication fees and other system works.

(e) Debt-expiated assets mainly included premises and buildings. As at 31 December 2021, the Group and the Bank's provision for impairment losses for debt-expiated assets is Nil. (as at 31 December 2020: Nil).

#### (14) Provision for impairment losses

##### The Group

Impaired items	Note	2021			
		As at 1 January 2021	Charge / (Recoveries) for the year	Write-off and others	As at 31 December 2021
Deposits with banks and other financial institutions	5(2)	1,145,616	(252,061)	(785,037)	108,518
Placements with banks and other financial institutions	5(3)	563,349	(95,756)	(3,254)	464,339
Financial assets held under resale agreements	5(5)	431,598	(374,424)	-	57,174
Loans and advances to customers measured at amortised cost	5(6)	40,584,955	15,110,794	(9,114,345)	46,581,404
Loans and advances to customers measured at FVTOCI	5(6)	1,355,604	341,842	-	1,697,446
Financial investments measured at amortised cost	5(7)	13,332,430	4,716,767	(1,123,764)	16,925,433
Financial investments measured at FVOCI	5(7)	278,357	642,614	(11,250)	909,721
Long-term receivables	5(8)	2,706,788	848,884	(416,028)	3,139,644
Fixed assets	5(10)	4,780	-	(70)	4,710
Intangible assets	5(11)	160	-	-	160
Other assets	5(13)	168,561	55,259	(120,529)	103,291
<b>Total</b>		<b>60,572,198</b>	<b>20,993,919</b>	<b>(11,574,277)</b>	<b>69,991,840</b>

Impaired items	Note	2020			
		As at 1 January 2020	Charge / (Recoveries) for the year	Write-off and others	As at 31 December 2020
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
<b>Total</b>		<b>47,380,262</b>	<b>22,290,112</b>	<b>(9,098,176)</b>	<b>60,572,198</b>

*The Bank*

	Note	2021			
		As at 1 January 2021	Charge /(Recoveries) for the year	Write-off and others	As at 31 December 2021
Impaired items					
Deposits with banks and other financial institutions	5(2)	1,145,134	(253,200)	(785,037)	106,897
Placements with banks and other financial institutions	5(3)	563,329	(95,756)	(3,254)	464,319
Financial assets held under resale agreements	5(5)	431,589	(374,424)	-	57,165
Loans and advances to customers measured at amortised cost	5(6)	40,520,045	14,799,796	(9,099,213)	46,220,628
Loans and advances to customers measured at FVTOCI	5(6)	1,355,604	341,842	-	1,697,446
Financial investments measured at amortised cost	5(7)	13,260,568	4,716,887	(1,052,166)	16,925,289
Financial investments measured at FVOCI	5(7)	278,357	642,614	(11,250)	909,721
Fixed assets		4,780	-	(70)	4,710
Intangible assets		160	-	-	160
Other assets		166,272	53,671	(119,276)	100,667
Total		57,725,838	19,831,430	(11,070,266)	66,487,002

	Note	2020			
		As at 1 January 2020	Charge /(Recoveries) for the year	Write-off and others	As at 31 December 2020
Impaired items					
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

**(15) Deposits from banks and other financial institutions**

Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
In mainland China				
- Banks	11,333,598	19,004,215	12,175,467	19,087,622
- Other financial institutions	165,071,623	105,467,946	165,071,623	105,540,588
Sub-total	176,405,221	124,472,161	177,247,090	124,628,210
Accrued interest	1,146,949	757,800	1,147,987	757,892
Total	177,552,170	125,229,961	178,395,077	125,386,102



## (16) Borrowings from banks and other financial institutions

Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
In mainland China				
- Banks	62,840,072	44,251,556	21,233,428	13,357,556
- Other financial institutions	3,610,000	3,700,000	-	-
Sub-total	66,450,072	47,951,556	21,233,428	13,357,556
Outside mainland China				
- Banks	4,418,335	3,110,093	4,418,335	3,110,093
Sub-total	70,868,407	51,061,649	25,651,763	16,467,649
Accrued interest	698,728	410,768	173,051	97,310
Total	71,567,135	51,472,417	25,824,814	16,564,959

## (17) Financial liabilities held for trading

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Non-controlling interests in consolidated structured entities	(a)	204,167	303,527	-	-
Financial liabilities related to precious metals		49,926	40,504	49,926	40,504
Total		254,093	344,031	49,926	40,504

(a) Non-controlling interests in consolidated structured entities is classified as measured at fair value through profit or loss ("FVTPL"). As at 31 December 2021, 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 2021	31 December 2020	31 December 2021	31 December 2020
Securities				
- Government bonds	23,115,686	6,422,972	5,299,850	2,100,000
- Bank and other financial institution bonds	1,977,199	-	1,977,199	-
- Other bonds	4,120,000	-	4,120,000	-
Commercial bills	10,000,524	6,063,999	10,000,524	6,063,999
Sub-total	39,213,409	12,486,971	21,397,573	8,163,999
Accrued interest	15,993	429	2,013	429
Total	39,229,402	12,487,400	21,399,586	8,164,428



## (b) Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
In mainland China				
- Central bank	4,120,000	5,865,618	4,120,000	5,865,618
- Banks	33,116,210	6,321,353	15,300,374	1,998,381
- Other financial institutions	-	300,000	-	300,000
Sub-total	37,236,210	12,486,971	19,420,374	8,163,999
Outside mainland China				
- Banks	1,977,199	-	1,977,199	-
Sub-total	1,977,199	-	1,977,199	-
Accrued interest	15,993	429	2,013	429
Total	39,229,402	12,487,400	21,399,586	8,164,428

## (19) Deposits from customers

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Demand deposits				
- Corporate customers	394,930,625	366,686,784	394,812,525	366,424,070
- Individual customers	81,803,215	80,893,653	81,777,511	80,865,141
Sub-total	476,733,840	447,580,437	476,590,036	447,289,211
Time deposits (include call deposits)				
- Corporate customers	523,295,304	498,752,271	522,865,969	498,524,119
- Individual customers	341,314,896	278,442,589	340,909,313	278,124,104
Sub-total	864,610,200	777,194,860	863,775,282	776,648,223
Pledged deposits				
- Bank acceptances	53,896,865	34,411,855	53,894,532	34,404,855
- Letters of credit	10,421,883	4,533,207	10,421,883	4,533,207
- Letters of Guarantee	4,673,544	4,200,418	4,673,544	4,200,418
- Guarantees	3,611,364	4,604,755	3,611,364	4,604,755
- Others	25,360,609	27,738,823	25,360,609	27,738,623
Sub-total	97,964,265	75,489,058	97,961,932	75,481,858
Treasury Deposit	11,358,000	3,615,000	11,358,000	3,615,000
Outward remittance	340,074	673,603	340,074	673,603
Inward remittance	116,278	229,331	113,308	222,271
Fiscal deposits	93,547	37,495	93,547	37,495
Wealth-management fund	-	1,413,850	-	1,413,850
Sub-total	1,451,216,204	1,306,233,634	1,450,232,179	1,305,381,511
Accrued interest	27,596,156	23,636,203	27,569,495	23,618,390
Total	1,478,812,360	1,329,869,837	1,477,801,674	1,328,999,901



## (20) Employee benefits payable

*The Group*

	Note	31 December 2021	31 December 2020
Short-term employee benefits	(a)	3,567,311	3,878,804
Post-employment benefits - defined contribution plans	(b)	17,145	15,091
Termination benefits		592,401	599,064
Other long-term employee benefits	(c)	4,264,881	2,647,447
<b>Total</b>	<b>(d)</b>	<b>8,441,738</b>	<b>7,140,406</b>

## (a) Short-term employee benefits

	2021			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Salaries, bonuses, allowances	3,815,675	4,548,762	(4,842,695)	3,521,742
Staff welfare	-	454,705	(454,705)	-
Social insurance				
- Medical insurance	18,701	288,527	(306,408)	820
- Work-related injury insurance	1,626	5,658	(5,861)	1,423
- Maternity insurance	3,107	22,315	(19,722)	5,700
Housing fund	2,585	437,559	(437,484)	2,660
Labour union fee, staff and workers' education fee	37,110	132,479	(134,623)	34,966
<b>Total</b>	<b>3,878,804</b>	<b>5,890,005</b>	<b>(6,201,498)</b>	<b>3,567,311</b>

	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
<b>Total</b>	<b>3,714,631</b>	<b>5,781,016</b>	<b>(5,616,843)</b>	<b>3,878,804</b>

## (b) Post-employment benefits – defined contribution plans

	2021			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Basic pension insurance	5,551	492,149	(487,940)	9,760
Unemployment insurance	2,362	15,197	(15,008)	2,551
Annuity and supplemental pension insurance	7,178	399,262	(401,606)	4,834
<b>Total</b>	<b>15,091</b>	<b>906,608</b>	<b>(904,554)</b>	<b>17,145</b>

	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
<b>Total</b>	<b>30,778</b>	<b>511,838</b>	<b>(527,525)</b>	<b>15,091</b>

## (c) Other long-term employee benefits

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

## (21) Taxes payable

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Income tax payable	6,158,769	5,214,771	5,761,536	4,922,076
Value-added tax and surcharges payable	1,255,925	1,263,423	1,241,888	1,261,096
Others	74,456	68,207	71,447	67,365
<b>Total</b>	<b>7,489,150</b>	<b>6,546,401</b>	<b>7,074,871</b>	<b>6,250,537</b>

## (22) Estimated Liabilities

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Provision for credit commitments impairment losses	1,879,599	593,425	1,879,529	593,385
Provision for estimated liabilities on unresolved litigations and disputes	3,883	67,157	3,883	67,157
<b>Total</b>	<b>1,883,482</b>	<b>660,582</b>	<b>1,883,412</b>	<b>660,542</b>



## (23) Debt securities issued

Analysed by types of debt securities issued

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Inter-bank certificates of deposits issued	362,605,911	346,725,593	362,605,911	346,725,593
Other financial debts securities issued	29,277,022	23,483,471	23,996,054	18,997,072
Subordinated debts issued	19,997,734	22,997,847	19,997,734	22,997,847
Convertible bonds issued	19,649,581	18,786,718	19,649,581	18,786,718
Sub-total	431,530,248	411,993,629	426,249,280	407,507,230
Accrued interest	1,230,703	1,005,398	1,102,162	923,187
Total	432,760,951	412,999,027	427,351,442	408,430,417

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

### The Group

	Note	2021				
		1 January 2021	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2021
Inter-bank certificates of deposits issued	(a)	346,725,593	452,013,154	(446,200,000)	10,067,164	362,605,911
Other financial debts securities issued	(b)	23,483,471	8,290,122	(2,500,000)	3,429	29,277,022
Subordinated debts issued	(c)	22,997,847	-	(3,000,000)	(113)	19,997,734
Convertible bonds issued	(d)	18,786,718	-	(139)	863,002	19,649,581
Total		411,993,629	460,303,276	(451,700,139)	10,933,482	431,530,248

	Note	2020				
		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)	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

*The Bank*

		2021				
	Note	1 January 2021	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2021
Inter-bank certificates of deposits issued	(a)	346,725,593	452,013,154	(446,200,000)	10,067,164	362,605,911
Other financial debts securities issued	(b)	18,997,072	4,999,696	-	(714)	23,996,054
Subordinated debts issued	(c)	22,997,847	-	(3,000,000)	(113)	19,997,734
Convertible bonds issued	(d)	18,786,718	-	(139)	863,002	19,649,581
<b>Total</b>		<b>407,507,230</b>	<b>457,012,850</b>	<b>(449,200,139)</b>	<b>10,929,339</b>	<b>426,249,280</b>

		2020				
	Note	1 January 2021	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2021
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
<b>Total</b>		<b>356,546,255</b>	<b>468,086,916</b>	<b>(426,760,158)</b>	<b>9,634,217</b>	<b>407,507,230</b>

(a) As at 31 December 2021, the Group and the Bank held 126 unmaturing negotiable certificates of deposit that were issued in the inter-bank market. The maximum maturity is 365 days. The interest rate ranges from 2.52% to 3.25% (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%).

(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 2021	31 December 2020
Fixed rate ordinary financial bonds maturing in August 2021	(i)	-	2,499,413
Fixed rate green financial bonds maturing in April 2022	(ii)	9,996,843	9,997,072
Fixed rate ordinary financial bonds maturing in July 2022	(iii)	4,000,000	4,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(iv)	5,000,000	5,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(v)	1,988,296	1,986,986
Fixed rate ordinary financial bonds maturing in March 2024	(vi)	1,297,637	-
Fixed rate Innovation and entrepreneurship financial bonds maturing in April 2024	(vii)	4,999,210	-
Fixed rate green financial bonds maturing in April 2024	(viii)	1,995,036	-
<b>Total</b>		<b>29,277,022</b>	<b>23,483,471</b>

(i) The bank's subsidiaries, Suyin Finance Leasing issued 3-years fixed interest rate non-bank financial bonds on 22 August 2018, The coupon interest rate per annum is 4.44% and the interest is settled once a year. The bond has been fully paid on schedule due on 22 August 2021.

(ii) The Bank 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.

(iii) 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.

(iv) 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.

(v) The Bank's subsidiary Suyin Finance Leasing issued a 3-years fixed interest rate non-banking ordinary financial bonds on 7 April 2020. The coupon interest rate per annum is 2.90% and the interest is settled once a year.

(vi) The Bank's subsidiary Suyin Finance Leasing issued a 3-years fixed interest rate non-banking ordinary financial bonds on 23 March 2021. The coupon interest rate per annum is 3.65% and the interest is settled once a year.

(vii) The Bank issued 3-years fixed interest rate Innovation and entrepreneurship financial bonds on 12 April 2021. The coupon interest rate per annum is 3.48% and the interest is settled once a year.

(viii) The Bank's subsidiary Suyin Finance Leasing issued a 3-years fixed interest rate non-banking green financial bonds on 21 April 2021. The coupon interest rate per annum is 3.55% 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 2021	31 December 2020
Subordinated fixed rate bonds maturing in September 2026	(i)	-	3,000,000
Subordinated fixed rate bonds maturing in September 2029	(ii)	19,997,734	19,997,847
Total		19,997,734	22,997,847

(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. The Group redeemed all of the bonds on 9 September 2021.

(v) 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 2021	31 December 2020
6-years fixed rate convertible bonds issued in March 2019	19,649,581	18,786,718

Equity and liability components allocation:

	Liability Components	Equity Components	Total
1 January 2021	18,786,718	2,787,881	21,574,599
Amortisation charged for the year	863,002	-	863,002
Convertible bonds conversion during the year	(139)	(20)	(159)
31 December 2021	19,649,581	2,787,861	22,437,442

(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 2021, the latest conversion price was RMB6.37 per share (as at 31 31 December 2020: RMB6.69 per share).

(iv) As at 31 December 2021, RMB691,000 of the convertible corporate bonds were converted into A-shares ordinary shares, with a cumulative number of 95,112 shares. (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.)

## (24) Other liabilities

### *The Group*

	31 December 2021	31 December 2020
Suspense account for clearing	9,260,383	3,832,621
Deposits for financial leasing and fulfilment payment	5,547,284	5,092,222
Lease liabilities	1,244,695	N/A
Contract liabilities	834,541	1,330,087
Dividend payable	75,498	72,310
Others	667,457	569,172
Total	17,629,858	10,896,412



#### (a) Lease liabilities

Analysis of the Group's lease liabilities by maturity date - undiscounted analysis:

	31 December 2021
Within a year	397,328
One to two years	309,493
Two to three years	249,739
Three to five years	255,978
More than five years	139,669
Total undiscounted lease liabilities at December 31, 2021	<u>1,352,207</u>
Lease Liabilities in Consolidated Balance Sheet at December 31, 2021	<u>1,244,695</u>

#### (25) Share capital

##### *The Bank*

	Note	2021	2020
Balance at the beginning of the year		14,769,607	11,544,500
Convertible bonds conversion	(1)	22	23
Rights issue	(2)	-	3,225,084
Balance at the end of the year		<u>14,769,629</u>	<u>14,769,607</u>

As referred to in Note 5(23)(4), approved by the China Banking and Insurance Regulatory Commission and other relevant agencies, the Bank issued RMB200 billion of A-shares convertible corporate bonds publicly on March 14, 2019. In 2021, the convertible corporate bonds of Bank of Jiangsu with a par value of RMB143,000 were converted into A-share common shares, with 22,141 shares (from March 14, 2019 (the issue date) to 31 December 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).

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.

#### (26) Other equity instruments

##### *The Group and the Bank*

	Note	31 December 2021	31 December 2020
Preference shares	(1)	19,977,830	19,977,830
Perpetual bonds	(2)	19,996,928	19,996,928
Equity components of convertible bonds issued	5(22)(d)	<u>2,787,861</u>	<u>2,787,881</u>
Total		<u>42,762,619</u>	<u>42,762,639</u>



## (1) Preference shares

(a) 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						<u>19,978</u>			

## (b) Major terms

## (i) 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.

## (ii) 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.

## (iii) 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.

## (iv) 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.

## (v) 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.

## (vi) 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.

(vii) 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).

(c) 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

(a) 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						(3)			
Book value						19,997			

(b) 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.

(c) Changes in perpetual bonds outstanding:

There was no change in the perpetual bonds outstanding issued by the Bank during the year.

Please refer to Note 5(31) for the interest payment of the Bank to the holders of the Bank's perpetual bonds

(3) Relevant information of amounts attributable to holders of equity instruments

	2021	2020
Equity attributable to shareholders of the Bank	192,227,078	178,037,739
- Equity attributable to ordinary shareholders of the Bank	152,252,320	138,062,981
- Equity attributable to holders of the Bank's other equity instruments	39,974,758	39,974,758
Equity attributable to non-controlling shareholders	5,828,670	4,041,534
- Equity attributable to non-controlling ordinary shareholders	5,828,670	4,041,534
- Equity attributable to non-controlling shareholders of other equity instruments	-	-

## (27) Capital reserve

### The Group

	2021		
	As at 1 January 2021	Additions during the year (Note 1/2)	As at 31 December 2021
Share premium	27,699,318	295	27,699,613

	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

### The Bank

	2021 年		
	As at 1 January 2021	Additions during the year (Note 1/2)	As at 31 December 2021
Share premium	27,619,538	137	27,619,675

	2020 年		
	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



(a) In 2021, Suyin KGI Consumer Finance 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 KGI Consumer Finance was approximately RMB158,000, which was included in the capital reserve.

(b) As referred to in Note 5(25), approved by the China Banking and Insurance Regulatory Commission and other relevant agencies, the Bank issued RMB200 billion of A-shares convertible corporate bonds publicly on March 14, 2019. From the issue date to 31 December 2021, the convertible corporate bonds with par value of RMB143,000 were converted into A-shares ordinary shares, with a cumulative number of 22,141 shares and share premium RMB137,000. (From the issue date to 31 December 2020, the convertible corporate bonds with par value of RMB170,000 were converted into A-shares ordinary shares, with a cumulative number of 22,990 shares and share premium RMB158,000).

(c) 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. 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 RMB147.74 billion. The Bank recognised the corresponding equity premium according to the VAT input tax certification of issuance expenses.

## (28) Other comprehensive income

### *The Group and the Bank*

	2021						
	As at 1 January 2021	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	(34,638)	21,968	-	(5,492)	16,476	-	(18,162)
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	113,864	1,283,438	(526,388)	(241,553)	515,497	-	629,361
- Provision on credit loss of the financial investments measured at FVOCI	1,225,471	973,206	-	(543,302)	429,904	-	1,655,375
<b>Total</b>	<b>1,304,697</b>	<b>2,278,612</b>	<b>(526,388)</b>	<b>(790,347)</b>	<b>961,877</b>	<b>-</b>	<b>2,266,574</b>

	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
<b>Total</b>	<b>1,644,851</b>	<b>(252,869)</b>	<b>(213,181)</b>	<b>125,896</b>	<b>(340,154)</b>	<b>-</b>	<b>1,304,697</b>

**(29) Surplus reserve***The Group and the Bank*

	Statutory surplus reserve	Discretionary surplus reserve	Total
As at 1 January 2020	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
Appropriation	1,463,433	1,463,433	2,926,866
As at 31 December 2021	11,280,563	11,505,699	22,786,262

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	
	2021	2020	2021	2020
As at 1 January	32,381,679	28,385,510	31,585,692	27,754,420
Appropriation	4,833,428	3,996,169	4,645,458	3,831,272
As at 31 December	37,215,107	32,381,679	36,231,150	31,585,692

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 14<sup>th</sup> meeting of the 5<sup>th</sup> board of directors of the Bank on 2021-10-29 the bank distribute RMB10.40 billion to preference shareholders at RMB 5.20 (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 2021-5-21 the shareholders approved the



following profit appropriations for the year ended 31 December 2020:

- 10% of the profit after tax for the statutory surplus reserve of year 2020;
- 10% of the profit after tax for the discretionary surplus reserve of year 2020;
- RMB 38.31 billion for the general reserve; and
- RMB 3.16 per 10 shares (before tax), with the aggregate amount of RMB 46.67 billion as cash dividend to the registered shareholders

(c) The bank distribute RMB 7.6 billion to perpetual bond on 3.80% dividend rate on 2021-4-1.

(d) In accordance with the resolution of the 6<sup>th</sup> meeting of the 5<sup>th</sup> board of directors of the Bank on 20 November 2020 the bank distribute RMB10.04 billion to preference shareholders at RMB5.20 (including tax) per share based on 5.20% dividend rate.

(e) 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

### (32) Net interest income

	The Group		The Bank	
	2021	2020	2021	2020
Loans and advances to customers				
- Corporate loans and advances	32,769,641	30,866,124	32,701,882	30,798,211
- Individual loans and advances	34,716,553	27,069,345	33,674,589	27,055,392
- Discounted bills	2,211,703	2,569,250	2,211,703	2,569,250
Investment in debt instruments	25,835,531	23,908,608	25,808,629	23,910,049
Long-term receivable	4,291,223	4,054,019	-	-
Deposits with central bank	2,179,852	2,109,684	2,178,799	2,108,668
Placements with banks and other financial institutions	1,668,315	832,614	1,864,019	919,808
Financial assets held under resale agreements	602,958	509,129	599,896	501,509
Deposits with banks and other financial institutions	595,706	484,852	551,393	475,047
Interest income	104,871,482	92,403,625	99,590,910	88,337,934
Deposits from customers				
- Corporate customers	(21,275,131)	(22,047,970)	(21,264,952)	(22,040,112)
- Individual customers	(11,863,490)	(10,417,145)	(11,849,631)	(10,406,315)
Debt securities issued	(13,396,125)	(11,916,150)	(13,176,941)	(11,760,825)
Borrowings from central bank	(5,455,259)	(4,659,157)	(5,450,367)	(4,656,174)
Deposits from banks and other financial institutions	(4,179,003)	(3,753,072)	(4,182,793)	(3,758,571)
Placements from banks and other financial institutions	(2,190,202)	(1,562,109)	(753,131)	(515,360)
Financial assets sold under repurchase agreements	(932,055)	(1,015,950)	(926,574)	(1,000,775)
Others	(100,526)	(45,557)	(99,834)	(45,557)
Interest expense	(59,391,791)	(55,417,110)	(57,704,223)	(54,183,689)
Net interest income	45,479,691	36,986,515	41,886,687	34,154,245

**(33) Net fee and commission income**

	The Group		The Bank	
	2021	2020	2021	2020
Agency service fees	6,174,275	4,410,474	5,523,461	4,391,359
Custodian and other fiduciary service fees	956,798	650,327	956,798	650,327
Credit commitment fees	788,414	446,024	788,381	445,966
Bank card fees	165,984	84,593	165,967	84,577
Settlement and clearing fees	56,140	53,176	56,116	53,141
Advisory service fees	6,325	5,665	6,325	5,665
Others	42,474	43,897	41,929	43,004
Fee and commission income	8,190,410	5,694,156	7,538,977	5,674,039
Bank card charges	(52,295)	(46,633)	(52,283)	(46,622)
Settlement and clearing charges	(241,808)	(158,415)	(241,806)	(158,412)
Others	(406,189)	(132,586)	(147,064)	(120,778)
Fee and commission expense	(700,292)	(337,634)	(441,153)	(325,812)
Net fee and commission income	7,490,118	5,356,522	7,097,824	5,348,227

**(34) Investment gains**

	The Group		The Bank	
	2021	2020	2021	2020
Net gains/(losses) during the period in which financial instruments are held				
- Financial investments measured at FVTPL	7,905,349	8,037,777	7,849,698	8,037,991
- Financial investments designated at FVOCI	6,533	4,564	6,533	4,564
Net gains/(losses) from disposal of financial instruments				
- Loans and advances measured at FVOCI	217,128	230,873	217,128	230,873
- Derivative financial instruments	190,558	29,175	190,558	29,175
- Debt investments	60,458	19,282	60,458	19,282
- Financial investments measured at FVOCI	309,260	(17,692)	309,260	(17,692)
- Financial assets held for trading	(185,500)	(21,251)	(187,366)	(59,974)
Long-term equity investments at amortised cost	-	-	123,000	164,000
Total	8,503,786	8,282,728	8,569,269	8,408,219

**(35) Net gains/(losses) from changes in fair value**

	The Group		The Bank	
	2021	2020	2021	2020
Financial assets held for trading	1,350,532	451,901	1,316,632	493,355
Derivatives	(43,715)	62,503	(43,715)	62,503
Total	1,306,817	514,404	1,272,917	555,858



## (36) General and administrative expenses

	The Group		The Bank	
	2021	2020	2021	2020
Staff costs				
- Salaries and bonuses	6,635,563	6,003,955	6,369,903	5,908,142
- Social insurance and supplemental pension insurance	1,223,109	779,457	1,197,572	767,688
- Other welfare	1,030,460	1,513,228	1,002,596	1,500,573
Sub-total	8,889,132	8,296,640	8,570,071	8,176,403
Premises and equipment expenses				
- Depreciation and amortisation	1,125,145	700,623	1,101,925	696,167
- Rental and property management expenses	167,468	581,608	165,736	575,522
- Utility charges	70,387	66,547	69,330	66,113
- Others	366,192	312,841	342,347	302,647
Sub-total	1,729,192	1,661,619	1,679,338	1,640,449
Other general and administrative expenses	3,688,954	2,246,505	3,625,442	2,217,975
Total	14,307,278	12,204,764	13,874,851	12,034,827

## (37) Impairment losses on credit

	The Group		The Bank	
	2021	2020	2021	2020
Loans and advances measured at amortised cost	15,110,794	15,380,150	14,799,796	15,316,055
Financial investments measured at amortised cost	4,716,767	4,013,325	4,716,887	3,977,261
Provision	1,286,174	98,923	1,286,144	98,927
Long-term receivable	848,884	1,039,202	-	-
Financial investments measured at FVOCI	642,614	201,641	642,614	201,641
Loans and advances measured at FVOCI	341,842	417,546	341,842	417,546
Other assets	55,259	51,812	53,671	50,747
Placements with inter-banks and other financial institutions	(95,756)	467,498	(95,756)	467,478
Deposits with inter-banks and other financial institutions	(252,061)	299,964	(253,200)	299,635
Financial assets held under resale agreements	(374,424)	418,974	(374,424)	419,020
Total	22,280,093	22,389,035	21,117,574	21,248,310

## (38) Income tax expense

## (a) Income tax expense

	本集团		本行	
	2021年	2020年	2021年	2020年
Current tax	7,627,840	5,937,413	6,800,465	5,365,380
Deferred tax	(1,799,135)	(5,169,139)	(1,570,965)	(4,988,028)
Adjustments for tax filling and previous year	237,892	359,989	215,802	356,855
Total	6,066,597	1,128,263	5,445,302	734,207



## (b) Reconciliations between income tax expense and accounting profit:

	Note	The Group		The Bank	
		2021	2020	2021	2020
Profit before tax		26,475,857	16,748,006	24,109,945	15,368,538
Expected income tax at statutory tax rate of 25%		6,618,964	4,187,002	6,027,486	3,842,135
Tax effect of non-taxable income	(i)	(3,799,004)	(3,272,514)	(3,824,231)	(3,308,244)
Tax effect of non-deductible expenses	(ii)	3,104,234	99,105	3,104,159	92,004
Adjustments for tax filling and prior years		142,403	114,670	137,888	108,312
Income tax expense		6,066,597	1,128,263	5,445,302	734,207

(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	2021	2020
Net Profit attributable to shareholders of the Bank	(i)	17,894,365	14,025,745
Weighted average issued ordinary shares (in thousands)	(ii)	14,769,617	11,544,508
Basic and diluted earnings per share (in RMBYuan)		1.21	1.21

(i) Consolidated net profit attributable to ordinary shareholders of the Bank is calculated as follows:

	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Bank	19,694,365	15,065,745
Effect of preferred stock dividend announcement	(1,040,000)	(1,040,000)
Effect of Perpetual bonds interest announcement	(760,000)	-
Consolidated net profit attributable to ordinary shareholders of the Bank	17,894,365	14,025,745

(ii) Weighted average number of ordinary shares is calculated as follows:

	2021	2020
Issued ordinary shares at the beginning of the year (in thousands)	14,769,607	11,544,500
Effect of conversion of convertible bonds (in thousands)	10	8
Weighted average number of ordinary shares at the end of the year (in thousands)	14,769,617	11,544,508



## (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	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	(i)	18,712,792	14,771,647
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	(ii)	17,759,050	14,189,938
Diluted earnings per share (in RMB Yuan)		1.05	1.04

(i) Consolidated net profit attributable to ordinary shareholders of the Bank (diluted) is calculated as follows:

	2021	2020
Consolidated net profit attributable to ordinary shareholders	17,894,365	14,025,745
Diluted adjustments:		
After tax effect of effective interest on the liability component of convertible bonds	818,427	745,902
Consolidated net profit attributable to ordinary shareholders (diluted)	18,712,792	14,771,647

(ii) Weighted average number of the Bank's ordinary shares (diluted) is calculated as follows:

	2021	2020
Weighted average number of ordinary shares	14,769,617	11,544,508
Diluted adjustments:		
Effect of conversion of convertible bonds (in thousands)	2,989,433	2,645,430
Weighted average number of ordinary shares (diluted) (in thousands)	17,759,050	14,189,938

**(40) Note to the statement of cash flow****(a) Reconciliation of net profit to cash flows from operating activities:**

	The Group		The Bank	
	2021	2020	2021	2020
Net Profit	20,409,260	15,619,743	18,664,643	14,634,331
Add/(minus) :				
Impairment losses on credit	22,280,093	22,389,035	21,117,574	21,248,310
Depreciation and amortisation	1,163,475	727,304	1,110,883	705,989
Net gains from disposal of fixed assets, intangible assets and other long-term assets	(128,972)	(255,242)	(129,316)	(255,242)
Net gains from changes in fair value	(1,306,817)	(514,404)	(1,272,917)	(555,858)
Net foreign exchange gains	(1,180,775)	(976,940)	(1,180,775)	(976,940)
Investment income	(593,356)	(6,154)	(714,490)	(170,154)
Interest income from investment in debt instruments	(25,835,531)	(23,908,608)	(25,808,629)	(23,910,049)
Interest expenses on debt securities issued	13,396,125	11,916,150	13,176,941	11,760,825
Interest expenses from lease liabilities	45,499	-	44,901	-
Increase in deferred tax assets	(1,799,135)	(5,169,139)	(1,570,965)	(4,988,028)
Increase in operating receivables	(199,161,976)	(211,747,828)	(184,773,800)	(205,552,468)
Increase in operating payables	244,483,617	172,642,353	218,835,423	162,536,251
Net cash flow from operating activities	<u>71,771,507</u>	<u>(19,283,730)</u>	<u>57,499,473</u>	<u>(25,523,033)</u>

**(b) Changes in cash and cash equivalents:**

	The Group		The Bank	
	2021	2020	2021	2020
Cash and cash equivalents at the end of the year	90,356,190	68,586,982	83,328,209	66,507,267
Less: Cash and cash equivalents at the beginning of the year	(68,586,982)	(51,383,938)	(66,507,267)	(53,818,749)
Net increase in cash and cash equivalents	<u>21,769,208</u>	<u>17,203,044</u>	<u>16,820,942</u>	<u>12,688,518</u>

**(c) Cash and cash equivalents:**

	The Group		The Bank	
	2021	2020	2021	2020
Cash on hand	1,514,254	1,489,586	1,509,517	1,480,624
Unrestricted deposits with central bank	14,905,898	16,353,412	14,890,431	16,327,857
Banks and other financial institutions deposits with a maturity of 3 months or less	46,338,935	28,334,206	42,887,804	27,628,008
Placements with banks and other financial institutions with a maturity of 3 months or less	19,539,257	15,928,701	20,959,257	15,028,701
Financial assets held under resale agreements with a maturity of 3 months or less	8,057,846	6,481,077	3,081,200	6,042,077
Cash and cash equivalents at the end of the year	<u>90,356,190</u>	<u>68,586,982</u>	<u>83,328,209</u>	<u>66,507,267</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 2021	31 December 2020	31 December 2021	31 December 2020
Borrowings from central bank	179,254,000	193,201,530	179,254,000	193,201,530
Financial assets sold under repurchase agreements	39,213,409	12,486,971	21,397,573	8,163,999
Deposits from customers	11,358,000	3,615,000	11,358,000	3,615,000
Total	229,825,409	209,303,501	212,009,573	204,980,529

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 2021	31 December 2020	31 December 2021	31 December 2020
Securities				
- Government bonds	241,424,867	225,361,270	241,424,867	225,050,574
- Bank and other financial institution bonds	3,089,093	12,631,337	3,089,093	12,631,337
- Corporate bonds	4,208,387	-	4,208,387	-
Sub-total	248,722,347	237,992,607	248,722,347	237,681,911
Commercial bills	10,000,523	6,012,079	10,000,523	6,012,079
Total	258,722,870	244,004,686	258,722,870	243,693,990

##### (ii) Carrying value of pledged assets analysed by classification in balance sheet

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Financial assets held for trading	1,768,294	310,696	1,768,294	-
Loans and advances to customers	10,000,523	6,012,079	10,000,523	6,012,079
Financial investments measured at amortised cost	227,299,133	209,393,301	227,299,133	209,393,301
Financial investments measured at FVOCI	19,654,920	28,288,610	19,654,920	28,288,610
Total	258,722,870	244,004,686	258,722,870	243,693,990

##### (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.

Financial assets sold under repurchase agreements transactions and bond lending transactions

All transferred financial assets that have not been terminated and recognized are mainly the securities delivered to the counterparty as collateral in the financial assets sold under repurchase agreements transactions and the securities lent in the securities lending transaction, which can be sold or used again as collateral by the counterparty without any default by the Group. However, it shall also undertake the obligation to return the securities to the Group on the maturity date specified in the agreement. For the transactions mentioned above, the Group believes that the Group retains most of the risks and rewards of the relevant securities, so it does not terminate the recognition of the relevant securities.

The following table is the analysis of the Group's financial assets and related financial liabilities that have been transferred to third parties and do not meet the conditions for termination of recognition:

	31 December 2021		31 December 2020	
	Book value of transferred assets	Book value of related liabilities	Book value of transferred assets	Book value of related liabilities
Financial assets sold under repurchase agreements transactions	2,161,467	1,977,199	-	-

***Credit asset securitization***

The Group sells credit assets to structured entities, which will then issue asset-backed securities to investors.

The Group have transferred credit assets with par value of RMB14.025 billion to the securitized entity as at 31 December 2021 (31 December 2020: RMB10.158 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 in the balance sheet in accordance with the Group's continuing involvement and the rest is derecognised. The carrying amount of assets that the Group continues to recognise in the balance sheet was RMB2.075 billion as at 31 December 2021 (31 December 2020: RMB1.389 billion).

***Credit assets Transaction***

In 2021, the Group directly transferred and terminated non-performing loans of RMB730 million to third parties. (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 RMB 21.11 billion. For the remaining RMB435 million 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)

In addition, the Group transfers the usufruct of credit asset to a 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 terminate the transfer of financial assets. As at 31 December 2021, the carrying amount of the such credit assets of the Group was RMB5,804 million at the date of transfer (31 December 2020: RMB1,554 million).

Apart from the transaction above, the Group have transferred the usufruct of credit asset with par value of RMB2.052 billion to a special purpose trust as at 31 December (31 December 2020: 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. At 31 December 2021, The carrying amount of assets that the Group continues to recognise on the statement of financial position has been paid off, and there is no amount of assets continuously recognized. (31 December 2020: RMB 259 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 usiness
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020		
Suyin Rural Bank (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%	100%	100%	100%	2,000,000	2,000,000	Jiangsu, 20 Aug 2020	Wealth management
Suyin KGI Consumer finance	54.25%	Not Applicable	54.25%	Not Applicable	2,600,000	Not Applicable	Jiangsu, 02 Mar 2021	Consumer finance

(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. The Group's structural entities included in the scope of merger are mainly the asset management plan and trust plan invested by the Group. 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: Investment funds, trust plan, asset-backed securities, wealth management products, asset management plan, 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 2021 and 31 December 2020, 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 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment fund	144,228,617	-	-	144,228,617
Trust plan	718,735	103,141,686	-	103,860,421
Asset-backed securities	3,349,369	35,301,246	737,065	39,387,680
Wealth management products	26,896,379	-	-	26,896,379
Asset management plan	1,410,082	8,950,588	-	10,360,670
<b>Total</b>	<b>176,603,182</b>	<b>147,393,520</b>	<b>737,065</b>	<b>324,733,767</b>

	31 December 2020			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment fund	135,197,054	-	-	135,197,054
Trust plan	258,867	140,189,851	-	140,448,718
Asset-backed securities	2,258,499	27,311,923	624,809	30,195,231
Wealth management products	49,048,939	-	-	49,048,939
Asset management plan	1,456,353	21,870,230	-	23,326,583
<b>Total</b>	<b>188,219,712</b>	<b>189,372,004</b>	<b>624,809</b>	<b>378,216,525</b>

The maximum loss exposure of the wealth management products and the investment fund is the fair value at the reporting date. 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. .

(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 2021 and 31 December 2020, 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 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment fund	144,228,617	-	-	144,228,617
Trust plan	718,735	103,141,686	-	103,860,421
Asset-backed securities	1,274,243	35,301,246	737,065	37,312,554
Wealth management products	26,452,880	-	-	26,452,880
Asset management plan	1,410,082	8,950,588	-	10,360,670
<b>Total</b>	<b>174,084,557</b>	<b>147,393,520</b>	<b>737,065</b>	<b>322,215,142</b>

	31 December 2020			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment fund	135,197,054	-	-	135,197,054
Trust plan	-	140,189,851	-	140,189,851
Asset-backed securities	869,707	27,311,923	624,809	28,806,439
Wealth management products	48,658,070	-	-	48,658,070
Asset management plan	1,456,353	21,870,230	-	23,326,583
<b>Total</b>	<b>186,181,184</b>	<b>189,372,004</b>	<b>624,809</b>	<b>376,177,997</b>

The maximum loss exposure of the wealth management products and the investment fund is the fair value at the reporting date. 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.

(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 2021, the carrying amount of the Group's management fees receivable in the consolidated balance sheet was RMB316 million (31 December 2020: RMB2,895 million).

As at 31 December 2021 and 31 December 2020, 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 2021	31 December 2020
Financial investments measured at FVTPL		
Asset-backed securities	2,075,126	1,388,792
Wealth management products	443,499	390,869
Trust plan	-	258,867
<b>Total</b>	<b>2,518,625</b>	<b>2,038,528</b>

The maximum loss exposure of the asset-backed securities is the fair value or amortised cost at the reporting date.



As at 31 December 2021, 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 RMB414.9 billion and 8.8 billion respectively (31 December 2020: RMB351.6 billion and 7.4 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 2021.

The Group's unsecured wealth management products issued after 1 January 2021 and matured before 31 December 2021 totaled RMB208.3 billion (unsecured wealth management products issued after 1 January 2020 and matured before 31 December 2020 totaled RMB238.6 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.

Segment results, assets and liabilities:



## The Group

	2021				
	Corporate banking	Personal banking	Treasury business	Others	Total
External net interest income/(expense)	19,461,746	23,134,542	2,883,440	(37)	45,479,691
Inter-segment net interest income/(expense)	10,894,191	(6,097,488)	(4,796,703)	-	-
Net interest income	30,355,937	17,037,054	(1,913,263)	(37)	45,479,691
Fee and commission income	5,720,514	1,151,047	1,318,849	-	8,190,410
Fee and commission expense	(318,746)	(66,571)	(314,975)	-	(700,292)
Net fee and commission	5,401,768	1,084,476	1,003,874	-	7,490,118
Other income	-	-	8,503,786	-	8,503,786
Net investment gains	277,730	-	-	59,142	336,872
Net gains from changes in fair value	-	-	1,306,817	-	1,306,817
Net foreign exchange gains	158,315	816	297,353	-	456,484
Other operating incomes	42,491	-	-	26,122	68,613
Net gains of asset disposal	-	-	-	128,972	128,972
Operating income	36,236,241	18,122,346	9,198,567	214,199	63,771,353
Business taxes and surcharges	(258,399)	(220,518)	(254,075)	(3,751)	(736,743)
General and administrative expenses	(8,129,994)	(5,407,996)	(769,288)	-	(14,307,278)
Impairment losses on credit	(12,035,588)	(5,567,216)	(4,677,289)	-	(22,280,093)
Other operating expenses	(29,373)	-	(624)	(8,959)	(38,956)
Operating expenses	(20,453,354)	(11,195,730)	(5,701,276)	(12,710)	(37,363,070)
Operating profit	15,782,887	6,926,616	3,497,291	201,489	26,408,283
Add: Non-operating income	-	-	-	122,641	122,641
Less: Non-operating expenses	-	-	-	(55,067)	(55,067)
Profit before tax	15,782,887	6,926,616	3,497,291	269,063	26,475,857
Other segment information:					
Depreciation and amortisation	(730,024)	(381,070)	(43,422)	(8,959)	(1,163,475)
Capital expenditure	2,227,616	824,749	92,634	-	3,144,999
	31 December 2021				
	Corporate banking	Personal banking	Treasury business	Others	Total
Segment assets	898,621,120	585,059,353	1,135,149,141	44,646	2,618,874,260
Segment liabilities	1,012,859,538	439,839,125	968,021,468	98,381	2,420,818,512
Other segment information:					
Credit commitments	372,178,602	30,401,879	-	-	402,580,481

	2020				
	Corporate banking	Personal banking	Treasury business	Others	Total
External net interest income/(expense)	15,867,153	17,448,542	3,670,820	-	36,986,515
Inter-segment net interest income/(expense)	5,275,057	(1,676,641)	(3,598,416)	-	-
Net interest income	21,142,210	15,771,901	72,404	-	36,986,515
Fee and commission income	4,257,639	742,243	694,274	-	5,694,156
Fee and commission expense	(202,414)	(62,486)	(72,734)	-	(337,634)
Net fee and commission	4,055,225	679,757	621,540	-	5,356,522
Other income	-	-	8,282,728	-	8,282,728
Net investment gains	125,493	-	-	126,145	251,638
Net gains from changes in fair value	-	-	514,404	-	514,404
Net foreign exchange gains	194,805	944	115,813	1,340	312,902
Other operating incomes	45,698	-	-	20,546	66,244
Net gains of asset disposal	-	-	-	255,242	255,242
Operating income	25,563,431	16,452,602	9,606,889	403,273	52,026,195
Business taxes and surcharges	(341,298)	(249,093)	(45,970)	(4,725)	(641,086)
General and administrative expenses	(7,342,789)	(4,342,166)	(519,809)	-	(12,204,764)
Impairment losses on credit	(7,514,323)	(9,547,963)	(5,326,749)	-	(22,389,035)
Other operating expenses	(16,859)	-	-	(9,822)	(26,681)
Operating expenses	(15,215,269)	(14,139,222)	(5,892,528)	(14,547)	(35,261,566)
Operating profit	10,348,162	2,313,380	3,714,361	388,726	16,764,629
Add: Non-operating income	-	-	-	41,930	41,930
Less: Non-operating expenses	-	-	-	(58,553)	(58,553)
Profit before tax	10,348,162	2,313,380	3,714,361	372,103	16,748,006
Other segment information:					
Depreciation and amortisation	(441,362)	(242,007)	(34,113)	(9,822)	(727,304)
Capital expenditure	534,746	195,463	29,455	-	759,664

	31 December 2020				
	Corporate banking	Personal banking	Treasury business	Others	Total
Segment assets	846,714,964	500,009,069	991,076,352	92,529	2,337,892,914
Segment liabilities	941,546,672	372,076,026	842,032,845	158,098	2,155,813,641
Other segment information:					
Credit commitments	300,976,167	20,412,031	-	-	321,388,198



## 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 2021	31 December 2020
Loan commitments		
- original contractual maturity less than 1 year	3,053,607	3,485,093
- original contractual maturity more than 1 year (inclusive)	28,388,771	8,249,968
Credit card commitments	30,401,879	20,412,031
Sub-total	61,844,257	32,147,092
Bank acceptances	273,094,429	236,323,235
Guarantees	38,550,118	30,476,728
Letters of credit	29,091,677	22,441,143
Sub-total	340,736,224	289,241,106
Total	402,580,481	321,388,198

### (2) Credit risk weighted amount

#### *The Group*

	31 December 2021	31 December 2020
Credit risk weighted amount of credit commitments	104,505,565	70,353,215

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 31 December 2021, the Group's future minimum lease payments under non-cancellable operating leases for properties and other

assets were as follows:

	31 December 2020
Within 1 year (inclusive)	407,574
After 1 year but within 2 years (inclusive)	323,692
After 2 years but within 3 years (inclusive)	232,775
After 3 years but within 5 years (inclusive)	279,973
Above 5 years	133,893
Total	1,377,907

#### (4) Capital commitments

As at the balance sheet date, the Group's authorised capital commitments were as follows:

	31 December 2021	31 December 2020
Contracted for but not paid	273,461	836,659
Authorised but not contracted for	64,969	6,597

#### (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 2021	31 December 2020
Redemption commitments	14,800,355	14,403,719

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 2021, there were 44 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 RMB151 million (31 December 2020: RMB678 million). The Group has made provision of RMB3.88 million (31 December 2020: RMB67.16 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 2021	31 December 2020
Entrusted loans	53,169,133	60,185,236
Entrusted funds	53,169,133	60,185,236

## 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 list management, check 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.

At the same time, when the management believes that it cannot reflect the potential impact of economic fluctuations by appropriately adjusting the above model parameters in a timely manner, the Group uses management superposition to adjust the expected amount of credit losses

During the reporting period, there has been no significant change in the estimation or key assumptions of the ECL measurement parameters.

At the same time, when the management believes that the potential impact of economic fluctuations cannot be reflected by properly adjusting the model parameters above in time, the Group uses the management superposition to adjust the amount of expected credit loss.

#### *Pledged Assets Held*

As at 31 December 2021, loans and advances to customers of the Group and the Bank that have already suffered credit impairment are RMB14.586 billion and RMB14.570 billion respectively (31 December 2020: The Group and the bank were RMB12.659 billion and RMB12.643 billion respectively). Among them, the collaterals of the Group and the Bank covering such loans are RMB6.650 billion and RMB6.641 billion respectively (31 December 2020: The Group and the bank were RMB4.117 billion and RMB4.115 billion respectively).



## (b) Maximum exposure

As at 31 December 2020, the maximum credit risk exposure of the Group without taking account of any collateral and other credit enhancements is set out below:

	31 December 2021	31 December 2020
Cash and deposits with central bank	130,993,923	145,584,057
Deposits with banks and other financial institutions	50,518,998	43,147,476
Placements with banks and other financial institutions	55,152,181	47,121,635
Derivative financial assets	2,068,083	2,600,601
Financial assets held under resale agreements	8,003,521	6,464,697
Loans and advances to customers	1,359,127,491	1,165,964,075
Financial investments:		
Financial investments measured at fair value through profit or loss	266,871,583	244,914,470
Financial investments measured at amortised cost	531,606,371	507,528,658
Financial investments measured at fair value through other comprehensive income	119,554,477	93,269,900
Long-term receivables	63,604,653	53,623,665
Others	4,452,377	4,977,048
Sub-total	2,591,953,658	2,315,196,282
Credit Commitments	400,700,882	320,794,773
Maximum exposure	2,992,654,540	2,635,991,055

## (c) Financial assets analysed by credit quality

As at 31 December 2021, the Group's financial asset risk stages are divided as follows:

	As at 31 December 2021						
	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	130,993,923	-	-	130,993,923	-	-	-
Deposits with banks and other financial institutions	50,627,516	-	-	50,627,516	(108,518)	-	(108,518)
Placements with banks and other financial institutions	55,616,520	-	-	55,616,520	(464,339)	-	(464,339)
Financial assets held under resale agreements	8,060,695	-	-	8,060,695	(57,174)	-	(57,174)
Loans and advances to customers	1,228,183,609	37,674,411	18,788,693	1,284,646,713	(27,738,594)	(12,668,269)	(46,581,404)
Financial investments	518,423,912	25,221,804	4,886,088	548,531,804	(8,024,268)	(2,570,663)	(16,925,433)
Total	1,991,906,175	62,896,215	23,674,781	2,078,477,171	(36,392,893)	(15,238,932)	(64,136,868)
Financial assets measured at FVOCI							
Loans and advances to customers	120,779,449	282,733	-	121,062,182	(1,665,298)	(32,148)	(1,697,446)
Financial investments	119,017,502	50,733	486,242	119,554,477	(547,133)	(333,562)	(909,721)
Total	239,796,951	333,466	486,242	240,616,659	(2,212,431)	(333,562)	(2,607,167)
Credit Commitments	393,298,340	9,030,729	251,412	402,580,481	(1,428,280)	(122,700)	(1,879,599)



	As at 31 December 2020			
	Stage One	Stage Two	Stage Three	Total
	Cost			
	Stage One	Stage Two	Stage Three	Total
Financial assets measured at amortized cost				
Cash and deposits with central bank	145,584,057	-	-	145,584,057
Deposits with banks and other financial institutions	43,506,206	-	786,886	44,293,092
Placements with banks and other financial institutions	47,684,984	-	-	47,684,984
Financial assets held under resale agreements	6,896,295	-	-	6,896,295
Loans and advances to customers	1,057,684,386	37,214,942	15,801,533	1,110,700,861
Financial investments	489,886,981	24,802,087	6,172,020	520,861,088
<b>Total</b>	<b>1,791,242,909</b>	<b>62,017,029</b>	<b>22,760,439</b>	<b>1,876,020,377</b>
	Expected credit impairment reserve			
	Stage One	Stage Two	Stage Three	Total
Financial assets measured at FVOCI				
Loans and advances to customers	95,747,130	101,039	-	95,848,169
Financial investments	92,640,819	325,405	303,676	93,269,900
<b>Total</b>	<b>188,387,949</b>	<b>426,444</b>	<b>303,676</b>	<b>189,118,069</b>
<b>Credit Commitments</b>	<b>311,298,437</b>	<b>10,038,583</b>	<b>51,178</b>	<b>321,388,198</b>
	Stage One	Stage Two	Stage Three	Total
Financial assets measured at amortized cost				
Cash and deposits with central bank	-	-	-	-
Deposits with banks and other financial institutions	(358,730)	-	(786,886)	(1,145,616)
Placements with banks and other financial institutions	(563,349)	-	-	(563,349)
Financial assets held under resale agreements	(431,598)	-	-	(431,598)
Loans and advances to customers	(22,472,728)	(6,707,136)	(11,405,091)	(40,584,955)
Financial investments	(4,050,069)	(4,356,238)	(4,926,123)	(13,332,430)
<b>Total</b>	<b>(27,876,474)</b>	<b>(11,063,374)</b>	<b>(17,118,100)</b>	<b>(56,057,948)</b>
Financial assets measured at FVOCI				
Loans and advances to customers	(1,347,503)	(8,101)	-	(1,355,604)
Financial investments	(78,219)	(10,785)	(189,353)	(278,357)
<b>Total</b>	<b>(1,425,722)</b>	<b>(18,886)</b>	<b>(189,353)</b>	<b>(1,633,961)</b>
<b>Credit Commitments</b>	<b>(508,049)</b>	<b>(59,030)</b>	<b>(26,346)</b>	<b>(593,425)</b>

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 2021, the balance of impaired financial assets which has adopted simplified method amounted RMB1.292 billion, and the impairment provision amounted RMB702 million (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).

## (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 2021	31 December 2020
Grade A to AAA	95,049,608	75,854,839
Unrated	18,315,219	22,476,848
Carrying amount	113,364,827	98,331,687

## (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 2021	31 December 2020
Grade A to AAA	469,295,806	380,514,649
Lower than A	14,581,095	287,750
Unrated	176,739,193	226,234,003
Carrying amount	660,616,094	607,036,402

**(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.

Reform of benchmark interest rate

Reforms to key benchmark interest rates are under way around the world, including the use of near-risk-free alternatives to replace the interbank offered rate (IBOR), known as the "IBOR reform". The Group's financial instruments are exposed under IBOR and are affected by the IBOR reforms.

The Group is exposed to operational risks as a result of the IBOR reform, such as the renegotiation of loan contracts with customers through bilateral negotiations, the updating of contract terms, the updating of relevant systems using IBOR curves, and the modification of operational controls related to the reform and regulatory risks. At the same time, the Group faces the resulting interest rate risk.

As at December 31, 2021, the Group's contracts which have not yet undergone the benchmark rate reform are not material in relation to the Group's financial position and operating results

(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 2021					Total
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
<b>Financial assets</b>						
Cash and deposits with central bank	2,196,483	130,311,694	-	-	-	132,508,177
Deposits and placements with banks and other financial institutions	937,055	65,409,991	34,756,683	4,567,450	-	105,671,179
Financial assets held under resale agreements	2,849	8,000,672	-	-	-	8,003,521
Loans and advances to customers (Note a)	5,537,141	656,763,518	458,917,610	164,172,738	73,736,484	1,359,127,491
Investments (Note b)	166,665,534	68,215,394	131,284,358	347,204,359	204,879,724	918,249,369
Long-term receivables (Note c)	735,795	7,164,370	17,464,166	37,423,037	817,285	63,604,653
Other financial assets	6,520,460	-	-	-	-	6,520,460
<b>Total financial assets</b>	<b>182,595,317</b>	<b>935,865,639</b>	<b>642,422,817</b>	<b>553,367,584</b>	<b>279,433,493</b>	<b>2,593,684,850</b>
<b>Financial liabilities</b>						
Borrowings from central bank	3,882,849	21,443,000	158,053,916	-	-	183,379,765
Deposits and placements with banks and other financial institutions	1,845,677	97,425,701	149,847,927	-	-	249,119,305
Financial assets sold under repurchase agreements	15,993	36,135,257	3,078,152	-	-	39,229,402
Deposits from customers	27,596,156	771,343,723	293,224,353	379,648,128	7,000,000	1,478,812,360
Debt securities issued	1,230,703	65,376,968	311,225,786	34,929,760	19,997,734	432,760,951
Other financial liabilities	15,980,848	92,389	272,523	751,232	128,551	17,225,543
<b>Total financial liabilities</b>	<b>50,806,319</b>	<b>991,817,038</b>	<b>915,702,657</b>	<b>415,329,120</b>	<b>27,126,285</b>	<b>2,400,781,419</b>
<b>Gap between assets and liabilities</b>	<b>131,788,998</b>	<b>(55,951,399)</b>	<b>(273,279,840)</b>	<b>138,038,464</b>	<b>252,307,208</b>	<b>192,903,431</b>

	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	
<b>Financial assets</b>						
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
<b>Total financial assets</b>	<b>201,251,185</b>	<b>855,852,266</b>	<b>546,043,492</b>	<b>492,925,337</b>	<b>220,808,558</b>	<b>2,316,880,838</b>
<b>Financial liabilities</b>						
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
<b>Total financial liabilities</b>	<b>39,567,679</b>	<b>960,446,550</b>	<b>854,692,919</b>	<b>261,601,756</b>	<b>22,997,847</b>	<b>2,139,306,751</b>
<b>Gap between assets and liabilities</b>	<b>161,683,506</b>	<b>(104,594,284)</b>	<b>(308,649,427)</b>	<b>231,323,581</b>	<b>197,810,711</b>	<b>177,574,087</b>

a. For loans and advances to customers, the category "Within three months" includes overdue amounts (net of provision for impairment losses) of RMB7.619 billion as at 31 December 2021 (31 December 2020: The balance is RMB5.058 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 RMB1,575 million overdue (net of provision for impairment losses) as at 31 December 2021 (2020: RMB653 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 RMB359 million overdue (net of provision for impairment losses) as at 31 December 2021 (2020: RMB235 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 2021	31 December 2020
Change in interest rate (basis points)		
+200	3,608,524	1,388,785
-200	(4,016,702)	(1,305,719)

	Sensitivity of equity	
	31 December 2021	31 December 2020
Change in interest rate (basis points)		
+200	(2,739,380)	(4,485,062)
-200	5,225,513	4,940,983

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:

- 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. all assets and liabilities that reprice or are due within one year will reprice or are due at the beginning of the respective periods;
- c. the interest rates of deposits with central bank and demand deposits from customers remain unchanged;
- d. there is a parallel shift in the yield curve due to change in interest rates;
- e. there are no other changes to the assets or liabilities portfolio; and
- f. other variables (including foreign exchange rates) remain unchanged; and
- g. 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 2021			
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Financial assets				
Cash and deposits with central bank	125,441,864	6,289,088	777,225	132,508,177
Deposits and placements with banks and other financial institutions	85,660,235	9,519,912	10,491,032	105,671,179
Financial assets held under resale agreements	8,003,521	-	-	8,003,521
Loans and advances to customers	1,348,213,524	9,745,299	1,168,668	1,359,127,491
Investments (Note a)	862,009,121	52,627,819	3,612,429	918,249,369
Long-term receivables	63,604,653	-	-	63,604,653
Other financial assets	5,720,507	799,953	-	6,520,460
<b>Total financial assets</b>	<b>2,498,653,425</b>	<b>78,982,071</b>	<b>16,049,354</b>	<b>2,593,684,850</b>
Financial liabilities				
Borrowings from central bank	183,379,765	-	-	183,379,765
Deposits and placements with banks and other financial institutions	243,122,745	5,996,560	-	249,119,305
Financial liabilities held for trading	254,093	-	-	254,093
Financial assets sold under repurchase agreements	37,253,158	1,976,244	-	39,229,402
Deposits from customers	1,403,405,970	66,483,843	8,922,547	1,478,812,360
Debt securities issued	432,760,951	-	-	432,760,951
Other financial liabilities	15,930,672	639,554	655,317	17,225,543
<b>Total financial liabilities</b>	<b>2,316,107,354</b>	<b>75,096,201</b>	<b>9,577,864</b>	<b>2,400,781,419</b>
<b>Net position</b>	<b>182,546,071</b>	<b>3,885,870</b>	<b>6,471,490</b>	<b>192,903,431</b>
Credit commitments	367,842,788	29,737,159	3,120,935	400,700,882
Derivative financial instruments (Note b)	8,094,726	(689,598)	(7,155,453)	249,675



	31 December 2020			Total
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>2,235,713,091</b>	<b>67,945,131</b>	<b>13,222,616</b>	<b>2,316,880,838</b>
<b>Financial liabilities</b>				
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
<b>Total financial liabilities</b>	<b>2,082,616,426</b>	<b>54,380,061</b>	<b>2,310,264</b>	<b>2,139,306,751</b>
<b>Net position</b>	<b>153,096,665</b>	<b>13,565,070</b>	<b>10,912,352</b>	<b>177,574,087</b>
<b>Credit commitments</b>	<b>296,664,966</b>	<b>19,858,652</b>	<b>4,271,155</b>	<b>320,794,773</b>
Derivative financial instruments (Note b)	1,928,991	(2,066,469)	182,762	45,284

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 2021	31 December 2020
Change in foreign currency exchange rate		
Appreciation against RMB by 5%	94,212	847,264
Depreciation against RMB by 5%	(94,212)	(847,264)

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 2021						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	
<b>Financial assets</b>							
Cash and deposits with central bank	116,081,864	16,426,313	-	-	-	-	132,508,177
Deposits and placements with banks and other financial institutions	-	34,711,327	17,602,624	13,493,856	35,251,002	4,612,370	105,671,179
Financial assets held under resale agreements	-	-	8,003,521	-	-	-	8,003,521
Loans and advances to customers	-	7,619,016	178,637,799	209,437,739	471,625,254	258,048,879	1,359,127,491
Investments (Note i)	158,078,493	1,904,620	18,551,375	32,605,404	136,262,236	362,786,546	918,249,369
Long-term receivables	-	295,214	2,174,267	4,770,658	17,655,458	37,813,339	895,717
Others financial assets	-	4,202,611	551,443	454,685	533,575	778,146	6,520,460
<b>Total financial assets</b>	<b>274,160,357</b>	<b>65,159,101</b>	<b>225,521,029</b>	<b>260,762,342</b>	<b>661,327,525</b>	<b>664,039,280</b>	<b>2,593,684,850</b>
<b>Financial liabilities</b>							
Borrowings from central bank	-	-	15,123,586	7,357,809	160,898,370	-	183,379,765
Deposits and placements with banks and other financial institutions	-	56,692,136	18,387,908	22,916,812	151,122,449	-	249,119,305
Financial liabilities held for trading	-	254,093	-	-	-	-	254,093
Financial assets sold under repurchase agreements	-	-	31,078,540	5,072,643	3,078,219	-	39,229,402
Deposits from customers	-	497,503,063	148,135,947	130,896,410	300,337,661	394,937,985	1,478,812,360
Debt securities issued	-	-	5,683,110	59,739,192	312,411,155	34,929,760	432,760,951
Other financial liabilities	-	6,069,060	615,804	877,149	3,513,008	5,697,564	17,225,543
<b>Total financial liabilities</b>	<b>-</b>	<b>560,516,352</b>	<b>219,024,895</b>	<b>226,860,015</b>	<b>931,360,862</b>	<b>435,565,309</b>	<b>2,400,781,419</b>
<b>Net position</b>	<b>274,160,357</b>	<b>(495,359,251)</b>	<b>6,496,134</b>	<b>33,902,327</b>	<b>(270,033,337)</b>	<b>228,473,971</b>	<b>192,903,431</b>
<b>Notional amount of derivative financial instruments</b>	<b>-</b>	<b>-</b>	<b>137,871,170</b>	<b>146,021,814</b>	<b>185,832,612</b>	<b>41,053,486</b>	<b>510,779,082</b>

	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	
<b>Financial assets</b>							
Cash and deposits with central bank	129,230,639	17,843,004	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	31,851,636	15,963,718	8,553,022	32,912,110	988,625	-
Financial assets held under resale agreements	-	-	6,078,242	-	386,455	-	-
Loans and advances to customers	-	5,952,575	147,366,246	155,377,786	438,037,971	213,699,568	205,529,929
Investments (Note 1)	176,211,713	644,253	19,068,304	42,007,125	83,461,783	353,331,452	171,183,368
Long-term receivables	-	234,710	1,811,622	3,398,686	13,387,423	34,218,393	572,831
Others financial assets	-	4,977,048	535,599	616,541	1,065,829	382,632	-
<b>Total financial assets</b>	<b>305,442,352</b>	<b>61,503,226</b>	<b>190,823,731</b>	<b>209,953,160</b>	<b>569,251,571</b>	<b>602,620,670</b>	<b>377,286,128</b>
<b>Financial liabilities</b>							
Borrowings from central bank	-	-	6,597,531	7,095,514	181,918,805	-	-
Deposits and placements with banks and other financial institutions	-	32,701,221	18,771,976	32,869,712	92,359,469	-	-
Financial liabilities held for trading	-	344,031	-	-	-	-	-
Financial assets sold under repurchase agreements	-	-	4,929,530	3,868,022	3,689,848	-	-
Deposits from customers	-	466,660,874	152,078,851	163,547,915	303,196,536	244,385,661	-
Debt securities issued	-	-	7,122,266	57,321,838	285,786,301	39,770,775	22,997,847
Other financial liabilities	-	3,807,837	1,223,350	868,784	1,672,456	3,938,525	125,307
<b>Total financial liabilities</b>	<b>-</b>	<b>503,513,963</b>	<b>190,723,504</b>	<b>265,571,785</b>	<b>868,623,415</b>	<b>288,094,961</b>	<b>23,123,154</b>
<b>Net position</b>	<b>305,442,352</b>	<b>(442,010,737)</b>	<b>100,227</b>	<b>(55,618,625)</b>	<b>(299,371,844)</b>	<b>314,525,709</b>	<b>177,230,056</b>
<b>Notional amount of derivative financial instruments</b>	<b>-</b>	<b>-</b>	<b>112,678,623</b>	<b>172,145,604</b>	<b>135,330,301</b>	<b>41,103,632</b>	<b>-</b>

(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 2021								
	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	183,379,765	186,475,872	-	-	15,143,903	7,390,448	163,941,521	-	-
Deposits and placements from banks and other financial institutions	249,119,305	251,922,960	-	56,692,136	18,494,499	23,121,696	153,614,629	-	-
Financial liabilities held for trading	254,093	254,093	-	254,093	-	-	-	-	-
Financial assets sold under repurchase agreements	39,229,402	39,271,277	-	-	31,081,434	5,085,985	3,103,858	-	-
Deposits from customers	1,478,812,360	1,497,594,005	-	497,503,063	148,503,545	131,393,105	304,131,316	407,674,292	8,388,684
Debt securities issued	432,760,951	450,328,308	-	-	5,690,000	60,328,390	318,913,971	42,902,999	22,492,948
Other financial liabilities	15,407,135	15,514,647	-	6,069,060	238,441	578,728	3,115,210	5,049,132	464,076
<b>Total non-derivative liabilities</b>	<b>2,398,963,011</b>	<b>2,441,361,162</b>	<b>-</b>	<b>560,518,352</b>	<b>219,151,822</b>	<b>227,898,352</b>	<b>946,820,505</b>	<b>455,626,423</b>	<b>31,345,708</b>
Derivative financial instruments									
Derivative financial instruments settled on gross basis of which									
- Total inflow		106,716,453	-	-	59,437,210	23,595,671	20,868,171	2,815,401	-
- Total outflow		(106,485,206)	-	-	(59,406,051)	(23,506,872)	(20,857,960)	(2,714,323)	-
Derivative financial instruments settled on net basis		69,764	-	-	8,701	20,385	42,693	(2,015)	-
<b>Total derivative financial instruments</b>		<b>301,011</b>	<b>-</b>	<b>-</b>	<b>39,860</b>	<b>109,184</b>	<b>52,904</b>	<b>99,063</b>	<b>-</b>
<b>Credit commitments</b>		<b>402,580,481</b>	<b>-</b>	<b>41,157,206</b>	<b>58,696,882</b>	<b>86,383,929</b>	<b>170,351,965</b>	<b>34,800,770</b>	<b>11,189,729</b>

		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 liabilities held for trading		344,031	344,031	-	344,031	-	-	-	-	-
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
<b>Total non-derivative liabilities</b>		<b>2,137,095,465</b>	<b>2,179,928,665</b>	<b>-</b>	<b>503,513,963</b>	<b>190,494,717</b>	<b>266,127,076</b>	<b>884,067,906</b>	<b>309,061,296</b>	<b>26,663,707</b>
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)	-
<b>Total derivative financial instruments</b>			<b>47,668</b>	<b>-</b>	<b>-</b>	<b>(58,590)</b>	<b>26,550</b>	<b>70,762</b>	<b>8,946</b>	<b>-</b>
<b>Credit commitments</b>			<b>321,388,198</b>	<b>-</b>	<b>37,196,683</b>	<b>49,946,417</b>	<b>102,673,410</b>	<b>104,826,776</b>	<b>23,029,121</b>	<b>3,715,791</b>



#### (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 Bank'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 2021, 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 2021			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Assets				
Derivative financial assets	-	2,045,734	22,349	2,068,083
Loans and advance	-	120,702,640	359,542	121,062,182
Financial investments measured at FVTPL				
- Fund investments	73,383,038	70,845,579	-	144,228,617
- Debt instruments	-	75,026,466	-	75,026,466
- Financial product investments	76,322	367,177	26,452,880	26,896,379
- Asset-backed securities	-	3,349,369	-	3,349,369
- Asset management and trust fund	-	1,142,464	986,353	2,128,817
- Equity investments	281,281	-	108,436	389,717
- Other investments	-	14,852,218	-	14,852,218
Financial investments measured at FVOCI				
- Debt instruments	-	118,817,412	-	118,817,412
- Asset-backed securities	-	737,065	-	737,065
Financial investments designated at FVOCI				
- Equity investments	-	-	216,938	216,938
Total assets measured at fair value on a recurring basis	<u>73,740,641</u>	<u>407,886,124</u>	<u>28,146,498</u>	<u>509,773,263</u>
Liabilities				
Derivative financial liabilities	-	1,818,408	-	1,818,408
Financial liabilities held for trading	254,093	-	-	254,093
Total liabilities measured at fair value on a recurring basis	<u>254,093</u>	<u>1,818,408</u>	<u>-</u>	<u>2,072,501</u>
	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
- Asset-backed securities	-	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	344,031	-	-	344,031
Total liabilities measured at fair value on a recurring basis	<u>344,031</u>	<u>2,555,317</u>	<u>-</u>	<u>2,899,348</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 2021	Valuations technique	Unobservable inputs	Range/value
Net worth Wealth management products	21,615,845	Refer to trading market laws	Not Applicable	Not Applicable
Expected return Wealth management I products	4,837,035	Discounted cash flow method	Risk-adjusted discount rate	4.90%
Asset management plan and trust fund	986,353	Discounted cash flow method	Risk-adjusted discount rate	[4.40%, 5.94%]
Bill discounting	359,542	Discounted cash flow method	Risk-adjusted discount rate	[0.40%, 10.00%]
Unlisted equity investments	325,374	Comparative method of listed companies	Liquidity discount	20%
Over-the-counter interest rate swap	22,349	Discounted cash flow method	Risk-adjusted discount rate	[0.70%, 2.11%]

	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 and trust 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%]

Valuation of the Group's Expected return wealth management products, asset management plan and trust 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.

The fair value of net worth wealth management products invested or held by the Group is determined by referring to the recent market method

As at 31 December 2021 and 2020, 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*

2021

	As at January 2021	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
		Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
<b>Assets</b>							
<b>Derivative financial assets</b>							
- Interest rate derivative instruments	21,947	9,320	-	-	(8,918)	22,349	9,320
<b>Loans and advance</b>							
- Bill Discounting	1,238,604	11,300	896	406,832	(1,298,090)	359,542	-
<b>Financial investments measured at FVTPL</b>							
- Financial product investments	49,048,939	1,765,539	-	314,977,500	(339,339,098)	26,452,880	395,019
- Asset management and trust fund	1,456,353	250,030	-	3,197,304	(3,917,334)	986,353	(14,556)
- Equity investments	194,709	(148,031)	-	64,797	(3,039)	108,436	-
<b>Financial investments designated at FVOCI</b>							
-Equity investments	194,970	-	21,968	-	-	216,938	-
<b>Total</b>	<b>52,155,522</b>	<b>1,888,158</b>	<b>22,864</b>	<b>318,646,433</b>	<b>(344,566,479)</b>	<b>28,146,498</b>	<b>389,783</b>

2020

	As at January 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
		Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
<b>Assets</b>							
<b>Derivative financial assets</b>							
- Interest rate derivative instruments	-	21,947	-	-	-	21,947	21,947
<b>Loans and advance</b>							
- Bill Discounting	3,426,603	98,862	572	2,220,259	(4,507,692)	1,238,604	-
<b>Financial investments measured at FVTPL</b>							
- 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	-
<b>Financial investments designated at FVOCI</b>							
-Equity investments	137,676	-	57,294	-	-	194,970	-
<b>Total</b>	<b>82,168,452</b>	<b>4,458,467</b>	<b>57,866</b>	<b>591,493,709</b>	<b>(626,022,972)</b>	<b>52,155,522</b>	<b>347,162</b>



Details of the above gains or losses charged to profit or loss recognised by the Group in 2021 and 2020 are as follows:

	2021	2020
Realised gains or losses recognised in profit or loss during the year		
- Interest income	11,300	98,862
- investment income	1,872,747	3,901,139
Unrealised gains or losses recognised in profit or loss during the year		
- Net losses on changes in fair value	389,783	347,162
Gains or losses recognised in other comprehensive income		
Changes in fair value of loans and advances to customers measured at FVOCI	896	572
- Changes in fair value of financial investments designated at FVOCI	21,968	57,294

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 Expected return wealth management products, asset management plan and trust 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 2021 and 31 December 2020.

	31 December 2021			
	Level 2	Level 3	Fair value	Carrying amount
Financial assets				
Debt investments	411,815,908	128,877,023	540,692,931	531,606,371
Financial liabilities				
Debt securities issued	434,281,449	-	434,281,449	432,760,951

	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

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 2021	31 December 2020
Jiangsu International Trust Corporation Limited ("Jiangsu Trust")		8.17%	8.17%
Jiangsu Phoenix Publishing & Media Group Corporation Limited ("Phoenix Group")		8.11%	8.11%
Huatai Securities Co., Ltd ("Huatai Securities")		5.63%	5.63%
Wuxi Construction and Development Investment Co., Ltd.		4.81%	4.81%
Jiangsu Transportation Holdings Co., Ltd.		1.73%	1.73%
Jiangsu Broadcasting Corporation		3.05%	3.05%
Suzhou International Development Group Co., Ltd.		2.38%	2.38%
Yangzhou Modern Financial Investment Group Co., Ltd.		0.49%	0.86%

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 2021 (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
<b>Significant transactions amount in 2021:</b>							
Interest income	31,110	3,169	21,178	294,632	10,099	360,188	0.34%
Interest expense	(6,969)	(50,766)	(7,945)	(292,603)	(5,714)	(363,997)	0.61%
Fee and commission income	1	110	1	11,233	10	11,355	0.14%
Investment income	-	-	376	3,404	-	3,780	0.04%
Net gains on changes of fair value	-	-	(838)	1,654	-	816	0.06%
General and administrative expenses	-	(901)	-	(5,311)	-	(6,212)	0.04%
Issuance expenses paid	-	-	(473)	-	-	(473)	Not Applicable
<b>The balances of transactions with related parties as at 31 December 2021:</b>							
Deposits with banks and other financial institutions	-	-	-	1,370,351	-	1,370,351	2.71%
Placement with banks and other financial institutes	-	-	1,500,325	2,036,818	-	3,537,143	6.36%
Financial assets held under resale agreements	-	-	600,247	100,022	-	700,269	8.69%
Financial investments measured at FVTPL	-	-	126,541	1,742,372	-	1,868,913	0.70%
Loans and advances to customers	-	70,101	-	8,385,571	229,668	8,685,340	0.62%
Financial investments measured at amortisation cost	606,392	-	-	243,951	-	850,343	0.16%
Financial investments measured at fair value through other comprehensive income	-	-	-	284,888	-	284,888	0.24%
Deposits from banks and other financial institutions	(446,558)	-	(445,242)	(2,293,759)	-	(3,185,559)	1.79%
Borrowings from banks and other financial institutions							
Deposits from customers	(202)	(1,786,235)	(22,539)	(5,146,947)	(269,682)	(7,225,605)	0.49%
Other liabilities							
<b>Significant off-balance sheet items as at 31 December 2021:</b>							
Credit card commitments	-	-	-	-	71,591	71,591	0.24%
Bank acceptances	-	204,261	-	555,962	-	760,223	0.28%
Letter of guarantee	-	-	-	5,940,302	-	5,940,302	15.41%
Letters of credit	-	-	-	210,392	-	210,392	0.72%
Entrusted loans	-	-	-	154,000	-	154,000	0.29%
Credit line	606,392	274,362	2,227,113	20,399,678	301,259	23,808,804	Not Applicable

	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
<b>Significant transactions amount in 2020:</b>							
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)	Not Applicable
<b>The balances of transactions with related parties as at 31 December 2020:</b>							
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%
<b>Significant off-balance sheet items as at 31 December 2020:</b>							
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	Not Applicable

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:

	2021	2020
Payment for remuneration of key management personnel	25,018	19,261

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 2021 and 2020.

### (4) Transactions with subsidiaries

Significant transactions amounts with subsidiaries during the reporting period are set out as follows:

	2021	2020
Interest income	220,837	93,956
Interest expense	(3,790)	(5,499)
Fee and commission income	3	-
Other operating incomes	4,119	2,746
Investment income	290	164,214
Net gains/losses from changes in fair value	197	(211)

Significant balances with subsidiaries during the reporting period:

	31 December 2021	31 December 2020
Deposits with banks and other financial institutions	175,217	85,060
Placements with banks and other financial institutions	11,140,379	3,173,056
Financial investments measured at fair value through profit or loss	10,204	10,006
Debt investments	308,520	-
Other assets	22,850	-
Deposits from banks and other financial institutions	(842,907)	(156,141)

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 2021, there was no significant related party transactions between the Bank and related parties (2020: the Bank signed a financing guarantee agreement of RMB5.5 billion with a related party, which has come into effect.).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 2021	31 December 2020
Adequacy ratio of core tier one capital	8.78%	9.25%
Adequacy ratio of tier one capital	11.07%	11.91%
Capital adequacy ratio	13.38%	14.47%
Constituent parts of capital		
Core tier one capital:		
- Share capital	14,769,629	14,769,607
- Capital reserve which may be included	27,699,613	27,699,318
- Surplus reserve	22,786,262	19,859,396
- General risk reserve	37,215,107	32,381,679
- Retained earnings	44,727,274	39,260,403
- The portion of minority shareholders' capital which may be included	2,922,221	2,173,622
- Others	5,054,435	4,092,578
Total core tier one capital	155,174,541	140,236,603
Adjustments:		
- Other intangible assets excluding right to use land (deferred tax liabilities deducted)	(63,154)	(52,645)
- Deductible amount in deferred tax assets that rely on future profitability	-	(138,067)
Total adjustments	(63,154)	(190,712)
Net core tier one capital	155,111,387	140,045,891
Other tier one capital		
- Other tier one capital instruments	39,974,758	39,974,758
- The portion of minority shareholders' capital which may be included	389,630	289,816
Total other tier one capital	40,364,388	40,264,574
Net tier one capital	195,475,775	180,310,465
Tier two capital:		
- Tier two capital instruments and their premium	20,000,000	20,700,000
- Extra loan impairment provision	20,190,562	17,392,352
- The portion of minority shareholders' capital which may be included	779,259	579,633
Net tier two capital	40,969,821	38,671,985
Net capital	236,445,596	218,982,450
Total risk weighted assets	1,766,603,079	1,513,599,663

## 14. Subsequent events

The profit appropriation plan for the year ended 31 December 2021 was approved by the Bank's Board of Directors on 12-04-2022 and submitted for approval at the shareholders' meeting.

## 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	2021	2020
Gains on disposal of non-current assets		128,972	255,242
Government grants		336,872	251,638
Other losses meeting the definition of non-recurring gain or loss		67,574	(16,623)
Net non-recurring gain	(i)	533,418	490,257
Tax impact on the above items		(130,023)	(125,063)
Total		403,395	365,194
Including:			
Non-recurring gain or loss attributable to shareholders of the Bank		400,183	363,542
Non-recurring gain or loss attributable to non-controlling interests		3,212	1,652

(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	
	2021	2020	2021	2020	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Bank	12.60	11.91	1.21	1.21	1.05	1.04
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	12.32	11.60	1.18	1.18	1.03	1.02

#### (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*

	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Bank	17,894,365	14,025,745
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(400,183)	(363,542)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	17,494,182	13,662,203
Weighted average issued ordinary shares (in thousands)	14,769,617	11,544,508
Basic earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.18	1.18

(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*

	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	18,712,792	14,771,647
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(400,183)	(363,542)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss(diluted)	18,312,609	14,408,105
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	17,759,050	14,189,938
Diluted earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.03	1.02

## (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	2021	2020
Consolidated net profit attributable to shareholders of the Bank		17,894,365	14,025,745
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	(i)	141,980,804	117,785,296
Return on weighted average equity		12.60%	11.91%

### (i) Calculation of weighted average consolidated equity attributable to ordinary shareholders of the Bank:

	2021	2020
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the beginning of the year	135,275,120	112,814,555
Effect of consolidated comprehensive income attributable to ordinary shareholders of the Bank	9,428,121	6,842,796
Other effect of attributable to ordinary shareholders of the Bank	(2,722,437)	(1,872,055)
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the end of the year	141,980,804	117,785,296

### (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 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

	2021 年	2020 年
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	17,494,182	13,662,203
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	141,980,804	117,785,296
Return on weighted average equity deducted by non-recurring gain or loss	12.32%	11.60%

## 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](http://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](http://www.jsbchina.cn)).



BANK OF JIANGSU Online: [www.jsbchina.cn](http://www.jsbchina.cn)      Customer Services Hotline: 95319  
Company Address: No. 26, Zhonghua Road, Nanjing City, Jiangsu Province, China