



# BANK OF JIANGSU

## ANNUAL REPORT 2022

A-share Stock Code: 600919

The background is a solid blue color. It features several concentric white circular lines on the left side. On the right side, there are several overlapping, curved, yellow and white shapes that resemble stylized waves or a fan. The text "BANK OF JIANGSU" is located in the lower-left area, and "ANNUAL REPORT 2022" is located in the lower-right area, both in white capital letters.

BANK OF JIANGSU

ANNUAL REPORT 2022

# 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 2022 Annual Report of Bank of Jiangsu and the Abstracts* were deliberated and ratified in the 29<sup>th</sup> meeting of the 5<sup>th</sup> board of directors of the Company on April 25, 2023. 14 of the 15 directors required attending the meeting attended in person and the rest 1 by entrusting other director. In consideration of other working affairs, the director JI Jinsong authorized the director HU Jun to attend the meeting and exercise voting right on his behalf.**

**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. GE Renyu, the President and Head of Accounting, and Mr. LUO Feng, the Business Director and General Manager of Planning and Finance Department, hereby acknowledge 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: By the cardinal number of 14,769,660,000 common stock shares as of the end of 2022, distribute cash dividends of RMB 5.156 (tax-inclusive) to all shareholders per 10 shares, with a total of RMB 7,615,240,000, accounting for 30% of the net profits attributable to parent company. Since the convertible bonds issued by the Company are in conversion period, the Company will, in case of any change of the total common stock shares before record date of equity distribution, remain the total distributed amount unchangeable, and adjust distributed amount per share accordingly by the cardinal number of the total common stock shares on the record date of equity distribution. The scheme above is still required to be deliberated and approved by 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 the section of "Business Discussion and Analysis".

# Definitions

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

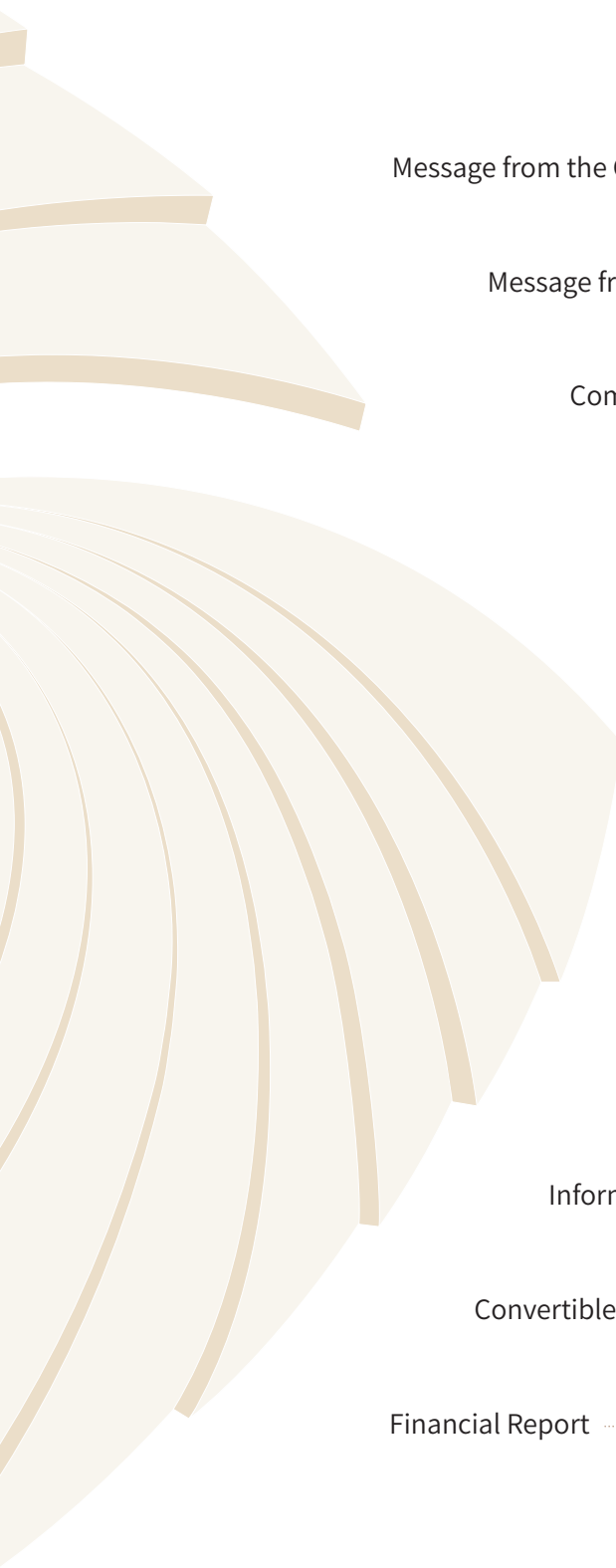
## Definitions of commonly-used words and expressions

The Bank, Company, the Company	Refer to	Bank of Jiangsu Co., Ltd.
Group, the Group	Refer to	Bank of Jiangsu Co., Ltd. and its subsidiaries
PBC, Central bank	Refer to	People's Bank of China
CBRC, 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





## TABLE OF CONTENTS



Message from the Chairman .....	006
Message from the President .....	009
Company Profile .....	013
Financial Summary .....	021
Business Discussion and Analysis .....	031
Corporate Governance .....	071
Environment and Social Responsibilities .....	103
Important Matters .....	115
Share Changes and Information about Shareholders .....	121
Information of Preferred Shares .....	129
Convertible Corporate Bond .....	135
Financial Report .....	141

## Message from the Chairman

2022 is an extraordinary year. The 20th National Congress of the Communist Party of China is successfully held to draw a grand blueprint for comprehensively promoting the great rejuvenation of the Chinese nation with Chinese-style to modernization and indicate us the direction of embarking on the path of financial development with Chinese characteristics. Bank of Jiangsu has adhered to the original aspiration of serving the real economy and directing finance to the people and deeply practiced the creed of new development, again making remarkable achievements in improving quality and efficiency and dominating the market. The group expand assets to a further scale of 3 trillion, remain the leader of benefit growth rate in the industry, and further increase ROE. The earning per share increases by 32.23% year-on-year, and for the stock price rise, Bank of Jiangsu ranks the first place among A-share listed banks and the 71st place among both Top World 1,000 Banks and Global Top 500 Bank Brands. For the sustained benefits of the vast number of investors, the Board recommends to keep the cash dividend ratio of 30% for after-tax net profits.

Looking back on the past, the decade of the new era is a decade of milestone significance for the Party and the state to accomplish the great reform, and is also a decade for Bank of Jiangsu to strive to promote strategic transformation and innovative reformation. We follow the strategic guideline of building an “intelligent, characteristic, international and comprehensive” bank with leading services, concentrate on the transformation policy of “characteristic development, endogenous growth and innovative drive”, uphold the assessment system of “market view, model view, benefit view, cycle view and team view”, fulfill the long-term development principle, and promote comparative advantages, in order to become a positive example of enforcing policies, observing surveillance and acting as a market player. The Bank as a whole continuously embody a development trend of keeping steady accumulation and progress to a more favorable end. The development in 2022 has well proven this fact. During the year, we have made active response to beyond-expectation changes in external situations, closely grasped business opportunities of steady growth, and achieved further progress in high-quality development.

**We consistently adhere to the positioning of high-quality development, and contribute to the growth of clients while deeply ploughing the fertile soil of regional economy.** As a domestic systematically important bank and the largest corporate bank in Jiangsu, Bank of Jiangsu puts long-term, extensive devotion to the region of greatest economic vitality in China, fully plays the inherent resource endowment advantages, and inherits and evolves the service gene of long-term companionship for client growth, thereby continuously creating value for and empowering clients. We are delighted to see that, there are increasingly more new clients choosing Bank of Jiangsu, and increasingly more old clients believing in their choices as made before. With close follow-up of national policy orientation, we keep intensifying the provision of financial services to the Yangtze River Delta, the Beijing-Tianjin-Hebei Agglomeration and the Greater Bay Area, and extend active support to stabilize the local economic market. The proportion of credit assets is further increased, and the integration of local and foreign currencies reaches ongoing service accomplishments. Great efforts are made to build the brand “Jiangsu Banking New Intelligent Manufacture”, the innovative product “Loans for Intelligent Renovation and Digital Transformation” is introduced, and the proportion of advanced manufacturing loan balance to corporate loans has further increased. With vigorous implementation of the ESG Strategy, the Bank leaps to the top, among commercial banks under direct administration by the central bank, in the green credit balance, and is selected as the “Sole Member Representative of the Bank Council in Central and East

Asia Region of United Nations Environment Programme Finance Initiative” . A high premium is placed on improving inclusiveness of financial services and accelerating the iteration of new technologies. Supporting small and assisting micro enterprises is further intensified, and the Bank keeps the first place in the share of loans to small and medium-sized enterprises in the market within Jiangsu Province. Services are performed to high-level technologies to achieve self-reliance and self-improvement. Special actions are taken, e.g., overcoming difficulties in specialization, refinement, characterization and novelty, and enforcing the “hundred-thousand-ten thousand” program in favor of technology oriented small and medium-sized enterprises. The college-corporate cooperation coverage within Jiangsu Province increases to one-third, and the service coverage for specialized, refined, characteristic and novel enterprises increases to two-thirds. In terms of technology loan balance, the Bank keeps the first place within the province.

**We strive to hold the essence of high-quality development, and elevate value creation in the service model of creating excellence.** The Bank actively adapts to the trends in macroeconomic environment and financing structure adjustment, deepens the service policy of “commercial banking+investment banking+asset management+trusteeship” , and promotes the construction of “AFF” (AUM+FPA+FICC) service system with its own characteristics, thereby accelerating the light capital transformation. Great efforts are made to create a diversified grand wealth management platform and stimulate the transition of wealth management from the personal financial services to the overall wealth view of individual clients, legal person clients and corporate clients. The grand wealth management further embodies flywheel effects on integration and substitution of traditional business. Among city commercial banks, we are the first to have retail of AUM break through RMB 1 trillion. For the financial services, we maintain a healthy development trend in the effective response to severe market fluctuations, and continue to rank the first place in scale among city commercial banks. A wide variety of financial instruments are integrated to create a diversified business ecosystem. The business of underwriting and direct investment of corporate bonds keeps a steady and healthy trend. The financial leasing is further expanded to the 100-billion scale. The structure and flow of FPA on and off balance sheet are significantly optimized over the previous year. The multi-level capital market development opportunities are actively held, and the construction of investment and research capabilities is reinforced, allowing for steady increase in financial investment gains. The Bank remains the first place, among city commercial banks, in each respect of assets custody scale, public funds custody scale, and realized intermediate income, and gradually increases contributions of FICC business. Benefiting from refined and upgraded business models, the Bank as a whole significantly enhances capabilities of value creation and endogenous growth.

**We strive to create high-quality development momentum, and intensify deep integration of business and technology in the process of promoting digital transformation.** With active adaption to changes in time and in technology, we have long proposed building a “bank top in Internet big data gene” and have elevated “intelligence” to a strategic height ten years ago. Currently, we have played the leader in the strategy of being “intelligent, characteristic, international and comprehensive” . We intensify the digital base construction, deeply build the cloud computing center “Suyin Cloud” , promote overall cloud-based application systems, and keep improving cloud computing and cloud storage capabilities, for the purpose of consolidating the foundation of digital development. We accelerate the transition from “digitalization” to “digitalization & intelligence” , center on business needs to tackle difficulties and challenges for clients, and deepen the sensitivity empowerment mechanism on the technology supply side, thereby creating a set of distinctive and responsive digital products and services and further integrating business and technology. Recently, ChatGPT sparked a heated discussion on artificial intelligence. We have rapidly developed

“Zhihui Xiaosu” , a big language model platform holding a maximum of 176 billion parameters, accomplishing the first application to customer service scenarios. According to the latest data, Bank of Jiangsu has almost 5.5 million of monthly active clients on the mobile banking, remaining the first place among city commercial banks. On the “SU YIN JIN GUAN JIA” corporate settlement system, the sum of funds settlement within the entire platform is approaching RMB 3 trillion. The scenario of block chain chattel pledge is selected as a national pilot for innovative application of block chain organized by the Office of the Central Cyberspace Affairs Commission. The continuous promotion of intelligent and digital management of risks significantly improves smart risk control capabilities. The quality of assets passes the pressure test due to changes in external situations, and remains the healthy trend of steady improvement.

**We carry out overall consolidation of the foundation of high-quality development, and release business vitality by optimizing internal management.** We stick to the long-term development principle, persist in doing difficult but right things, and build a solid base for healthy and sustainable development. By actively pushing system and mechanism reforms, optimizing the organizational structure of financial market, information technology, legal preservation and other sectors, and establishing the sensitivity organization and first inquiry responsibility system, we promote the high agglomeration of cross-level targets in the longitudinal direction and the quick coordination cross departments in the transverse direction, in order to reveal market changes and customer needs more rapidly and improve business efficiency. For the purpose of striving to build a “research-driven bank” and a “bank capable of thinking” , the Suyin Research Institute is established to promote the integration of investment and research and accelerate the fusion of research and business. The “highlight” platform and the “delisting” -based reward mechanism are optimized to boost the morale of all staff to tackle development challenges, as a result of which the resources are concentrated to “crack a hard nut” . The adherence to party construction dominance, the stress on training and elevation of leadership for core management personnel, the vigorous agglomeration of excellent talents, the advocacy for struggle orientation, and the incentive of responsible conduct, have provided solid support of talents to the sustainable development of Bank of Jiangsu.

We are fully prepared to restart a journey, and keep diligent and prudent all the time to create feature. 2023 is the beginning year for fully implementing the spirit of the 20th National Congress of the Communist Party of China, and is also the key year for Bank of Jiangsu to continue and carry forward the “14th Five Year” Plan for Development. We will carry on the spirit of “four dares” : dare to act, dare to venture, dare to work, and dare to initiate; closely concentrate on the most important task of high-quality development; strive to promote reasonable volume growth, effective quality improvement, continuous structure optimization, and stable benefit increase; remain as a positive example of enforcing policies, observing surveillance and acting as a market player; make efforts to continuously expanding new realms of practice for Bank of Jiangsu in exploring the path of financial development with Chinese characteristics; and move towards a better future together with vast clients, shareholders and investors.

Chairman: Xia Ping

# Message from the President

In 2022, when confronted with the triple pressure of demand contraction, supply shock and expected weakening and with the complex and ever-changing external environment, we consistently follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly implement the requirement for high-quality development raised by the Board, consistently center on clients, accelerate the dual breakthroughs of “light capital operation+digitalization & intelligence construction”, and place stress on creating three power sources: grand wealth, transactional banking, and mutual promotion and progress between direct financing and indirect financing. From a new higher starting point, we maintain a healthy development trend of steady progress and accumulation, and enter a new stage in respects of business scale, benefit and quality.

By the end of 2022, the total sum of group assets is RMB 2,980.295 billion, increasing by 13.80% over the end of the previous year; the balance of deposits is RMB 1,625.147 billion, increasing by 11.99% over the end of the previous year; and the balance of loans is RMB 1,604.189 billion, increasing by 14.57% over the end of the previous year. The operating income realized throughout the year is RMB 70.57 billion, increasing by 10.66% on a year-on-year basis; the net profit attributable to shareholders of listed companies is RMB 25.386 billion, increasing by 28.90% on a year-on-year basis; the weighted ROE is 14.79%, increasing by 2.19 percentage points on a year-on-year basis. By the end of 2022, the non-performing loan ratio is 0.94%, decreasing by 0.14 percentage point over the end of the previous year, and the provision coverage ratio is 362.07%, increasing by 54.35 percentage points over the end of the previous year.

**The quality and efficiency of serving the real economy are further improved.** By the end of 2022, the manufacturing loan balance is RMB 193.2 billion, increasing by 20.75% over the end of the previous year. The infrastructure loan balance is RMB 330.4 billion, increasing by 18.71% over the end of the previous year. The investment and financing of green finance throughout the year reach a scale of RMB 320.3 billion, increasing by 52% over the same period of the previous year, wherein the green credit balance is RMB 201.5 billion, increasing by 58% over the end of the previous year. The balance of loans to small and medium-sized enterprises exceeds RMB 560 billion, remaining the first place in the market share within Jiangsu Province, wherein the balance of inclusive loans to small and medium-sized enterprises is RMB 138.5 billion, increasing by 29.3% over the end of the previous year. The balance of loans to scientific and technological enterprises is RMB 142.8 billion, ranking the first place in Jiangsu Province. The supply chain finance loans issued throughout the year increase by 70% on a year-on-year basis, and the scale of supply chain finance business ranks at top compared to that of similar banks. The loans accumulatively issued from “Jiangsu Trade Loan” are in the first place in Jiangsu Province. The cross-border e-commerce settlement volume throughout the year exceeds USD 30 billion. The international settlement volume is USD 225.725 billion. We undertake the first asset-backed debt financing instrument nationwide and the first high-growth ABCP nationwide, and become a lead underwriter of debt financing instruments of RMB 217.1 billion. Suyin Financial Leasing carries on leasing business in a total sum of RMB 44.118 billion throughout the year, reaching a new historical high.

**The retail and the transformation of grand wealth management further reach accomplishments.** In 2022, Bank of Jiangsu becomes the first city commercial bank whose retail of AUM breaks through the trillion level. By the end of the year, AUM reaches a size up to RMB 1.07 trillion, increasing by almost 17% the whole year, wherein AUM of wealth and private banking clients exceeds RMB 300 billion, and the number of clients and the scale of assets both increase by

over 20% on a year-on-year basis. Suyin Wealth Management keeps optimizing investment strategies, with the wealth management products reaching the size of RMB 438.3 billion, and has been rated by the PYSTANDARD, the first place among domestic city commercial banks, in the comprehensive assets management capability for seven consecutive years. We iteratively upgrade the products of digital e-finance card and treasure card, and cooperate with well-known enterprises to introduce multiple new co-branded credit card products. 6.53 million credit cards are accumulatively issued, increasing by 28.19% over the end of the previous year. The balance of credit card loans increases by 26.06% over the end of the previous year. The installment business of new energy vehicles is under rapid development, and the balance of installment business of housing decoration is doubled on a year-on-year basis. Suyin KGI Consumer Finance has total assets of RMB 24.726 billion, realizes the revenue of RMB 1.667 billion throughout the year, and ranks at top in the industry in terms of comprehensive operation quality and efficiency. The balance of assets under custody is RMB 3.95 trillion, increasing by 13.6% over the end of the previous year, and the scale remains the first place compared to that of city commercial banks. Efforts are put forth to improve the investment research and transaction capabilities. The balance of financial investment assets is RMB 1,054.2 billion, increasing by 14.80% over the end of the previous year.

**The digital and intelligent operation capabilities are further enhanced.** In 2022, the primary level department of big data is established, in order to: strengthen the agile response, the big data application capability and the prospective study on financial technology; reinforce the construction of digital assets; and promote the enterprise-level profile engineering. The data driving force reaches ongoing accomplishments. Since the shipment, the cash management system “SU YIN JIN GUAN JIA” has accumulatively served over twenty thousand clients, settled the amount of almost RMB 3 trillion, and won the top award in the annual digital finance innovation competition. The iterative upgrade of two APPs, mobile banking and TIAN TIAN LI CAI, is accelerated to keep reinforcing the digital driving force, scenario construction and landing application. The mobile banking has over 15 million of clients, increasing by more than 20% over the end of the previous year. As for the number of monthly active clients of mobile banking, the Bank remains the first place among city commercial banks. The financial service platform “TIAN TIAN LI CAI” manages assets in a size of almost RMB 90 million. The mobile banking continues to be transformed to be friendly to the elderly, and the care version of mobile banking has over 600 thousand of users. The Bank is the precursor of introducing the special sector “Human Resources and Social Security”, and is one of the first banks to make available the function of code scanning payment on mobile banking for non-tax bills in Jiangsu Province, with over 1 million users in both school payment and in electronic certificate. Great efforts are put forth to the “e-mortgage” program to implement paperless client application, mobile acceptance and online approval. The application of digital RMB is actively explored to create loans and financial products characterized by digital RMB. The program of block chain chattel pledge is developed in an innovative manner, and is successfully selected as a national pilot for innovative application of block chain. “Zhihui Xiaosu”, a self-developed big language model platform, is shipped and becomes the first national pilot application of implementing the domestic big language model in the customer service field.

**The overall risk management is further enhanced in its effectiveness.** Keeping the iteration of risk control model and accelerating the optimization of intelligent risk control system, the risk management is continuously improved to be more prospective and effective. The investigation and supervision alarm of potential risks are strengthened to early discover, intervene with and dispose of risks and hidden perils, thereby implementing prudently and diligently the business risk prevention and control directed to key fields and key clients. A plurality of parallel measures are taken to

reduce old loans and control new loans, thereby efficiently promoting the removal and reduction of non-performing loans. By the end of 2022, the reduction over the end of the previous year is realized in four aspects: non-performing loan balance, non-performing loan ratio, overdue ratio and attention ratio, and the proportions of loans overdue for 90 days or more and loans overdue for 60 days or more to non-performing loans are respectively 66.81% and 74.87%, continuously remaining a lower level. The regulatory requirements are duly implemented, and the internal control and case prevention are intensified, for the consistent adherence to the bottom line of compliant operation.

**The level of refined management is further improved.** The asset liability management is solidly conducted, the asset structure continues optimization, and the liability costs are effectively reduced. During the reporting period, the group has net interest margin of 2.32% and net interest spread of 2.11%, respectively increasing by 4BP and 8BP on a year-on-year basis. Efforts are made to establish problem suggestion and resolution mechanisms, general investigations of difficulties and challenges are developed on a regular basis, and focus is placed on rectifying problems with business products, regulations and procedures, system support and the like. The organizational structure continues optimization, and the specialized operation capability is distinctively improved. With the breaking of conventional bank shaft and the innovation in work collaboration mechanism, the cross-department collaboration efficiency is further released. The differentiated development of branches is continuously promoted and the “drip irrigation” project is deeply developed, such that the branches within the province keep increasing market shares and the branches outside the province further enhance their competitiveness. With the timing of establishing the Suyin Research Institute, a research system encompassing macrography, financial market, industry, technology, strategy and other key fields is developed and improved to empower business development.

With the good wind providing strength, it is the right time to set sail. In 2023, we will firmly hold the high-quality development opportunities in the new era; continuously strengthen strategic execution capabilities; accelerate the process of promoting digital transformation; prudently and consistently perform risk prevention and control; with a constantly reassuring sense of responsibility and proactive spirit of commitment, push each work to a new level; continuously enhance market competitiveness, value creation, and sustainable development capabilities; and strive to create a new dimension in building an “intelligent, characteristic, international and comprehensive” bank with leading services.

President: Ge Renyu



BANK OF JIANGSU

ANNUAL REPORT 2022





Section 1

## **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
Post Code of Registered Address/ 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>Accounting firm engaged by the Company (within the territory)</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 2022, the Bank had a total asset of RMB 2.98 trillion. It ranked 71<sup>st</sup> among top 1,000 global banks in 2022 and 71<sup>st</sup> among the global top 500 bank brands in 2023.

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 532 institutions at different levels, radiating three economic circles: Yangtze River Delta, Pearl River Delta, and Bohai Rim and covering all counties within Jiangsu Province.

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 2022

Total Asset **RMB 2.98 trillion**

Institutions At Different Levels **532**



2022  
Top 1,000 global banks



2022  
The global top 500 bank brands

### IV. Scope of Business

With approval of China Banking and Insurance Regulatory Commission (CBIRC) 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



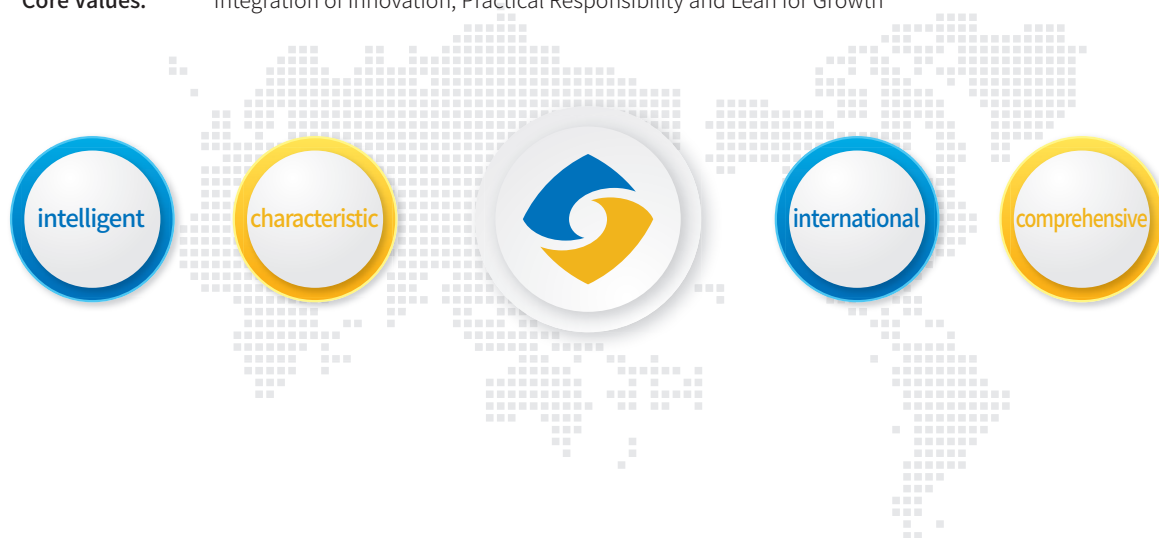
receipt and payment and taking care of assembled funds trust plan as an agent; providing safe deposit box service; handling entrusted deposit and loan service; engaging in bank card business; undertaking foreign exchange deposits; foreign exchange loans; foreign exchange remittance; foreign currency 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. Company Culture

**Mission:** To Create a Better Life

**Vision:** To build itself into a leading service bank that is “intelligent, characteristic, international and comprehensive”

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



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

- 
- **January 2022**      “Goods News of Inclusive Finance” Award by China Banking Association.
- 
- **April 2022**      “May Day Labor Award” of Jiangsu Province by Jiangsu Provincial Federation of Trade Unions.  
  
The 1<sup>st</sup> Prize in annual comprehensive assessment for Jiangsu enterprises by Jiangsu Provincial Party Committee and the People's Government of Jiangsu Province.  
  
The first place among urban commercial banks for three consecutive years in Sina Finance “2021 Mobile Banking APP Evaluation” .
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- **May 2022**      The 354<sup>th</sup> place in Forbes 2022 Top 2,000 Global Enterprises, 6 places higher than last year.  
  
“Annual Top 10 Corporate Social Responsibility (CSR) Reports in China Finance” and “Brand Influence Promotional Video” Award by *China Banking and Insurance News*.
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- **June 2022**      Moody's Baa2 (Investment Grade) Rating, with stable rating outlook.  
  
Gold Award of 2022 Digital Financial Innovation Competition by China Financial Certification Authority (CFCA).
- 
- **July 2022**      The 71<sup>st</sup> place by Tier 1 capital in 2022 Top 1,000 World Banks by the UK magazine *The Banker*.  
  
The 216<sup>th</sup> place in *Fortune* China Top 500 Ranking 2022.
- 
- **August 2022**      2021 “Advanced Service Unit of Inclusive Finance” by CBIRC Jiangsu Office.  
  
The 1<sup>st</sup> place in China Direct Bank Ranking of *China Internet Weekly* by “Tian Tian Li Cai” APP.  
  
“2022 Green Sustainable Development Finance Best Credit Card Product” Award by *The Asian Banker*.
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- **September 2022** The 94th place in “2022 Chinese Brand Value Top 500 List” by global brand value research institution Brand Finance.

The Most Caring Donation Unit of “Jiangsu Charity Award” by the People's Bank of Jiangsu Province.

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- **October 2022** “Annual ESG Financial Pioneer Award” by Daily Economic News.
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- **November 2022** “2022 Best Practice List of Board of Supervisors of Listed Companies” in “2022 Best Practice Cases of Board of Supervisors of Listed Companies” Selection of China Association for Public Companies.

Excellent Brand Construction Bank in “Jinbei” Assets Management Competition Selection of *21<sup>st</sup> Century Business Herald*.

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- **December 2022** Tiji Award for High Quality Development Bank by Securities Times and Securities Trader China.

Class A Bank Rating for Foreign Exchange Assessment in assessment and evaluation of Jiangsu Office of State Administration of Foreign Exchange.

The 1<sup>st</sup> place among urban commercial banks for seven consecutive years in comprehensive financial management capacity in PYSTANDARD 2021 Bank Financial Wealth Management Capacity Ranking.

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BANK OF JIANGSU

ANNUAL REPORT 2022



Section 2

## Financial Summary



# Financial Summary

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

Business Performance Indicators (RMB 1,000)	2022	2021	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year (%)	2020
Operating income	70,570,422	63,771,353	10.66	52,026,195
Net profit attributable to shareholders of listed company	25,385,993	19,694,365	28.90	15,065,745
Net profit attributable to shareholders of listed companies after deducting nonrecurring profits and losses	24,957,456	19,294,182	29.35	14,702,203
Net cash flow from operating activities	-3,812,962	64,984,527	-105.87	-19,283,730

Index per Share (RMB/share)	2022	2021	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year (%)	2020
Basic earnings per share	1.60	1.21	32.23	1.21
Diluted earnings per share	1.36	1.05	29.52	1.04
Basic earnings per share after deducting non-recurring profits and losses	1.57	1.18	33.05	1.18
Net assets attributable to general shareholders of listed company	11.42	10.31	10.77	9.35



Financial Ratio Indicator (%)	2022	2021	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year	2020
Weighted average return on equity	14.79	12.60	Higher by 2.19%	11.91
Weighted average return on net assets after deducting non-recurring profits and losses	14.52	12.32	Higher by 2.20%	11.60

Scale Indicators (RMB 1,000)	End of 2022	End of 2021	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2020
Total assets	2,980,294,692	2,618,874,260	13.80	2,337,892,914
Total liabilities	2,764,863,353	2,420,818,512	14.21	2,155,813,641
Shareholder's equity	215,431,339	198,055,748	8.77	182,079,273
Owner's equity attributable to shareholders of listed companies	208,632,730	192,227,078	8.53	178,037,739

Indicators of Deposits and Loans (RMB 1,000)	End of 2022	End of 2021	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2020
Enterprise current deposit	353,815,271	394,930,625	-10.41	366,686,784
Enterprise time deposit	528,402,432	523,295,304	0.98	498,752,271
Savings current deposit	108,814,392	81,803,215	33.02	80,893,653
Savings time deposit	446,360,871	341,314,896	30.78	278,442,589
Other deposits	187,753,577	109,872,164	70.88	81,458,337
<b>Subtotal: Various deposits</b>	<b>1,625,146,543</b>	<b>1,451,216,204</b>	<b>11.99</b>	<b>1,306,233,634</b>
Interest accrued	33,531,109	27,596,156	21.51	23,636,203
<b>Deposit taking</b>	<b>1,658,677,652</b>	<b>1,478,812,360</b>	<b>12.16</b>	<b>1,329,869,837</b>
Enterprise loan	854,854,202	726,056,690	17.74	636,944,043
Retail loans	604,515,998	561,440,233	7.67	469,911,333
Discount	144,819,210	112,674,831	28.53	94,754,053
<b>Subtotal: Various loans</b>	<b>1,604,189,410</b>	<b>1,400,171,754</b>	<b>14.57</b>	<b>1,201,609,429</b>
Interest accrued	6,663,236	5,537,141	20.34	4,939,601
Minus: Provision for impairment	54,681,677	46,581,404	17.39	40,584,955
<b>Loans and advances issued</b>	<b>1,556,170,969</b>	<b>1,359,127,491</b>	<b>14.50</b>	<b>1,165,964,075</b>

Capital Indicators (RMB 1,000)	End of 2022	End of 2021	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2020
Net capital	255,236,331	236,445,596	7.95	218,982,450
Core tier 1 capital	171,772,399	155,111,387	10.74	140,045,891
Other tier 1 capital	40,456,447	40,364,388	0.23	40,264,574
Tier 2 capital	43,007,485	40,969,821	4.97	38,671,985
Total weighted risk assets	1,953,237,519	1,766,603,079	10.56	1,513,599,663

Regulatory Indicators (%)	Criteria	2022	2021	2020
Capital adequacy ratio	≥ 10.75	13.07	13.38	14.47
Tier 1 capital adequacy ratio	≥ 8.75	10.87	11.07	11.91
Core tier 1 capital adequacy ratio	≥ 7.75	8.79	8.78	9.25
Non-performing loan ratio (NPLR)	≤ 5	0.94	1.08	1.32
Loan-to-deposit ratio	-	93.52	93.21	88.71
Liquidity ratio	≥ 25	93.08	93.80	72.77
Ratio of the largest single customer loan in net capital	≤ 10	2.08	2.05	2.03
Ratio of the largest 10 customer loans in net capital	≤ 50	12.26	12.51	10.95
Provision coverage	≥ 150	362.07	307.72	256.40
Loan allocation ratio	≥ 2.5	3.41	3.33	3.38
Cost to income ratio	≤ 45	24.52	22.44	23.46

## II. Main Quarterly Financial Data

Unit: RMB 1,000 Currency: RMB

Key Financial Data	Q1	Q2	Q3	Q4
Operating income	17,033,028	18,074,324	18,649,110	16,813,960
Net profit attributable to shareholders of listed company	6,584,145	6,796,198	7,108,251	4,897,399
Net profit after deducting nonrecurring profits and losses attributable to shareholders of listed companies	6,484,258	6,674,108	6,995,044	4,804,046
Net cash flow from operating activities	153,554,289	-109,480,326	-50,429,514	2,542,589



### 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	69,266
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	568,228
Other profit and loss items that meet the definition of non-recurring profits and losses	-45,184
Influence amount of minority shareholders' equity	-3,821
Influence amount of income tax	-159,952
<b>Total</b>	<b>428,537</b>

### IV. Items Measured at Fair Value

Unit: RMB 1,000 Currency: RMB

Items	Open Balance	Closing Balance	Changes in Current Period (%)
Derivative financial assets	2,068,083	1,708,980	-17.36
Trading financial assets	266,871,583	377,571,282	41.48
Other creditor's rights investment	119,554,477	158,751,177	32.79
Other equity instruments investment	216,938	224,024	3.27
Loans and advances issued	121,062,182	164,221,714	35.65
Total assets measured at fair value	509,773,263	702,477,177	37.80
Derivative financial liabilities	1,818,408	1,804,609	-0.76
Trading financial liabilities	254,093	9,072,932	3,470.71
Total liabilities measured at fair value	2,072,501	10,877,541	424.85

## 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	255,236,331	237,788,736
1.1 Core tier 1 capital	172,270,639	163,860,208
1.2 Core tier 1 capital deductions	498,240	7,088,014
1.3 Core tier 1 net capital	171,772,399	156,772,194
1.4 Other tier 1 Capital	40,456,447	39,974,758
1.5 Other tier 1 capital deductions	0	0
1.6 Tier 1 net capital	212,228,846	196,746,952
1.7 Tier 2 capital	43,007,485	41,041,784
1.8 Tier 2 capital deductions	0	0
2. Credit risk weighted assets	1,785,572,660	1,704,384,518
3. Market risk weighted assets	52,743,051	52,743,051
4. Operational risk weighted assets	114,921,808	107,077,266
5. Total risk weighted assets	1,953,237,519	1,864,204,835
6. Core tier 1 capital adequacy ratio (%)	8.79	8.41
7. Tier 1 capital adequacy ratio (%)	10.87	10.55
8. Capital adequacy ratio (%)	13.07	12.76

## VI. Leverage Ratio

Unit: %

Item	December 31, 2022	December 31, 2021
Group	6.24	6.54
The Bank	6.02	6.33

## VII. Liquidity Coverage Rate

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2022
Group	Liquidity coverage ratio (%)	160.47
	Qualified and high-quality current assets	162,966,191
	Ending value of net cash outflow amount in future 30 days	101,553,832
The Bank	Liquidity coverage ratio (%)	163.34
	Qualified and high-quality current assets	159,376,056
	Ending value of net cash outflow amount in future 30 days	97,572,037



## 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 2022, the Group's net stable capital ratio was 111.09%, available stabilization fund was RMB 1.651258 trillion and required stabilization fund was RMB 1.486413 trillion. All those met the regulatory requirements.

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2022	December 31, 2021
Group	Net stable funding ratio (%)	111.09	112.91
	Available stable funds	1,651,258,207	1,490,794,226
	Required stable funds	1,486,413,276	1,320,298,296

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

During the Reporting Period, the Group's net interest margin (NIM) and net interest spread (NIS) were 2.32% and 2.11% respectively, with a YoY growth of 4BP and 8BP 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 3.66%, 1.43% and 2.5% respectively. The rate of interest-bearing liabilities was 2.42%. To be specific, the average interest rate of deposit taking was 2.34% while that of issued debt securities, borrowings from the Central Bank and other interest-bearing liabilities was 2.8%, 2.75% and 2.12% respectively.

Cause of change of NIM and NIS: On the one hand, the asset structure has been optimized constantly. Thanks to the favorable regional environment and the Bank's superior comprehensive service capacity, we explored clients and consolidated our foundation actively, seized high-quality assets, and had relatively sufficient credit needs and project reserve. While supporting the real economy actively, we also further enhanced our own sustainable development capacity; improved investment and research integration level constantly and seized the commanding height of financial market assets allocation by judging the trend of market interest rate precisely. On the other hand, we reduced liability costs effectively; expanded the source of general deposit at a low cost from different ways and controlled "both price and quantity" to reduce the proportion of structural deposit; grasped market fluctuation accurately, adjusted duration of interbank debts flexibly and reduced comprehensive cost of interest-bearing liabilities further.



Unit: RMB 1,000 Currency: RMB

Item	2022		
	Average Balance	Interest Income/ Expense	Average Interest Rate (%)
<b>Assets</b>			
Issue of loans and advances <sup>1</sup>	1,586,720,213	84,986,588	5.36
Financial investment	688,463,980	25,203,811	3.66
Deposit with Central Bank	138,567,108	1,976,580	1.43
Other interest-bearing assets	141,849,281	3,539,568	2.50
Among which: Inter-bank deposits and offers <sup>2</sup>	110,725,499	3,066,234	2.77
Financial assets purchased for resale	31,123,781	473,334	1.52
Total interest-bearing assets	2,555,600,582	115,706,547	4.53
<b>Liabilities</b>			
Deposit taking	1,587,496,064	37,208,723	2.34
Issued debt securities	459,743,299	12,854,339	2.80
Borrowings from Central Bank	184,876,353	5,081,793	2.75
Other interest-bearing liabilities	392,200,338	8,297,784	2.12
Among which: Interbank borrowing <sup>3</sup>	333,727,683	7,231,229	2.17
Selling and repurchasing financial assets	57,264,684	955,578	1.67
Total interest-bearing liabilities	2,624,316,053	63,442,639	2.42
Net interest income		52,263,908	
Net interest margin <sup>4</sup>			2.11
Net interest spread <sup>4</sup>			2.32

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. 5. Average balance of interest-bearing assets and interest-bearing liabilities are the mean value of daily balance.



## X. Changes in Shareholders' Equity

Unit: RMB 1,000 Currency: RMB

Item	Open Balance	Increase and Decrease in Current Period	Closing Balance	Fluctuation Margin (%)
Capital stock	14,769,629	28	14,769,657	0.00
Other equity instruments	42,762,619	-24	42,762,595	0.00
Capital reserve	27,699,613	168	27,699,781	0.00
Other comprehensive income	2,266,574	-1,272,657	993,917	-56.15
Surplus reserve	22,786,262	3,732,930	26,519,192	16.38
General risk reserve	37,215,107	4,812,618	42,027,725	12.93
Undistributed profit	44,727,274	9,132,589	53,859,863	20.42
Total amount of shareholders' equity vested in the parent company	192,227,078	16,405,652	208,632,730	8.53
Minority stockholder's equity	5,828,670	969,939	6,798,609	16.64
<b>Total shareholders' equity</b>	<b>198,055,748</b>	<b>17,375,591</b>	<b>215,431,339</b>	<b>8.77</b>

BANK OF JIANGSU

ANNUAL REPORT 2022





Section 3

## **Business Discussion and Analysis**



# Business Discussion and Analysis

## I. Core Competitiveness

In 2021, the Bank prepared the 14<sup>th</sup> Five-year Strategic Plan on the basis of the Five-year Development Strategic Plan (2019-2023) and focused on the five strategic goals of the “most valuable bank”, “service-leader bank”, “intelligent-innovation bank” and “employee-satisfaction bank” and “politically competent bank”; advanced the six business development strategies: “Strengthen the corporate services and create the industry expertise; enlarge the retail business and focus on the wealth management; optimize the financial market business and establish leading advantages; improve the service scenarios and increase the value contributions; expand the regional layout and form the service characteristics; enhance the Group collaboration and stimulate the integrated business”, and accelerated the construction of “Intelligent, Characteristic, International and Comprehensive service-leader bank and improved its core competitiveness dramatically.

**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 of Jiangsu Province. 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.** The Bank has not only the scale and strength of large banks but also the characteristics of flexibility, convenience and high efficiency of small ones. 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 intelligent 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 innovation dominance, experience improvement and autonomous control; optimizes organizational structure, promotes management centralization and process optimization and realizes in-depth integration between business and technology; identifies digital talent training, keeps enhancing innovation strengths and product vitality, creates a series of competitive products and boosts high-quality development comprehensively.

**5. Internal control mechanism is sound, risk control system is complete and comprehensive risk management is both accurate and effective.** The Bank keeps up with the latest external changes, optimizes internal control prevention mechanism constantly and promotes risk management system reform in depth; has iterated intelligent prevention and control system rapidly which has become mature gradually, improved assets quality constantly and managed risks comprehensively and effectively.

**6. The talent power strategy is steadily implemented, and the high-competence, specialized talent team is increasingly growing.** The Bank's management is well experienced 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.

## II. Operation Overview during the Reporting Period

In 2022, under the guidance of welcoming the 20th Party Congress and learning and publicizing the spirit of the 20th CPC National Congress, the Bank insisted on the original intention of serving real economy and developing finance for the people, practiced the new development idea deeply, adhered to political stand and people-oriented principle in financial work and improved its professionalism constantly; made an overall plan on safety, liquidity and efficiency of bank operation, advanced the transformation and development vigorously, accelerated construction of a service-leader bank that is “Intelligent, Characteristic, International and Comprehensive” and kept a sound development trend with steady progress at a new higher starting point.

**Quality and benefit of serving real economy are constantly manifested.** Keep improving the capacity of serving real economy through finance, increase credit input in the key fields such as advanced manufacturing, S & T innovation, green and small and micro businesses and promote the work of “strengthening and complementing chains” , “intelligent transformation and digital transformation” and self-reliance in science and technology to obtain substantial results. As of the end of the Reporting Period, the Bank's total assets had reached RMB 2.980295 trillion, a 13.80% growth compared with that as of the end of last year; balance of various deposits had been RMB 1.625147

trillion, increasing by 11.99% compared with that as of the end of last year; balance of various loans had been RMB 1.604189 trillion, increasing by 14.57% compared with that as of the end of last year.

**Operation benefits kept a steady growth.** Focus on transformation and upgrading, accelerate key breakthroughs, optimize structure continuously, and improve management level in order to obtain favorable operation performance. During the Reporting Period, we had an operation revenue of RMB 70.57 billion, with a 10.66% YoY growth; net profits attributable to shareholders of listed companies of RMB 25.386 billion, showing a 28.9% YoY growth.

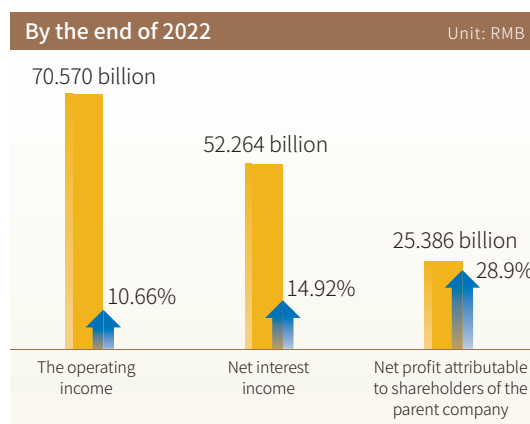
**Assets quality was improved further.** Insist on bottom line thinking, intensify risk control continuously, improve assets quality constantly and enhance risk offset capacity further. During the Reporting Period, the balance of non-performing loan (NPL), NPLR, overdue rate and attention rate were lowered compared with those of last year. In particular, NPLR was 0.94%, a 0.14% drop compared with that of last year, with a continuous trend of drop year by year for the seven years since listing of the Company; provision coverage was 362.07%, improving by 54.35% compared with that of last year, with a continuous growth year by year for the seven years since listing of the Company.

**Return to shareholders was improved steadily.** Intensify operation and management continuously, improve the Company's intrinsic value with efforts and create more return for shareholders. During the Reporting Period, the Bank's weighted average return on equity (WROE) was 14.79%, a 2.19% YoY growth; basic earnings per share were RMB 1.60, a 32.23% YoY growth.

### III. Income and Cost Analysis

#### (I) Major items of income statement

During the Reporting Period, the Group realized the operating income of RMB 70.570 billion, with a YoY growth of 10.66%. To be specific, net interest income was RMB 52.264 billion, with a YoY growth of 14.92%; net income of handling charges and commissions was RMB 6.252 billion, with a YoY drop of 16.53%. Operating expenses were RMB 37.896 billion with a YoY growth of 1.43%. The business and management fees were RMB 17.307 billion with a YoY growth of 20.96%. Net profit attributable to shareholders of the parent company was RMB 25.386 billion with a YoY growth of 28.9%.





Unit: RMB 1,000 Currency: RMB

Items	January - December, 2022	January - December, 2021	Increase/Decrease Changes	YoY Increase or Decrease (%)
I. Operating income	70,570,422	63,771,353	6,799,069	10.66
Including: net interest income	52,263,908	45,479,691	6,784,217	14.92
Net income of handling charges and commissions	6,251,853	7,490,118	-1,238,265	-16.53
II. Operating expenses	37,896,448	37,363,070	533,378	1.43
Including: business and management fees	17,306,731	14,307,278	2,999,453	20.96
III. Operating profit	32,673,974	26,408,283	6,265,691	23.73
IV. Total profit	32,628,790	26,475,857	6,152,933	23.24
V. Net profit	26,351,988	20,409,260	5,942,728	29.12
Including: net profit attributable to shareholders of the parent company	25,385,993	19,694,365	5,691,628	28.90



## (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	2022	2021	Range of Increase/ Decrease (%)	Main Reason
Other incomes	568,228	336,872	68.68	Increase of other incomes
Net income from fair value changes	148,477	1,306,817	-88.64	Decrease of estimated value of financial assets measured as per fair value
Net exchange earning	619,967	456,484	35.81	Increase of exchange earnings of derivative products
Other business income	148,872	68,613	116.97	Increase of other business income
Income from asset disposal	69,266	128,972	-46.29	Decrease of assets disposal income
Other business cost	116,829	38,956	199.90	Increase of other business costs
Non-operating income	43,823	122,641	-64.27	Decrease of non-operating income
Non-operating expenditure	89,007	55,067	61.63	Increase of non-operating expenditure
Minority interest income	965,995	714,895	35.12	Increase of minority interest income
Net after-tax amount of other comprehensive income	-1,268,713	961,877	-231.90	Decrease of other comprehensive income
Net after-tax amount of other comprehensive income attributable to shareholders of parent company	-1,272,657	961,877	-232.31	Decrease of other comprehensive income
Changes in fair value of investment in other equity instruments	5,315	16,476	-67.74	Decrease of changes in fair value of investment in other equity instruments
Changes in fair value of investment in other creditor's rights	-1,974,304	515,497	-482.99	Decrease of changes in fair value of investment in other creditor's rights
Provision for credit loss of investment in other creditor's rights	695,632	429,904	61.81	Increase of provision for credit loss of investment in other creditor's rights
Converted difference in foreign currency statements	700	0	100.00	Foreign currency business increase
Total consolidated income attributable to minority shareholders	969,939	714,895	35.68	Increase of minority interest income

## (III) Net interest income

During the Reporting Period, the Group realized a net interest income of RMB 52.264 billion, with a YoY growth of 14.92%. To be specific, the interest income was RMB 115.707 billion, with a YoY growth of 10.33%; interest expenditure was RMB 63.443 billion, with a YoY growth of 6.82%. Of the interest income, the income from loans and advances issued was RMB 80.132 billion, with a YoY growth of 14.8%; income from debt instrument investment was RMB 25.204 billion, with a YoY drop of 2.06%; income from long-term receivable interest was RMB 4.855 billion, with a YoY growth of 13.14%. Of the interest expenditure, the expenditure of deposit taking was RMB 37.209 billion, with a YoY growth of 12.28%; expenditure of issued debt securities was RMB 12.854 billion, with a YoY drop of 4.04%; expenditure of borrowings from Central Bank was RMB 5.082 billion, with a YoY drop of 6.85%.



Unit: RMB 1,000 Currency: RMB

Item	January - December, 2022		January - December, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
<b>Interest income</b>				
Issue of loans and advances	80,131,581	69.25	69,799,014	66.56
-Enterprise loan	38,676,918	33.43	32,870,758	31.35
-Personal loans	38,741,144	33.48	34,716,553	33.10
-Notes discounted	2,713,519	2.34	2,211,703	2.11
Debt instrument investment	25,203,811	21.78	25,734,414	24.54
Long-term receivables	4,855,007	4.20	4,291,223	4.09
Lending funds	2,589,270	2.24	1,668,315	1.59
Deposits in the Central Bank	1,976,580	1.71	2,179,852	2.08
Funds deposited by interbank and other financial institutions	476,964	0.41	595,706	0.57
Financial assets purchased for resale	473,334	0.41	602,958	0.57
Total of interest income	115,706,547	100.00	104,871,482	100.00
<b>Interest expenditure</b>				
Deposit taking	37,208,723	58.65	33,138,621	55.79
-Corporate customers	23,027,566	36.30	21,275,131	35.82
-Individual customers	14,181,157	22.35	11,863,490	19.97
Issued debt securities	12,854,339	20.26	13,396,125	22.56
Borrowings from Central Bank	5,081,793	8.01	5,455,259	9.19
Deposit of interbank funds and other financial institutions funds	4,301,702	6.78	4,179,003	7.04
Borrowing funds	2,929,527	4.62	2,190,202	3.68
Financial assets sold for repurchase	955,578	1.51	932,055	1.57
Others	110,977	0.17	100,526	0.17
Total of interest expenditure	63,442,639	100.00	59,391,791	100.00
<b>Net interest income</b>	52,263,908		45,479,691	

#### (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 6.252 billion, with a YoY drop of 16.53%. To be specific, the fee and commission income was RMB 6.882 billion, with a YoY drop of 15.98%; fees and commission expenses were RMB 630 million, with a YoY drop of 10.09%. Of the fee and commission income, agency fee income was RMB 4.687 billion, with a YoY growth of 24.9%. The commission income from custody and other entrusted businesses was RMB 870 million with a YoY drop of 2.2%; credit commitment fee and commission income was RMB 1.012 billion, with a YoY growth of 28.32%. Of the handling fees and commissions, settlement and clearing fee expenses were RMB 309 million, with a YoY growth of 27.82%; bank card handling fee expenses were RMB 79 million, with a YoY growth of 51.06%.

Unit: RMB 1,000 Currency: RMB

Items	2022	2021
Agency fee income	4,687,365	6,241,823
Credit commitment fee and commission income	1,011,687	788,414
Commission income from custody and other entrusted businesses	869,667	889,250
Bank card handling fee income	163,228	165,984
Income from settlement and clearing fees	110,956	56,140
Income from consultants and consulting fees	2,470	6,325
Others	36,138	42,474
<b>Fee and commission income</b>	<b>6,881,511</b>	<b>8,190,410</b>
Settlement and clearing fee expenses	309,075	241,808
Bank card handling fee expenses	78,998	52,295
Others	241,585	406,189
<b>Fees and commission expenses</b>	<b>629,658</b>	<b>700,292</b>
<b>Net income of handling charges and commissions</b>	<b>6,251,853</b>	<b>7,490,118</b>

#### (V) Business and management fees

During the Reporting Period, the Group's expenditure of business and management fees was RMB 17.307 billion, with a YoY growth of 20.96% and the cost to income ratio was 24.52%. The Group insisted on the “Intelligent, Characteristic, International and Comprehensive” strategic guidance, advanced “intelligent” transformation in depth and intensified allocation of resources in such fields as Fintech; it has supported operation management comprehensively in the whole process, and kept a reasonable level in cost to income ratio on the basis of rapid improvement of operation management quality and efficiency.



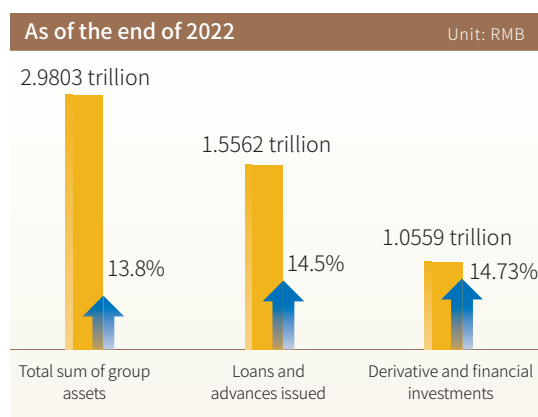
Unit: RMB 1,000 Currency: RMB

Items	2022	2021
Employee costs	9,999,293	8,889,132
-Wages and bonuses	7,584,201	6,832,753
-Social insurance premiums and supplementary insurance	1,358,706	1,215,648
- Others	1,056,386	840,731
Expenses on property and equipment	1,899,025	1,729,192
-Depreciation and amortization	1,219,544	1,125,145
-Leasing and property management fees	143,857	167,468
-Public utility fees	74,841	70,387
-Others	460,783	366,192
Other office and administrative expenses	5,408,413	3,688,954
<b>Total</b>	<b>17,306,731</b>	<b>14,307,278</b>

## IV. Analysis of Assets and Liabilities

### (I) Major balance sheet items

As of the end of the Reporting Period, the Group had total assets of RMB 2.9803 trillion, increasing by 13.8% compared with that as of the end of last year. In particular, loans and advances issued were RMB 1.5562 trillion, a 14.5% growth compared with that as of the end of last year; derivative and financial investments were RMB 1.0559 trillion, increasing by 14.73% compared with that as of the end of last year. Cash and deposits in the Central Bank were RMB 142.6 billion, a 7.59% growth compared with that as of the end of last year; interbank assets were RMB 118.4 billion, a 4.16% growth compared with that as of the end of last year.



The Group had total liabilities of RMB 2.7649 trillion, increasing by 14.21% compared with that as of the end of last year. In particular, deposit taking was RMB 1.6587 trillion, with a 12.16% growth compared with that as of the end of last year; debt securities issued were RMB 478.3 billion, a 10.52% growth compared with that as of the end of last year; interbank liabilities were RMB 391.4 billion, increasing by 35.74% compared with that as of the end of last year; loans from the Central Bank were RMB 186.7 billion, a 1.8% growth compared with that as of the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022	December 31, 2021	Range of Increase/ Decrease (%)
Cash and deposits in the Central Bank	142,569,502	132,508,177	7.59
Interbank Assets <sup>1</sup>	118,400,766	113,674,700	4.16
Derivatives and financial investments <sup>2</sup>	1,055,896,758	920,317,452	14.73
Issued loans and advances	1,556,170,969	1,359,127,491	14.50
<b>Total assets</b>	<b>2,980,294,692</b>	<b>2,618,874,260</b>	<b>13.80</b>
Borrowings from Central Bank	186,674,842	183,379,765	1.80
Interbank liabilities <sup>3</sup>	391,408,404	288,348,707	35.74
Deposit taking	1,658,677,652	1,478,812,360	12.16
Issued debt securities	478,305,197	432,760,951	10.52
<b>Total liabilities</b>	<b>2,764,863,353</b>	<b>2,420,818,512</b>	<b>14.21</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

During the Reporting Period, the Group's expenditure of business and management fees was RMB 17.307 billion, with a YoY growth of 20.96% and the cost to income ratio was 24.52%. The Group insisted on the "Intelligent, Characteristic, International and Comprehensive" strategic guidance, advanced "intelligent" transformation in depth and intensified allocation of resources in such fields as Fintech; it has supported operation management comprehensively in the whole process, and kept a reasonable level in cost to income ratio on the basis of rapid improvement of operation management quality and efficiency.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022	December 31, 2021	Range of Increase/ Decrease (%)	Main Reason
Financial assets purchased for resale	4,619,628	8,003,521	-42.28	Decrease of financial assets purchased for resale
Trading financial assets	377,571,282	266,871,583	41.48	Increase of trading financial assets
Other investment in creditor's rights	158,751,177	119,554,477	32.79	Increase of other investment in creditor's rights
Other assets	9,325,105	6,597,110	41.35	Increase of other assets
Borrowing funds	102,060,245	71,567,135	42.61	Increase of borrowing funds
Trading financial liabilities	9,072,932	254,093	3,470.71	Increase of trading financial liabilities
Financial assets sold for repurchase	93,277,079	39,229,402	137.77	Increase of financial assets sold for repurchase
Anticipation liabilities	3,188,577	1,883,482	69.29	Increase of anticipation liabilities
Other comprehensive incomes	993,917	2,266,574	-56.15	Decrease of other comprehensive income



### (III) Major asset items

#### 1. Issued loans and advances

##### (I) 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 1.5562 trillion, 14.5% higher compared with that at the end of last year. The loans amounted to RMB 1.6042 trillion, 14.57% higher compared with that at the end of last year. To be specific, the corporate loan was RMB 854.9 billion, 17.74% higher compared with that at the end of last year. The retailing loan was RMB 604.5 billion, 7.67% higher compared with that at the end of last year and the notes discounted were RMB 144.8 billion, 28.53% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022	December 31, 2021
<b>Measured at amortized cost</b>		
Enterprise loans and advances	835,245,949	717,530,548
Personal loans and advances	604,515,998	561,440,233
- Housing mortgage loans	245,012,741	243,896,280
- Personal consumption loan	287,794,969	254,403,462
- Personal operating loan	35,928,822	34,756,920
- Credit card	35,779,466	28,383,571
Bills discounted	205,749	138,791
Subtotal	1,439,967,696	1,279,109,572
<b>Measured at fair value with its changes included in other consolidated income</b>		
Enterprise loans and advances	19,608,253	8,526,142
Bills discounted	144,613,461	112,536,040
Subtotal	164,221,714	121,062,182
<b>Different loans</b>	<b>1,604,189,410</b>	<b>1,400,171,754</b>
Accrued interest	6,663,236	5,537,141
Minus: Impairment provision	54,681,677	46,581,404
<b>Book value</b>	<b>1,556,170,969</b>	<b>1,359,127,491</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 wholesale and retail trade. To be specific, the loan of leasing and commercial service industry was RMB 204.9 billion, accounting for 12.77%; loans of manufacturing and wholesale and retail trade were RMB 193.2 billion and RMB 107.6 billion with a proportion of 12.04% and 6.70% respectively.

Unit: RMB 1,000 Currency: RMB

Industries	December 31, 2022		December 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Leasing and commercial service	204,898,591	12.77	173,763,034	12.42
Manufacturing industry	193,238,235	12.04	160,031,226	11.43
Wholesale and retail trade	107,620,092	6.70	87,683,956	6.26
Water conservancy, environment and public facility management industry	97,823,555	6.10	78,702,377	5.62
Real estate industry	89,296,925	5.57	90,833,819	6.49
Construction industry	43,569,462	2.72	40,330,547	2.88
Agriculture, forestry, animal husbandry, sideline occupations and fishery	22,733,194	1.42	16,138,745	1.15
Transportation, warehousing and mail business	21,642,772	1.35	19,096,827	1.36
Scientific research and technology services	17,906,867	1.12	10,344,911	0.74
Electricity, heat, gas and water production and supply industries	16,738,336	1.04	13,886,715	0.99
Information transmission, software and information technology services industry	14,263,500	0.89	10,832,517	0.77
Neighborhood service, repair and other service industries	6,090,441	0.38	5,908,779	0.42
Cultural, sports and entertainment industry	5,333,485	0.33	6,336,990	0.45
Financial industry	4,412,989	0.28	2,753,350	0.20
Accommodation and catering industry	3,659,718	0.23	3,102,192	0.22
Sanitation and social work	3,126,022	0.19	2,966,772	0.21
Education	1,889,754	0.12	2,136,480	0.15
Others	610,264	0.04	1,207,453	0.09
Subtotal of corporate loans and advances	854,854,202	53.29	726,056,690	51.85
Personal loans and advances	604,515,998	37.68	561,440,233	40.10
Notes discounted	144,819,210	9.03	112,674,831	8.05
<b>Various loans</b>	<b>1,604,189,410</b>	<b>100.00</b>	<b>1,400,171,754</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 1.3667 trillion and RMB 106.6 billion with a ratio of 85.2% and 6.64% respectively; the balance of loan in the Pearl River Delta Region and Bohai Rim Region was RMB 68.5 billion and RMB 62.4 billion with a ratio of 4.27% and 3.89% respectively.

Unit: RMB 1,000 Currency: RMB

Region	December 31, 2022		December 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Jiangsu area	1,366,732,229	85.20	1,178,937,582	84.20
Yangtze River Delta Region (excluding Jiangsu area)	106,551,344	6.64	94,145,576	6.72
Pearl River Delta Region	68,508,184	4.27	63,724,372	4.55
Bohai Rim Region	62,397,653	3.89	63,364,224	4.53
<b>Total loans</b>	<b>1,604,189,410</b>	<b>100.00</b>	<b>1,400,171,754</b>	<b>100.00</b>

### (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 463.7 billion with a ratio of 28.91% while that of credit loan and guaranteed loan was RMB 610 billion and RMB 530.4 billion with a ratio of 38.03% and 33.06% respectively.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022		December 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
Credit loan	610,037,542	38.03	521,351,647	37.23
Guaranteed loan	530,402,768	33.06	399,913,468	28.56
Loan with collateral	463,749,100	28.91	478,906,639	34.21
Including: Mortgage loan	395,145,710	24.63	398,746,785	28.48
Pledged loan	68,603,390	4.28	80,159,854	5.73
<b>Total loans</b>	<b>1,604,189,410</b>	<b>100.00</b>	<b>1,400,171,754</b>	<b>100.00</b>



### (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 31.3 billion, accounting for 1.95% of the total loans and 12.27% of the net amount of capital.

Unit: RMB 1,000 Currency: RMB

No.	Borrower	Loan Balance	Proportion of Total Loans (%)	Proportion of Net Capital (%)
1	Customer A	5,300,518	0.33	2.08
2	Customer B	4,480,000	0.28	1.76
3	Customer C	4,280,500	0.27	1.68
4	Customer D	3,488,444	0.22	1.37
5	Customer E	3,179,132	0.20	1.25
6	Customer F	2,280,000	0.14	0.89
7	Customer G	2,221,000	0.14	0.87
8	Customer H	2,060,000	0.13	0.81
9	Customer I	2,000,000	0.12	0.78
10	Customer J	1,996,667	0.12	0.78

## 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 4.62 billion, 42.28% lower compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022	December 31, 2021
Securities		
- Bonds of banks and other financial institutions	3,999,970	7,907,846
- Corporate bonds	600,000	90,000
- Chinese government bond	24,179	60,000
Subtotal	4,624,149	8,057,846
Accrued interest	1,812	2,849
Minus: Depreciation reserves	6,333	57,174
<b>Total</b>	<b>4,619,628</b>	<b>8,003,521</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 377.6 billion, 41.48% higher compared with that at the end of last year. To be specific, investment fund was RMB 195.9 billion, 35.81% higher compared with that at the end of last year. Bond investment was RMB 113.7 billion, 51.52% higher compared with that at the end of last year. Wealth management investment was RMB 23 billion, with a drop of 14.4% in comparison to that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
- Government	3,700,106
- Policy banks	56,757,872
- Commercial banks and other financial institutions	5,532,908
- Other institutions	44,299,031
Subtotal	110,289,917
<b>Beyond the Chinese border</b>	
- Government	6,460
- Policy bank	452,508
- Commercial banks and other financial institutions	2,377,147
- Other institutions	551,490
Subtotal	3,387,605
Subtotal of bond investment	113,677,522
Investment fund	195,880,120
Wealth management products	23,024,398
Asset management plan and trust plan	10,814,947
Asset-backed securities	4,531,313
Equity investment	338,156
Other investments	29,304,826
<b>Total</b>	<b>377,571,282</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 517.6 billion, 2.63% lower than that at the end of last year. Of the balance of creditor's right investment, the bond investment was RMB 413.5 billion, 13.23% higher compared with that at the end of last year. The investment of asset management plan and trust plan investments was RMB 77.8 billion, with a drop of 38.56% compared to that at the end of last year. The investment of asset-backed securities was RMB 27.3 billion, decreased by 22.94% compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
- Governments	345,675,498
- Policy banks	17,149,241
- Commercial banks and other financial institutions	1,550,000
- Other institutions	11,934,287
Subtotal	376,309,026
<b>Beyond the Chinese border</b>	
- Government	440,645
- Policy banks	240,674
- Commercial banks and other financial institutions	8,491,606
- Other institutions	27,993,632
Subtotal	37,166,557
Subtotal of bond investment	413,475,583
Asset management plan and trust plan	77,756,180
Asset-backed securities	27,330,368
Other investments	7,556,366
Total	526,118,497
Accrued interest	5,837,508
Minus: Depreciation reserves	14,314,710
<b>Book value</b>	<b>517,641,295</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 158.8 billion, 32.79% higher compared with that at the end of last year. Of the balance of other creditor's right investment, bond investment was RMB 150.4 billion, 28.41% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
- Governments	40,108,116
- Policy banks	26,891,151
- Commercial banks and other financial institutions	16,935,742
- Other institutions	37,282,319
Subtotal	121,217,328
<b>Beyond the Chinese border</b>	
- Government	3,755,726
- Policy banks	176,164
- Commercial banks and other financial institutions	6,212,317
- Other institutions	19,004,382
Subtotal	29,148,589
Subtotal of bond investment	150,365,917
Asset-backed securities	6,262,227
Total	156,628,144
Accrued interest	2,123,033
<b>Book value</b>	<b>158,751,177</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 224 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 1.6587 trillion, 12.16% higher compared with that at the end of last year. The deposits were RMB 1.6251 trillion, with an increase of 11.99% compared with that at the end of last year. To be specific, corporate deposit was RMB 882.2 billion with a ratio of 54.28%, 3.92% lower compared with that at the end of last year. Individual deposit was RMB 555.2 billion, with a ratio of 34.17%, 31.21% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022		December 31, 2021	
	Amount	Ratio (%)	Amount	Ratio (%)
<b>Corporate deposits</b>				
Current deposit	353,815,271	21.77	394,930,625	27.21
Fixed time deposit	528,402,432	32.51	523,295,304	36.06
Subtotal	882,217,703	54.28	918,225,929	63.27
<b>Personal deposits</b>				
Current deposit	108,814,392	6.70	81,803,215	5.64
Fixed time deposit	446,360,871	27.47	341,314,896	23.52
Subtotal	555,175,263	34.17	423,118,111	29.16
<b>Other deposits</b>				
Marginal deposit for security	166,477,148	10.24	97,964,265	6.75
Treasury deposit	20,805,000	1.28	11,358,000	0.78
Remittances outstanding	371,168	0.02	116,278	0.01
Outward remittance	94,220	0.01	340,074	0.02
Fiscal deposits	6,041	0.00	93,547	0.01
Subtotal	187,753,577	11.55	109,872,164	7.57
Various deposits	1,625,146,543	100.00	1,451,216,204	100.00
Interest accrued	33,531,109		27,596,156	
<b>Deposit taking</b>	<b>1,658,677,652</b>		<b>1,478,812,360</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 196.1 billion, 10.43% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2022	December 31, 2021
Within Chinese territory		
-Banks	17,183,421	11,333,598
-Other financial institutions	177,864,557	165,071,623
Subtotal	195,047,978	176,405,221
Interest accrued	1,023,102	1,146,949
<b>Total</b>	<b>196,071,080</b>	<b>177,552,170</b>



## V. Loan Quality Analysis

### 1. Five-level classification of loans

Unit: RMB 1,000 Currency: RMB

Five-level Classification	Amount	Ratio (%)	Rise or Drop Compared with the End of Last Year (%)
Normal loans	1,568,094,079	97.75	Rise by 0.17%
Special mention loans	20,992,761	1.31	Drop by 0.03%
Subprime loans	8,268,595	0.52	Drop by 0.04%
Doubtful loans	3,923,283	0.24	Rise by 0.05%
Loss loans	2,910,693	0.18	Drop by 0.15%
<b>Total</b>	<b>1,604,189,411</b>	<b>100</b>	

Note: According to the regulatory five-level classification policy, the Group's NPLs include loans classified as sub-prime, doubtful and loss. During the Reporting Period, the Group strengthened work for reducing old risks and controlling the generation of new risks and had assets quality further keeping a steady and sound trend. As of the end of the Reporting Period, the balance of the Group's non-performing loan was RMB 15.103 billion and the ratio of NPL was 0.94%, 0.14% lower compared with that at the beginning of this year. The total amount of special mention loan was RMB 20.993 billion with a ratio of 1.31%, 0.03% lower compared with that at the beginning of this year.

### 2. Migration rate data

Unit: %

Item	2022	2021	2020	2019
Migration rate of normal loans	1.54	2.08	1.31	2.72
Migration rate of special mention loans	24.18	42.38	44.21	43.77
Migration rate of subprime loans	45.72	54.51	45.04	68.53
Migration rate of doubtful loans	43.64	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  $\times 100\%$ .

### 3. Quality of loan assets classified based on industry

Unit: RMB 1,000 Currency: RMB

Classification	Amount of NPL	Ratio (%)	Rise/Drop Compared with that of the End of Last Year (%)
Agriculture, forestry, animal husbandry, sideline occupations and fishery	70,905	0.29	-0.26
Mining	0	0.00	0.00
Manufacturing industry	2,792,366	1.37	-0.95
Production and supply of electricity, heat, gas and water	217,980	1.28	0.05
Construction industry	412,696	0.96	0.01
Wholesale and retail industry	3,201,363	2.53	0.36
Transportation, warehousing and mail business	57,263	0.26	-0.43
Accommodation and catering industry	113,322	3.26	1.77
Information transmission, software and information technology services industry	157,735	1.07	0.35
Finance industry	0	0.00	0.00
Real estate industry	1,712,317	1.87	0.40
Leasing and commercial service	608,651	0.30	-0.82
Scientific research and technical services	259,511	1.38	-0.80
Water conservancy, environment and public facility management industry	195,101	0.18	0.07
Neighborhood service, repair and other service industries	12,820	0.23	0.13
Education	7,549	0.40	0.15
Sanitation and social work	14,942	0.48	0.01
Cultural, sports and entertainment industry	72,198	1.22	0.01
Personal operating loan	528,638	1.51	0.02
Personal loans	4,667,215	0.70	0.08
<b>Total</b>	<b>15,102,571</b>	<b>0.94</b>	<b>-0.14</b>

### 4. Large exposure management

The Bank carried out large exposure management work in strict accordance with regulatory provisions in good faith, improved large exposure management mechanism and established large exposure management system; carried out large exposure work (e.g. identification, measurement and monitoring) continuously and ensured all relevant quota indicators meet the regulatory requirements.



## 5. 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 and NPL was 66.81%; the ratio of balance of the loan for more than 60 days overdue and non-performing loan was 74.87%.

Unit: RMB 1,000 Currency: RMB

Classification	Open Balance	Closing Balance	Percentage (%)
Restructured loans	1,234,814	2,698,159	0.16
Overdue loans	16,433,997	16,285,755	1.02

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

## 6. Disposal of NPL

The Bank has intensified the disposal of NPL by taking different measures at the same time. First, give full play to the concentration operation advantages of non-performing assets (NPA), intensify the head office's direct management functions for key NPL projects and improve intensive, specialized, refined management ability for assets preservation business. 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, carry out transfer business of creditor's rights in strict accordance with market principles and improve disposal efficiency. Fourth, strengthen the management for write-off plan of bad loans, control identification conditions strictly and write off bad loans entirely. Fifth, strengthen review and approval procedure and actively advance restructuring of NPL customers that have basically normal production and operation and relatively simple liability structure with assets probably vitalized.



## 7. 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	27,738,594	6,174,541	12,668,269	46,581,404	1,665,298	32,148	-	1,697,446
Transfer of the current period:								
To Stage I	1,905,981	-1,842,789	-63,192	-	4,298	-4,298	-	-
To Stage II	-2,260,131	3,593,394	-1,333,263	-	-5,126	5,126	-	-
To Stage III	-98,371	-1,552,999	1,651,370	-	-	-	-	-
Provision of the current period	4,983,142	2,940,461	11,149,175	19,072,778	-219,550	-28,896	-	-248,446
Write-off of the current period	-	-	-12,347,166	-12,347,166	-	-	-	-
Recovery of the original written off loan in the current period	-	-	1,375,586	1,375,586	-	-	-	-
Other changes	-577	-172	-176	-925	-	-	-	-
Closing Balance	32,268,638	9,312,436	13,100,603	54,681,677	1,444,920	4,080	-	1,449,000

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.



## VI. Analysis on Main Business

In 2022, the Bank insisted on the customer-oriented principle, kept deepening strategic transformation, optimized business structure and intensified risk control based on the idea of serving real economy. Favorable business development achievements were obtained.

### 1. Corporate banking

With a strong focus on the strategic goal of “strengthening the corporate services, creating industry expertise”, the Bank deepened the businesses in Jiangsu and radiated the three economic circles (Yangtze River Delta, Pearl River Delta and Bohai Sea Rim); focused on such policy-oriented fields as advanced manufacturing, green and low carbon, technological innovation and rural revitalization, developed core businesses such as trading bank, investment bank, cross-border finance, asset management, etc., intensified integrated operation of corporate banking and provided full-ecology and full-life cycle integrated service of “direct financing + indirect financing” and “finance + non-finance”. As of the end of 2022, balance of corporate deposits had been RMB 882.2 billion; corporate loan balance was RMB 854.9 billion, 17.74% higher than that at the end of last year.

— **Serving real economy.** The Bank followed Jiangsu Province's Three-year Action Plan of “Intelligent Transformation and Digital Transformation” closely, launched the product of “intelligent and digital transformation loan” by complying with the needs of enterprise's digital transformation, and built the “Jiangsu Banking New Intelligent Manufacture” brand. We also docked with Jiangsu Province's Three-year Action of “Strong Industry Chain” in depth and formulated seven industry chain financial service schemes such as hi-tech ship and engineering machinery; laid emphasis on capital construction fields such as rural revitalization, people's livelihood guarantee and park area construction, expanded medium and long-term projects vigorously by taking the key provincial and municipal projects as the core and improved financial service quality and efficiency constantly. As of the end of 2022, manufacturing loan balance had been RMB 193.2 billion, 20.75% higher than that at the end of last year, a 21.78% proportion in corporate actual loan balance (improving by 1.04% compared with that at the end of last year); balance of infrastructure loan had been RMB 330.4 billion, increasing by 18.71% compared with that at the end of last year, a 37.15% proportion in corporate actual loan balance (0.45% higher than that at the end of year).

— **Green finance.** We practiced “Equator Principles” and “Principles for Responsible Banking” on the basis of serving green development and “carbon peak and neutrality” strategy, accelerated the implementation of “Carbon Neutrality” Action Scheme for Financial Service of Bank of Jiangsu, improved ESG (environment, society and governance) management system constantly and kept building a “domestically leading and internationally influential” green finance brand. We intensified “green+” operation strategy, advanced group-oriented development of green finance and increased diversified financial services such as green credit, green bond, green leasing and green wealth management. As of the end of 2022, green investment and financing scale at group caliber had been RMB 320.3 billion, 52% higher than that at the end of last year. Focused on and supporting the key fields such as clean energy, energy conservation and environmental protection and carbon emission reduction, we strengthened input of green credit and clean energy loans and innovatively launched such characteristic products such as “park green upgrading loan”, “county-wide distributed PV loan”, “environmental protection loan” and “carbon account-related loan”. As of the end of 2022, with the statistical caliber of the People's Bank of China, green credit balance had been RMB 201.5 billion, 58% higher than that at the end of last year. In particular, balance of clean energy loan was RMB 27.5 billion, increasing by 162% compared with that at the end of last year; growth rate and proportion of green credit were leading among the 24 banks directly under head office of the People's Bank of China. The Bank was also selected as representative of the East

Asian Regional Council of “Bank Court of United Nations Environment Programme Finance Initiative (UNEP FI)” and deputy director unit of “Green Credit Professional Committee of China Banking Association” .

— **Trading banking.** By virtue of supply chain finance, the Bank integrates trading banking products and services comprehensively, enriches the product system of Suyin supply chain financing platform, keeps improving combined capabilities of supply chain finance, launches industry-oriented customized solutions and satisfies enterprises’ diversified, personalized and online service requirements; smoothens operation link and management to realize sensitive-state integration of business and S & T. The Bank is also the first institution launching specialized operation of transactional banking and launched special products of scenario finance, including grain and cotton agriculture, government procurement, order entry, rent collection, transaction center, e-commercial platform, etc., with a leading share in the industry. In 2022, the supply chain loans issued increased by 70% on a YoY basis and the scope of supply chain financing business ranked 1st among similar banks. The accumulative number of customers served by the premium product “SU YIN JIN GUAN JIA” exceeded 20,000, increasing by 120% over the end of the last year; the product transaction volume was close to RMB 2 trillion, increasing by 32% over that of last year, winning the top prize of the annual digital finance innovation competition.

— **Inclusive finance.** Focusing on major fields and key links including small and micro business, S & T innovation, rural revitalization, etc., the Bank increases resources support, deepens all-round capacity building continuously, keeps improving the availability and convenience of inclusive finance service and advances the implementation of comprehensive package policy to stabilize economy. We’ve formulated 24 articles on facilitating the self-reliance in science and technology and “10 new articles” with regard to talent finance, launched the action plan for pilot reform zone for serving S & T innovation and finance services and developed the full-cycle product spectrum of Fintech. We keep improving the service system of “Financing Prospers Village” , focus on the scenario needs of smart service in rural revitalization field and facilitate the financial resources to serve rural revitalization more precisely. As of the end of 2022, the loan balance for micro and small businesses was RMB 561.8 billion, continuing to stay ahead in the market share in Jiangsu Province. In this regard, the balance of inclusive loans for small and micro enterprises was RMB 138.5 billion, increasing by 29.3% over the end of the last year. The balance of loans for scientific and technological enterprises was RMB 142.8 billion, ranking 1st in Jiangsu Province. The Bank provided service for 2/3 technologically advanced enterprises and concluded credit with 1/3 technologically advanced enterprises and provided service for 1/3 hi-tech enterprises and concluded credit for 1/6 hi-tech enterprises within Jiangsu Province. The balance of agriculture-involved loans exceeded RMB 230 billion. The Bank served over 5,000 new agricultural business entities and took the lead in realizing “cloud certification, cloud signature and cloud payment” for Jiangsu Rural Property Rights Transaction Information Trading Service Platform.

— **Cross-border finance.** Focusing on the opportunities of domestic and international circulations and RMB internationalization, the Bank continuously boosts the transformation of international business and the integrated development of local and foreign currency; innovatively launches trade and financial products such as “Chu Kou Mao e Rong” , etc. and is successfully included into the cooperation banks of “Su Mao Dai” , improving the quality and effect of the comprehensive service of foreign exchange and foreign trade business for SMEs constantly. In 2022, the international settlement volume broke USD 200 billion for the first time, reaching USD 225.725 billion, and the cross-border e-commerce settlement volume broke USD 30 billion. The Bank was the 4th bank to apply the SWIFT Go service for cross-border payment solutions to signing contracts in domestic market. The Bank has been, for many consecutive years, rated as 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.** The Bank creates an ecosphere of diverse business via multiple kinds of financial instruments,



establishes a power source for “mutual promotion and development between direct and indirect financing”, makes full efforts to serve first-rate listed companies, actively supports the participation of state capital in the reform of mixed ownership of private capital, and integrates various financial resources efficiently to serve the high-quality development of real economy. In 2022, the principal underwriting amount of debt financing instruments reached RMB 217.1 billion, ranking 15th among banks nationwide, and it was rated as Class A principal underwriter by Nanjing Branch of the People's Bank of China. The Bank underwrote the first asset-backed debt financing instruments and the first high growth ABCP in China, and implemented the first credit card NPA securitization project among urban commercial banks.

## 2. Retail and wealth management business

The Bank adheres to the original operation philosophy of “centering on customers, helping with their growth and creating values for them” and deepens the construction of “customer-oriented smart retail”. By highlighting the full-life-cycle of customers, the Bank enriches service connotation, extends service scope and broadens contents of private financial service for customers mainly based on the three development factors of “full-customer, full-channel and full-product” in partnership with internal and external partners, thus improving the service efficiency. As of the end of 2022, the balance of retail deposits was RMB 555.2 billion, increasing by 31.21% over the end of the last year; and the balance of retail loans was RMB 604.5 billion, increasing by 7.67% over the end of the last year. The retail AUM was up to RMB 1.075426 trillion, increasing by 16.57% over the end of the last year.

— **Wealth management.** Focusing on residents' goals for wealth preservation and appreciation, the Bank builds an elaborate service mode of “different levels + different groups”, launches full-spectrum and multi-policy retail goods to meet wealth management needs of various customers and continuously improves the brand image of the wealth management of the Bank of Jiangsu. The Bank deepens integration of public and private business, enriches the connotation of the “integrated financial services for entrepreneurs and investors”, speeds up the iteration of the “4+N” private banking service system and further promotes the capability of serving high-quality customers; strengthens the cooperation with head managers, reinforces the whole process management of “selection, raising, management and service”, enriches the types of consignment products and promotes the comprehensiveness and sense of experience of customer service. The private bank customer service system has been built. The balance of financial assets of wealth customers and customers with private banks exceeded RMB 300 billion, and the growth rate exceeded 20% for both asset scale and customer number. Taking the opportunity of holding the “919 Fortune Festival”, the Bank organized 15 exclusive activities in 5 exclusive events to provide first-rate products and popularize financial knowledge for over 50,000 persons. The Company highlights the exclusive service in subdivisions such as elderly customers, etc. and continues with monthly characteristic activities of “Finance Happiness Club”, covering nearly 300,000 persons within the year. The Bank has launched more than 480 promotion activities themed by new financial services for citizens in such fields as new consumption and financing of citizens, peaceful life, content working, right protection, etc., covering about 250,000 person-times within the year.

— **Consumer finance.** The Bank sticks to the market orientation of serving urban and rural residents, updates its product service process constantly, improves service experience, and makes ordinary residents get access to consumer finance more conveniently; deepens the operation of customer base, iterates and updates products of digital e Rong card and Gather Treasure card focusing on the consumption service demands of groups including new citizens, creatively introduces new products of credit card such as Meituan Selection, BETTER, unbounded digital credit card for bikes, mobile unbounded co-brand card, etc. To response to the call of consumption promotion, we launched three activity brands, “activating the entire city by 5, promoting green actions and assisting farmers to build dreams”, with joint efforts to boost a faster development of the installment business of NEV consumption and double the balance of home improvement installment credit. The Bank has increased care and assistance for customers affected by COVID-19 and

applied fin-tech methods such as “Federal Modeling” , etc. to enhance risk control efficiency. As of the end of 2022, the Bank issued 6.5336 million credit cards cumulatively, increasing by 28.19% over the end of the last year; and the balance of credit card loans was RMB 35.779 billion, increasing by 26.06% over the end of the last year. With deep cooperation with head Internet organizations, the Bank continuously improves business quality and efficiency and intensifies benefit contribution further. Upon achieving profits in 2021 when the company started to run its business, Suyin KGI Consumer Finance Co., Ltd. further improved the scope, efficiency and quality of its business, which increasingly expanded the layout of consumer finance.

— **“Smart retail” construction.** The Bank advances the smart retail strategy in-depth and gains insight into customers’ online service requirements comprehensively. With “finance + scenario” and “finance + intelligence” as the focal points and the two carriers of mobile banking APP and Titan Tian Li Cai APP of the Bank of Jiangsu as the very means, the Bank reinforces digital driving, scenario construction and implementation application, and accelerates the transition from a trading platform to an online customer service platform. The project of “e installment” is well built to realize paperless application, mobile acceptance and automatic approval for customers. The elderly-oriented transformation of multiple business segments has been completed, helping the elderly get access to safer and more convenient smart financial service. As of the end of 2022, the number of mobile banking customers exceeded 15.5 million, and that of monthly active users exceeded 5.3 million, continuing to rank 1st in urban commercial banks. The number of users using the caring edition of mobile banking exceeded 600,000. The Bank took the initiative to launch the exclusive zone for “human resources and social security services” and realized the payment function of scanning the non-tax bills by mobile banking, breaking 1 million users in both school payment and electronic credential users. “Tian Tian Li Cai” AUM increased by 55% over the end of the last year, and it managed assets of over RMB 90 billion, continuing to rank first among direct banks in the banking industry in 2022, according to the China Internet Weekly. The accumulative registration amount of credit card users acquired by electronic channel increased by 17.35% on a YoY basis, and the electronic channel coverage rate of new users increased to 83.04%.

### 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 2022, the balance of financial investment assets was RMB 1.0542 trillion, increasing by 14.80% over the end of the last year.

— **Capital business.** Keep strengthening investment and research transaction capacity, act proactively in such fields as bond selection, opportunity grasping and retracement control, which yields favorable results. Based on the business qualification of “southbound trading” , the Bank realized new breakthroughs in offshore RMB treasury bond and offshore inter-bank deposit certificate investment and further optimized assets structure. While concerning transaction time selection, the Bank strengthened band operation and improved bond trading price difference income continuously; flexibly utilized the means such as duration control and leverage adjustment to realize ROI of public offering funds higher than the average market level. Seized favorable time window actively, adjusted deposit certificate issuing pace flexibly and promoted overall drop of debt cost. Improved the control capacity for market risk by utilizing hedging instruments (e.g. bond lending, interest rate swap and foreign exchange option). In 2022, we finished issuing of RMB 10 billion small and micro bonds, RMB 10 billion bonds of “agriculture, rural area and farmer” and RMB 20 billion financial bonds and our underwriting of policy financial bond remained at an excellent level in the industry.



— **Inter-bank business.** We further promoted integrated and in-depth operation and established comprehensive customer management mode and integrated marketing service system. Insisted on investment and research drive, market prediction and strategy first and formulated investment transaction policies reasonably. Intensified “operation + brokerage” double-wheel drive characteristic operation mode and led marketing ranking of bill brokerage business relatively. We still ranked 1st among urban commercial banks in underwriting of financial bond and improved market position further; advanced green innovation investment and financing business actively, took the lead in finishing pledge storage business of the first green bond in market, participated in implementation of the first “pledge credit enhancement + green bond” double-label income certificate business in the market and won the awards such as 2022 “Social Responsibility Institution of Collateral Business” of Central Government Bond, 2022 “Excellent Innovation Business Promotion Institution” of Shanghai Clearing House and “Excellent Participation Institution for Collateral Business”. The Bank deepened brand construction of “Rong Lian Chuang”, organized and carried out macro and strategic analysis exchange activities in various forms and improved its industrial influence constantly.

— **Capital custodian business.** The Bank focused on the building of market brand in segmented field of custodian business of public offering fund, improved its collaborative linkage mechanism constantly, integrated resources comprehensively and consolidated and improved comparative advantages further. Strengthened cross-border custodian business expansion efforts, realized new breakthroughs in ETF field and successively implemented the products such as the first Huaxia China Securities China Securities and the first Cross-market Government Financial Bond. Implemented custodian innovation actively, serviced capital market intensively, obtained the approval of Beijing Stock Exchange Securities Fund Settlement Qualification and enriched the connotation of custodian service constantly. As of the end of 2022, we had custodian assets balance of RMB 3.9473 trillion, increasing by 13.62% compared with that at the end of last year, and still ranked 1st among urban commercial banks in terms of custodian scale.

#### 4. Financial technology

With a strong focus on financial technology layout, the Bank, under the guidance of the five-year information technology strategic plan, oriented to digital transformation and according to the overall requirement of “experience, efficiency and safety”, keeps enhancing capital input of financial technology, expands financial technology team, further strengthens capacity building in science and technology, promotes the transformation of technology from “system construction type” to “service operation type” and the transformation of development from “functional realization type” to “customer experience type” and boosts in-depth integration of technology and business.

— **Organizational structure.** The Bank strengthened top design of financial technology, established the Financial Technology Research Department of Suyin Research Institute and enhanced prospective study for financial technology systematically and comprehensively. Optimized organizational structure, established primary department of Big Data Department and improved data drive effect further. Highlighted enterprise-level sharing thinking, established group-level management system of unified architecture, unified data and unified safety, intensified multiplexing capability and improved R&D efficiency. Advanced agile transformation in depth, cultivated inter-disciplinary talent and realized high concentration of cross-level goal longitudinally and cross-department rapid collaboration.

— **New technology research.** The Bank made new breakthrough in scenario application of blockchain technology and its “blockchain movable property pledge project” was included into the national blockchain innovative application pilot. Obtained new progress in digital RMB exploration, launched payment scenario and built characteristic loan and wealth management products. Brought about new experience to customers with “touch-free” service, strengthened AI application of flow robot and AI outbound call, created remote service new mode and realized zero touch and remote “face-to-face” customer reach. Yielded new achievements in management process optimization, finished centralization

of the businesses such as international L/C, collection and remittance, realized comprehensive online operation of financial market business and harvested dramatical achievements in quality and efficiency improvement.

— **Data capacity construction.** The Bank introduced high-value content data of social insurances, environmental protection and medical insurance and made an overall plan on data management and acquisition application. Deepened data management of anti-money laundering and EAST, optimized data standard system construction, strengthened data quality source control and implemented benchmarking work of business system. Strengthened integrated analysis of internal and external data, realized rapid implementation in application scenarios such as accurate marketing, credit decision and anti-fraud and further identify application empowerment.

## 5. Introduction to equity participation and holding subsidiaries

In due compliance with applicable provisions in laws and regulations, including the Company Law, the Law 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, guidance and service of subsidiaries; adhering to the principle of incorporating management into service, the Bank continuously promotes the high-quality development of subsidiaries; further pushes the formulation of working programmes for “striving for competence”, intensifies group strategic synergy effect and improves comprehensive operation level constantly.

— **Suyin Financial Leasing Co., Ltd.** (former name: Suxing Financial Leasing Co., Ltd.), incorporated in May 2015 and with registered capital of RMB 4 billion, is the first financial leasing company of banking system in Jiangsu Province, and was mainly sponsored by the Bank of Jiangsu. 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 specified by laws and regulations or approved by CBIRC.

Under the business philosophy of “incorporating capital, objects, wisdom and innovation”, Suyin Financial Leasing takes active integration into the overall situation of national development, sticks to the origin of leasing 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 and serving real economies. In 2022, total input amount in leasing business was RMB 44.118 billion, setting a new record high. Green leasing input was RMB 19.044 billion and the Company had obtained green subject certification at the highest grade of standard (Ge-1) for two consecutive years. The company successfully issued freight logistics theme debt of RMB 2 billion successfully and RMB 9.392 billion was input in “big traffic” field. It also expanded high-tech and “specialized, fine, characteristic and novel” enterprises and invested a total of RMB 9.037 billion in manufacturing field. RMB 5.053 billion was input in inclusive finance with more than 60,000 customers served. It intensified debt business innovation and obtained full-license qualification of financial market business. As of the end of 2022, total assets amount had been RMB 82.264 billion, including financing lease business balance of RMB 75.425 billion. In 2022, the operating income was RMB 3.336 billion, net profits reached RMB 1.83 billion and various regulatory indicators kept a favorable trend. The company had obtained domestic AAA rating in entity long-term credit for six consecutive years and won Baa2 long-term issuer rating and P-2 short-term issuer rating granted by the international rating institution Moody's initially, with a steady rating outlook.

— **Suyin Wealth Management Co., Ltd.**, incorporated in August 2020, with the address at F/11-13, Block B, International Expo Center Phase III, No. 70, Jiangshan 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; wealth management consultancy service; and other businesses approved by the banking and insurance regulatory authority of the State Council. As of the end of 2022, the company had total wealth management assets of RMB 3.739 billion.

On the “customer-oriented” principle, Suyin Wealth Management sticks to the business philosophy of “compliance first, risk control essential, S & T leading, winning by profession” and characteristic, diversified, differentiated and elaborate operation, and intensively cultivates the seven core capacities of product innovation and R&D, assets allocation and combination, investment and research, channel and sales management, risk and compliance management, technology construction and development and talent and performance management; provides professional diversified asset management services for all kinds of customers better, supports real economy transformation, upgrading and development effectively and tries to build a domestically leading bank wealth management subsidiary with distinct characteristics. It promotes product optimization in depth, sets up product system focused on “origin” and launches a series of WMPs of “Qiyuan, Hengyuan, Juyuan, Ruiyuan and Xiyuan”, to meet investment needs of different customers. With a strong focus on the original intention of “developing finance for the people”, the company launches the characteristic WMPs such as green, public welfare, talent and technology innovation and co-enrichment and performs corporate social responsibilities with multiple measures. It follows national policy orientation closely, keeps strengthening the investment in such key fields technology innovation, energy safety, rural revitalization and green development and meets real economy financing demands accurately. It focuses on specialized, fine, characteristic and novel and talent and technology innovation field, promotes mutual promotion of direct and indirect financing and supports enterprise's financing demands; optimizes and upgrades Smart Alpha stock investing strategy, builds a comprehensive investment system and constantly improves the capacity to service listed companies. Suyin Wealth Management won the awards such as “Golden Bull Award of Chinese Banking Financial Product”, “Golden Shell Award for Excellent Financial Company”, etc. in 2022. As of the end of 2022, the Group's WMP scale had reached RMB 438.3 billion, with a YoY growth of over 5%, and it ranks 1st among urban commercial banks in terms of scale. Within this year, it had relevant income of wealth management business increasing by more than 14% on a YoY basis and had been rated by the PYSTANDARD, the first place among all domestic urban commercial banks, in the “comprehensive financial management capability” for seven consecutive years.

— **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 specified by laws and regulations or approved by CBIRC.

With the mission of “creating beautiful life through loan”, Suyin Consumer Finance builds an intelligent, professional and inclusive first-rate consumer finance company intensively. It insists on the online development route, focuses on the “1+4+N” development strategy of one self-owned channel, four shareholder resources and N cooperation scenarios and deepens the “online, digital, all-weather and nationwide” operation characteristics. It enhances digital application and model strategy iteration and intensifies autonomous risk control system focused on digital risk control. As of the end of 2022, Suyin Consumer Finance held assets of RMB 24.726 billion in total and net assets of RMB 2.797 billion. In 2022, Suyin Consumer Finance reached business income of RMB 1.767 billion and net profits of RMB160 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 Room 103-104, Building 19, Huijin Tiandi Phase II, No. 19, Yuyang Road, Danyang Economic Development Zone, Jiangsu Province, and the registered capital of RMB 180 million, is a limited liability company. The business scope is described as follows: RMB deposit taking; issuance of short, medium and long-term RMB loans; domestic settlement; bill acceptance and discount; agent distribution, agent cashing and government bond underwriting; inter-bank RMB borrowing; RMB debit card business; agent collection and payment; and other businesses approved by the banking and insurance regulatory authorities.

Suyin County Bank firmly builds the concept of “value creation, benefit improvement and sustainable development” , and with “enhancing Party construction, seeking for development and controlling risks” as the focal point, it further adjusts the business structure, enhances system construction, simplifies business procedures, and prevents and controls financial risks, thereby fully improving the financial service level. In 2022, with assets business structure further optimized, Suyin County Bank ranked 1st among village banks within the jurisdiction of Zhenjiang in terms of increment of deposits and loans. 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%. As of the end of 2022, the total sum of assets was RMB 1.834 billion and the sum of net assets was RMB 176 million; the balance of deposits was RMB 1.12 billion, increasing by RMB 136 million over the end of the last year; and the balance of loans was RMB 1.626 billion, increasing by RMB 121 million over the end of the last year.

## VII. Concerns in Capital Market

### 1. Financial business mode for small and micro businesses

Focusing on the market orientation of “serving urban and rural residents, small and medium-sized enterprises and local economy” , the Bank practices the politics-related and people-centered principle of inclusive finance comprehensively, keeps improving its profession, coordinates the security, safety and benefit of operation and management and realizes high-quality self-development while serving small and micro businesses under the driving effect cored by digitalized mode that combines online and offline scenarios.

As the only provincial legal person bank within the whole Jiangsu Province and the only systematic important bank nationwide, the Bank has deeply rooted in Jiangsu Province for decades, and boasts the inherent geographical and resource strengths. It has established a vertical operation management system of small and micro businesses of “departments in the head office, centers in branches and teams in sub-branches” , set up demonstration branches for small and micro businesses, consolidated and expanded construction effect of demonstration and characteristic branches and cultivated full-time teams responsible for operation, management and approval, in order to form a mechanism under which the head office, branches and sub-branches coordinate with each other to serve small and micro businesses. With a team consisting of over 1,000 professional high-quality employees responsible for serving small and micro businesses, the Bank has realized fine classification and hierarchical service and management for customers. In 2013, the Bank has escalated the “intelligent” development to the strategic level and independently developed large database. The Bank took the lead in launching the fully online Internet loan product “Shui e Rong” in 2015 in the industry, which has been practically tested for over 7 years after continuous iteration and updating, promoting the effect of “increasing quantity, expanding field, improving quality and reducing cost” of serving small and micro businesses dramatically. In 2020, the Bank integrated and launched a new product operation “Sui e Dai” by updating, optimizing and duplicating the Shui e Rong product experience continuously, applied technologies and cold and hot data relation



analysis such as big data, AI, etc. to the whole process of pre-loan, in-loan and post-loan, pushing the maturity of digital business mode of small and micro businesses to a new scale. The Bank has expanded the data category incorporated into its database to over 50 categories since R & D, including taxation, electricity, parks, colleges and universities, mobile operator, etc., based on which, the accuracy of customer portrait targeted at various products has been promoted constantly. With customers' more needs for diversified financial service, the Bank gradually expanded financial services for small and micro businesses from credit to non-credit field, from finance to non-finance field, assisting the growth of small and micro businesses in the full link. In 2022, the number of customers the Bank acquired through online channels accounted nearly 2/3 of the total new customers. As of the end of 2022, the loan balance for small and micro business was 2.08 times higher than that at the end of the first listing year, with the ratio of NPL reducing to 0.85%, and reduced the amount and ratio of NPL for consecutive years. In recent years, the Bank has improved the collaboration and linkage effect of businesses with small and micro businesses, large companies and retail dramatically.

## 2. Business characteristics and expectation of wealth management

The year 2022 is a milestone for the development of the Bank's wealth management business. The Bank's retail AUM exceeded RMB 1 trillion among all urban commercial banks with strong momentum of growth. Here're the advantages of business development and major business expansion measures:

From the perspective of detailed structure, saving deposits and wealth management reserve account for a large proportion in retail AUM at present, and agency and consignment business scope grows rapidly. According to the data of fund sales by proxy of the Asset Management Association of China in 2022, among the top 50 agencies in terms of reserve, the Bank was the only bank realizing "20%" growth of both stock + hybrid funds and non-currency funds reserve, of which, the former increased by 13% in Q4 than that in Q3. From the perspective of customer base, the Bank had more than 25 million retail customers (excluding customers acquired from Internet business); the number of private banking and wealth management customers was about 60,000 while AUM scale of high-end customers was over RMB 300 billion. The Bank also ranked among the top urban commercial banks in terms of total number of customers and high-quality customers. From the perspective of channel advantages, the Bank had over 530 institutions at different levels, covering all counties within Jiangsu Province and radiating three economic circles: Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, and Bohai Rim. The Bank ranked 1st among urban commercial banks in terms of number of active customers of mobile banking per month, and the platform "Tian Tian Li Cai" also ranked 1st in the industry in authoritative third-party appraisal. In terms of specialized team, the Bank owns a team consisting of professional high-quality employees, including 1,000 financial managers and nearly 100 private advisers, who could provide first-rate service for various customers.

In the future, the Bank will focus on the strategic requirement of "enlarging the retail business and focusing on the wealth management", and pursue more excellent wealth management services devotedly by focusing on the three development factors of "full customer base, all possible channels and full variety of products" by taking the differentiated service mode of "different levels + different groups" as the core, and the open and integrated "building full spectrum, multi-strategy retail product shelves" as the direction so as to realize the goal of online and offline "seamless connection and joint efforts".

## 3. Optimized measures for asset quality

In 2022, the Bank took different measures to review and investigate hidden risks and hazards item by item, reduced old risks, and controlled new ones, with continuous favorable asset quality. As of the end of 2022, the Group's NPLR was 0.94%, dropping by 0.14% over the beginning of the year; the amount of NPL was RMB 15.103 billion, reducing by RMB 35 million over the beginning of the year. The ratio of defaulted loans was 1.02%, reducing by 0.15% over the beginning of the year;

the amount of defaulted loans was RMB 16.286 billion, reducing by RMB 148 million over the beginning of the year; the provision coverage ratio was 362.07%, increasing by 54.35% over the end of last year. In terms of asset quality control, the Bank took the following measures:

First, control credit quality strictly. Revise credit policies for every six months, define the requirements of bottom line, reinforce support in fields including infrastructure, advanced manufacturing, S & T innovation, inclusive finance, etc., and strictly control customer access. Second, deepen the application of intelligent risk control. Continuously iterate risk control model and optimize risk control system by ensuring the perspectiveness, promptness and effectiveness of risk control, to effectively lower risk of asymmetric information. Third, intensify investigation for risks. Implement in detail risk control of key fields, major customers and business, and discover, intervene in and dispose risk hazard as early as possible. Fourth, intensify the disposal of NPL. Consolidate the responsibilities of large amount of NPL, implement the concept of “one household, one policy”, work out a schedule and ensure the disposal is well planned, progressive and effective. Fifth, reinforce the restrictions of responsibilities. Strengthen the assessment for branches, increase accountability for risky loans and improve the management of the first responsible person of credit.

In 2023, the Bank will further reinforce the asset quality control and strive to achieve the goal of “optimizing asset quality while ensuring stability”.

## VIII. Comprehensive Risk Management

**1. 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, the Group took diverse measures to reduce old risks and control the generation of new risks, constantly intensified fundamental management and strived to achieve its high quality development while improving the capability to serve local economy continuously. First, strengthen the guiding role of policies. Revise credit policy, intensified support for infrastructure, advanced manufacturing, S & T innovation, and inclusive finance, etc., and strictly controlled credit and compliance risks by setting policy red line and admission bottom line. Second, intensify smart risk control application. Apply technologies such as pre-warning signal iteration, machine learning deepening and technological application of machine learning, associated graph, etc., optimize AI pre-warning, customer risk management, opinion monitoring, management platform of risk name list, etc., and keep enhancing the perspectiveness and effectiveness of risk management. Third, strengthen the investigation of potential risks. Precisely determine the “rejection list” via big data screening and on-site verification to discover, cope with and resolve hidden risks as early as possible. Fourth, accelerate the disposal of outstanding NPL. Make “one household, one policy” scheme, implement responsibilities, ensure the disposal are well planned, implemented and effective. Fifth, make up for the deficiencies. Track major credit risks in time, detect problems and block loopholes from the dimensions of product, mechanism, procedure, system, etc. Sixth, 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** 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** 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** 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** 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 outsourcing, business continuity, etc. First, keep increasing the coverage of information technology risk evaluation, strengthen risk evaluation in such aspects as outsourcing management, code security check, business continuity, etc. Second, intensify risk monitoring in network, data and information security events, outsourcing management, etc., expand and optimize key detection indicators of information technology risks and keep improving the automation level of information technology risks monitoring. Third, enhance emergency management of major business and major information system, carry out continuous emergency drills of major business and major information system, inspect the integrity, practicality and effectiveness of the response plan and promote the comprehensive disposal capability of operation interruption events. During the Reporting Period, the Group's information technology risk was within control generally and had no major science and technology risk loss events.

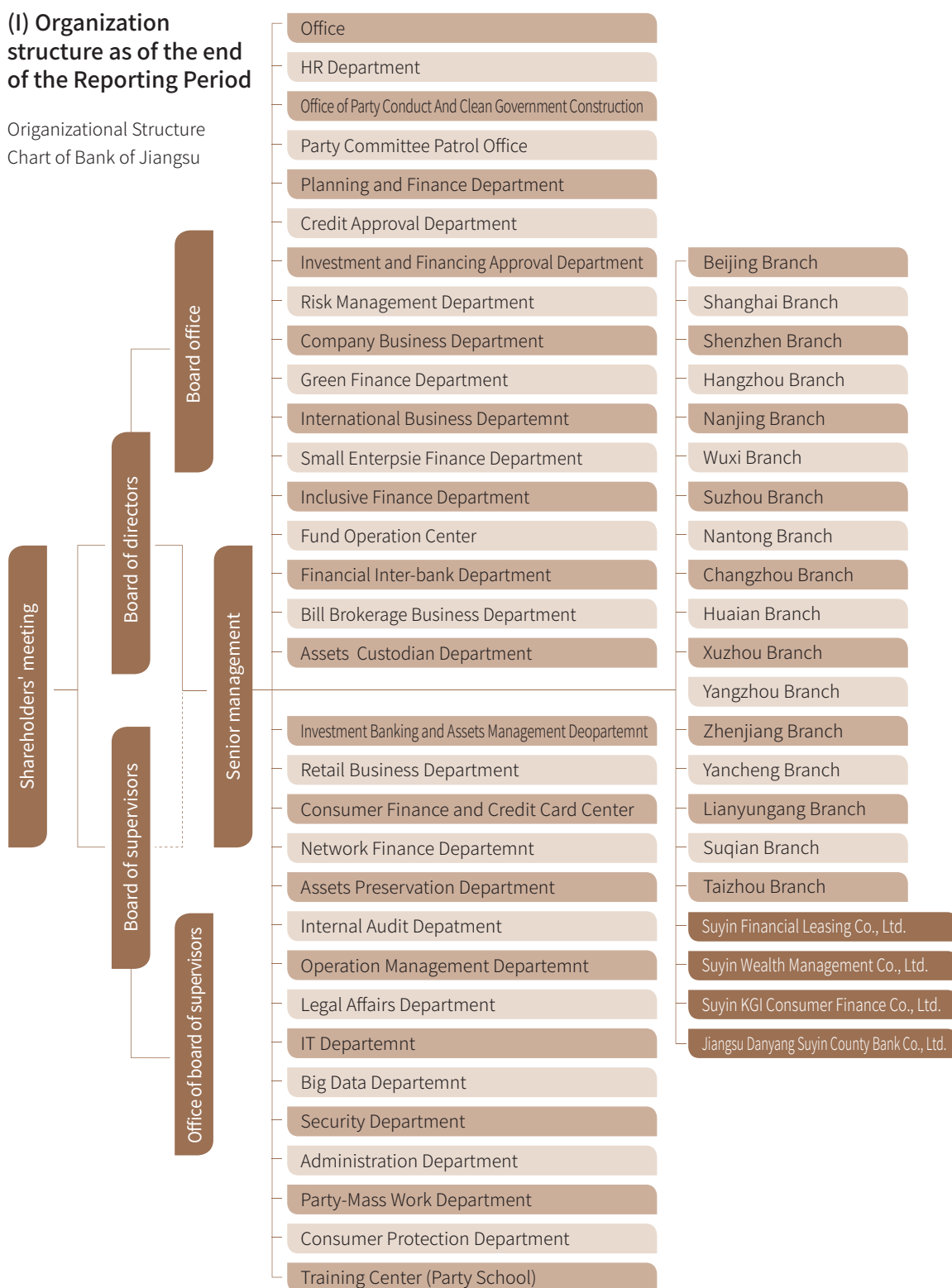
**(2) Reputation risk** refers to the risk of impairing brand value and affecting the normal operation or even market and social stability after interested party, the public or media make a negative evaluation on commercial bank due to the behavior of commercial banks, working staff or external event. Following the principle of “perspectiveness, matching, full-coverage and effectiveness”, the Group has established and improved its reputation risk management mechanism and improved work mechanism. We have strengthened the full process management of reputation risks, monitored public opinions and intensified its ability to judge and analyze reputation risks; improved response plan, strengthened the ability of responding to online sensitive public opinions, reviewed reputation events and made summary. The Group has improved the normalized construction of reputation risk, investigated hidden reputation risks and hazards, organized and carried out reputation risk training and drill to increase all employees' awareness and capability of reputation risk management and kept cultivating the culture of reputation risk management. We have accumulated reputation capital, organized and carried out proactive news publicity and transmitted corporate social responsibilities and ESG theme to enhance the influence and reputation of the brand constantly. During the Reporting Period, the reputation risk situation was stable generally.



## IX. Institutions

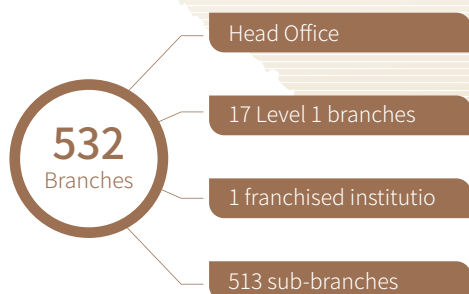
### (I) Organization structure as of the end of the Reporting Period

Organizational Structure  
Chart of Bank of Jiangsu



## (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 532 branches, including: Head Office, 17 Level 1 branches, 1 franchised institution and 513 sub-branches (including 1 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 (RMB 1,000)
1	Head Office	No. 26, Zhonghua Road, Nanjing City	1	1,235	682,154,578
2	Suzhou Branch	No. 157, Suya Road, Suzhou Industrial Park	48	1,240	162,723,430
3	Wuxi Branch	No. 18, Jinrong 7th Street, Wuxi City	107	2,198	264,444,894
4	Nanjing Branch	No. 55, North Hongwu Road, Xuanwu District, Nanjing City	26	891	162,434,085
5	Nantong Branch	No. 118, South Gongnong Road, Chongchuan District, Nantong City	48	1,210	152,348,107
6	Changzhou Branch	No. 500, Middle Yanling Road, Changzhou City	30	841	88,616,624
7	Xuzhou Branch	Building 2, Lyudi Business City, Yunlong District, Xuzhou City	32	989	88,850,826
8	Yangzhou Branch	No. 525, West Wenchang Road, Yangzhou City	25	727	77,422,435
9	Zhenjiang Branch	No. 12, Guancheng Road, Zhenjiang City	31	750	76,452,065
10	Taizhou Branch	No. 482, South Qingnian Road, Hailing District, Taizhou City	9	373	63,917,254
11	Huai'an Branch	No. 16, Shuidukou Avenue, Huai'an City	31	868	61,693,640
12	Yancheng Branch	No. 269, South Jiefang Road, Yancheng City	34	827	84,842,553



No.	Institution Name	Address	Quantity of Institutions (Each)	Number of Employees (Person)	Asset Scale (RMB 1,000)
13	Lianyungang Branch	No. 1, Yingzhou Road, Haizhou District, Lianyungang City	27	788	62,418,984
14	Suqian Branch	No. 58, Qinghaihu Road, Sucheng District, Suqian City	11	371	43,749,522
15	Shanghai Branch	No. 1128, Shiji Avenue, Pudong New Area, Shanghai	17	582	113,432,854
16	Shenzhen Branch	No. 2, Lanxiang 1st Street, Zhongxin Road, Nanshan District, Shenzhen City	18	591	89,835,412
17	Beijing Branch	Building 1, Guangxi Jiayuan, Chaoyang District, Beijing	23	665	85,756,646
18	Hangzhou Branch	No. 1379, Hongning Road, Yingfeng Sub-district, Xiaoshan District, Hangzhou City	11	397	61,356,455
19	Fund operation		528,638	1.51	0.02
Total			532	15,898	2,857,712,019

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

### (III) Foreign equity investment

The Bank'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 73.8 million with a shareholding ratio of 41%.

## X. Other Information Disclosed According to Regulatory Requirements

### (I) Capital for debt payment

Unit: RMB 1,000 Currency: RMB

Item	End of Period		Beginning Period	
	Amount	Provision for Impairment Made	Amount	Provision for Impairment Made
Non-financial capital for debt payment	478,481	-	6,303	-
Total	478,481	-	6,303	-



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

Unit: RMB 1,000 Currency: RMB

Item	End of 2022	Ratio in Amount/ Balance of Transaction of the Same Kind (%)	End of 2021	Ratio in Amount/ Balance of Transaction of the Same Kind (%)
Issued loans and advances	247,698	0.0154	229,668	0.0163
Deposit taking	430,815	0.0260	269,682	0.0182
Unused credit limit	93,151	0.2182	71,591	0.2355

Item	2022	Ratio in Amount of Transaction of the Same Kind (%)	2021	Ratio in Amount of Transaction of the Same Kind (%)
Interest income	10,644	0.0092	10,099	0.0096
Interest expenditures	6,007	0.0095	5,714	0.0096
Fee and commission income	10	0.0001	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, 2022	December 31, 2021
Credit commitment	492,183,912	402,580,481
Including:		
Loan commitment	88,107,940	61,844,257
Bank acceptance	297,018,679	273,094,429
Letters of guarantee	44,315,903	38,550,118
L/C	62,741,390	29,091,677
Capital expenditure commitment	264,476	338,430



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

Unit: RMB 1,000 Currency: RMB

Category	Amount
Government	393,686,551
Policy banks	101,667,610
Commercial banks and other financial institutions	41,099,720
Other institutions	141,065,141

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	2024-2-11	-
Bond B	2,570,000	2.57	2025-6-10	-
Bond C	2,220,000	2.96	2032-7-18	-
Bond D	2,000,000	2.45	2027-1-21	-
Bond E	1,930,000	2.69	2027-6-16	-
Bond F	1,860,000	2.77	2032-10-24	-
Bond G	1,830,000	3.51	2024-4-3	-
Bond H	1,630,000	2.23	2024-8-15	-
Bond I	1,500,000	2.22	2025-8-25	-
Bond J	1,500,000	2.19	2024-12-14	-

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

BANK OF JIANGSU

ANNUAL REPORT 2022



Section 4

## **Corporate Governance**



# Corporate Governance

## I. Description of Corporate Governance

During the Reporting Period, the Bank improved the corporate governance structure of shareholders' meeting, board of directors, board of supervisors and the management according to the regulatory requirements and its realities; all governance subjects had clear division of responsibilities, performed their respective duties and responsibilities, achieved separation and mutual balance of decision-making, execution and supervision, and safeguarded the legal interests of financial consumers and other stakeholders. The Bank kept the integration of the leadership of the Party and corporate governance and enhanced the compliance and effectiveness of corporate governance constantly.

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 Banking and Insurance Regulatory Commission and 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, 16 proposals were deliberated and ratified, including 2021 Work Report of Board of Directors, 2021 Work Report of Board of Supervisors, 2021 Financial Settlement and 2022 Financial Budget, 2021 Profit Distribution Plan, 2021 Related Transaction Report, 2022 Expected Quota of Daily Related Transactions, issuance of financial bonds, election of director and supervisor, etc.

Meeting Session	Date of Convening	Inquiry Index of Appointed Website Which Resolutions Were Published on	Date of Resolutions on Disclosure of Publishing
Shareholders' meeting of 2021	May 11, 2022	www.sse.com.cn	May 12, 2022
The 1 <sup>st</sup> interim shareholders' meeting of 2022	October 27, 2022	www.sse.com.cn	October 28, 2022



### III. Performance of Duties by Directors

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

Directors	Independent Director or Not Convening	Attendance in Board Meetings						Attendance in Shareholders' Meetings
		Times of Due Attendance This Year	Times of Attendance in Person	Times of Attendance in Written Signature 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	10	10	6	0	0	No	2
JI Ming	No	7	7	4	0	0	No	1
GE Renyu	No	1	1	1	0	0	No	0
JI Jinsong	No	10	10	6	0	0	No	2
WU Dianjun	No	10	10	6	0	0	No	2
HU Jun	No	10	10	6	0	0	No	0
SHAN Xiang	No	10	10	6	0	0	No	1
JIANG Jian	No	10	9	6	1	0	No	0
TANG Jinsong	No	10	10	6	0	0	No	0
DU Wenyi	No	8	8	6	0	0	No	0
REN Tong	No	10	10	6	0	0	No	0
YU Chen	Yes	10	10	6	0	0	No	0
DING Xiaolin	Yes	10	10	6	0	0	No	2
LI Xindan	Yes	10	10	6	0	0	No	2
HONG Lei	Yes	10	10	6	0	0	No	1
SHEN Kunrong	Yes	5	5	2	0	0	No	1

#### (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, reviewed and improved systems and make decisions in a scientific, practical, efficient and prudent manner. The Company held a total of 10 board meetings, at which, 93 proposals and reports were deliberated, listened to or reviewed, including periodical reports, profit distribution, capital management, related transactions, ESG, consumer protection, regulatory opinions and special audit of some key business, etc.

<b>Times of board meetings held during the year</b>	<b>10</b>
Including: Times of onsite meetings	4
Times of meetings held by means of written signature	6
Times of meetings held onsite and with written signature	0

The details of meeting are as below:

Meeting Session	Date of Convening	Date of Resolutions on Disclosure of Publishing
The 16 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	January 17, 2022	The following proposals were deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Work Report of Information Technology 2. Proposal on Credit Plan of Related Parties of Bank of Jiangsu Co., Ltd. for Suyin KGI Consumer Finance Co., Ltd.
The 17 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	February 18, 2022	The following proposals were deliberated and ratified in the meeting: 1. Proposal on 2021 Performance Report of Main Shareholders of Bank of Jiangsu Co., Ltd. 2. Proposal of 2021 Capital Supplementing Capacity of Main Shareholders of Bank of Jiangsu Co., Ltd. 3. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Evaluation Report of the Largest Shareholder 4. Proposal of Bank of Jiangsu on the Implementation Report of Law Enforcement Inspection Opinions of the People's Bank of China 5. Proposal of Bank of Jiangsu Co., Ltd. on Limit Plan Adjustment
The 18 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	March 28, 2022	The following proposals were deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Evaluation Report of Strategy Implementation 2. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Work Report of Consumer Protection and 2022 Working Emphases 3. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Comprehensive Risk Management Report 4. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Risk Limit Plan 5. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Risk Management Strategies 6. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Statement of Risk Preference 7. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Total Salary Budget 8. Proposal of Bank of Jiangsu Co., Ltd. on Risk Management Strategies of Money Laundering and Terrorism Financing 9. Proposal of Bank of Jiangsu Co., Ltd. on Director's Performance Evaluation Measures of the Board of Directors
The 19 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 12, 2022	The following proposals were deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Work Report of Board of Directors 2. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Work Report of Chairman 3. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Annual Report and Its Abstract 4. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Financial Report 5. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Financial Settlement and 2022 Financial Budget 6. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Profit Distribution Plan 7. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Work Report of Consolidated Statement Management 8. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Report of Internal Control Evaluation 9. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Evaluation Report of the Group's Internal Capital Sufficiency 10. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Management Report of Capital Sufficiency Rate 11. Proposal of Bank of Jiangsu Co., Ltd. on 2022-2024 Group Capital Planning 12. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Management Plan of Capital Sufficiency Rate



Meeting Session	Date of Convening	Date of Resolutions on Disclosure of Publishing
The 19 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 12, 2022	13. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Corporate Social Responsibility (CSR) Report and ESG Report 14. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Report of Related Transactions 15. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Predicted Quota of Daily Related Transactions of Some Related Parties 16. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Internal Audit Work Report and 2022 Work Plan 17. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Report of Online Loan Business Evaluation 18. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Report of Director's Performance Evaluation 19. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Performance Report of Audit Committee of Board of Directors 20. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Work Report of Independent Directors 21. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Remuneration Assessment Results of Senior Managers 22. Proposal on the Further Appointment of Accounting Firm for Bank of Jiangsu Co., Ltd. in 2022 23. Proposal of Bank of Jiangsu Co., Ltd. on Revising the Capital Management Measures 24. Proposal of Bank of Jiangsu Co., Ltd. on Issuing General Financial Bonds 25. Proposal on Nominating the Candidate of Independent Director of Bank of Jiangsu Co., Ltd. 26. Proposal of Bank of Jiangsu Co., Ltd. on Convening 2021 Shareholders' Meeting
The 20 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 28, 2022	The following proposals were deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Q1 Work Report of Chairman 2. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Q1 Report
The 21 <sup>st</sup> meeting of the 5 <sup>th</sup> board of directors	August 29, 2022	The following proposals were deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on the Chairman's Work Report for the First Half of 2022 2. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Semiannual Report and Its Abstract 3. Proposal of Bank of Jiangsu Co., Ltd. on Comprehensive Risk Management Report for the First Half of 2022 4. Proposal of Bank of Jiangsu Co., Ltd. on the Work Report of Consumer Protection for the First Half of 2022 5. Proposal of Bank of Jiangsu Co., Ltd. on 2021 Global Important Performance Indicators of the System 6. Proposal of Bank of Jiangsu Co., Ltd. on the Recovery Plan (2022) 7. Proposal of Bank of Jiangsu Co., Ltd. on the Suggestions of Disposal Plan (2022) 8. Proposal of Bank of Jiangsu Co., Ltd. on Revising the Management Measures of Related Transactions 9. Proposal on Adjusting the Special Committee Members of the 5th Board of Directors of Bank of Jiangsu Co., Ltd.



Meeting Session	Date of Convening	Date of Resolutions on Disclosure of Publishing
The 22 <sup>nd</sup> meeting of the 5 <sup>th</sup> board of directors	September 26, 2022	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal on the Issuance of Preference Dividends of Bank of Jiangsu Co., Ltd.</li> <li>2. Proposal on Revising the Equity Management Measures of the Bank of Jiangsu Co., Ltd.</li> <li>3. Proposal on Employing Chairman of Bank of Jiangsu Co., Ltd.</li> <li>4. Proposal on Nominating the Director Candidates of Bank of Jiangsu Co., Ltd.</li> <li>5. Proposal on Holding 2022 1st Interim Shareholders' Meeting of Bank of Jiangsu</li> </ol>
The 23 <sup>rd</sup> meeting of the 5 <sup>th</sup> board of directors	October 28, 2022	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Q3 Work Report of Board of Chairman</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Q3 Report</li> <li>3 Proposal of the Self-evaluation Report of Bank of Jiangsu Co., Ltd. on Principle for Responsible Banking in the 1st Year</li> </ol>
The 24 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	November 18, 2022	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Adjusting the Limit Plan of the Bank of Jiangsu Co., Ltd.</li> <li>2. Proposal on Renaming and Revising the Working Rules of Strategy Committee of Board of Directors of Jiangsu Co., Ltd.</li> <li>3. Proposal on Nominating the Director Candidates of Bank of Jiangsu Co., Ltd</li> </ol>
The 25 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	December 23, 2022	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal on 2023 Institution Development Planning of Bank of Jiangsu Co., Ltd.</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Work Report of Information Technology</li> <li>3. Proposal on Establishing Big Data Department of Bank of Jiangsu Co., Ltd.</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on subdividing the Legal preservation department</li> <li>5. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Special Audit Report of Business Continuity</li> <li>6. Proposal on Conducting the Securitization of Credit assets Transaction of Bank of Jiangsu Co., Ltd.</li> <li>7. Proposal of Revising the Management Measures of Expected Credit Loss of Bank of Jiangsu</li> <li>8. Proposal on Revising the Transaction of Consignment Wealth Management Products of Bank of Jiangsu</li> <li>9. Proposal on the Intended Joint Holding of Over 10% of the Shares of Bank of Jiangsu Jointly Held by Jiangsu Investment Management Co., Ltd. and Its Related Parties</li> <li>10. Proposal on Related Party Transactions between Bank of Jiangsu Co., Ltd. and Suyin KGI Consumer Finance Co., Ltd.</li> <li>11. Proposal on Adjusting the Special Committee Members of the 5th Board of Directors of Bank of Jiangsu Co., Ltd.</li> </ol>

### (III) Convening of special committees of the Board

The board of directors of the Company consists of 6 special committees: the Strategy and ESG 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 and ESG Committee should formulate the Company's management goal and the long-term development strategy and supervise and check the implementation of annual business plan, investment scheme and ESG strategy.

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 supervise the control of senior management for the risks such as credit risk, liquidity risk and market risk, etc., 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 formulate the selecting procedure and standard for directors and senior management, review the job qualifications 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 strategies, policies and objects on consumer protection, urge senior managers to implement relevant work effectively, listen to the special report on the implementation of consumer protection and submit relevant reports to the board of directors regularly.

Committees	Members
Strategy and ESG Committee	Chairman of committee: XIA Ping Members of committee: JI Ming (leaving office in September 2022), GE Renyu (appointed in December 2022), YU Chen, LI Xindan and HU Jun
Audit Committee	Chairman of committee: HONG Lei Members of committee: JI Ming (leaving office in September 2022), GE Renyu (appointed in December 2022), SHEN Kunrong (appointed in July 2022), DING Xiaolin and DU Wenyi (leaving office in November 2022)
Related Transaction Control Committee	Chairman of committee: DING Xiaolin Members of committee: YU Chen and JI Jinsong
Risk Management Committee	Chairman of committee: JI Ming (leaving office in September 2022) and GE Renyu (appointed in December 2022) Members of committee: JI Jinsong, SHEN Kunrong (appointed in July 2022), HONG Lei and JIANG Jian
Nomination and Remuneration Committee	Chairman of committee: SHEN Kunrong (appointed in July 2022) Members of committee: JI Jinsong, WU Dianjun, LI Xindan and HONG Lei
Consumer Protection Committee	Chairman of committee: JI Jinsong Members of committee: WU Dianjun and DING Xiaolin

During the Reporting Period, the Company held 31 special committee meetings of the board of directors. Here're the details:

Committees	Meeting Times	Date of Convening	Meeting Contents	Important Opinions and Suggestions
Strategy and ESG Committee	4	March 26, April 6, October 27 and December 19	Deliberated and ratified the Company's 2021 Evaluation Report of Strategy Execution, Group's 2022-2024 Capital Plan, 2022 Management Plan of Capital Sufficiency Rate, 2021 Management Report of Capital Sufficiency Rate, Revision of Capital Management Measures, 2021 Corporate Social Responsibility Report and ESG Report, Self-evaluation Report on Principles for Responsible Banking in the 1st Year, Working Rules for Renaming and Working Rule Revision of the Committee, 2023 Organization Development Planning and the Committee's 2023 Work Plan.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Audit Committee	5	April 6, April 27, August 28, October 28 and December 19	Deliberated and ratified the Committee's 2021 Performance Report, 2022 Work Plan, 2021 Annual Report and Its Abstract, 2021 Financial Report, 2021 Financial Settlement and 2022 Financial Budget, 2021 Report of Internal Control Evaluation, Further Appointment of Accounting Firm in 2022, 2021 Internal Audit Work Report, Working Emphasis of 2022 Internal Audit, 2022 Internal Audit Program Plan, 2021 Work Report of Consolidated Statement Management, 2021 Profit Distribution Plan, 2022 Q1 Report, 2021 Special Audit Report on Wealth Management Transaction of the Bank, 2022 Semiannual Report and Its Abstract, 2022 Q3 Report, 2022 Special Audit Report of Business Continuity Management, and listened to the 2021 Work Report of Director of Finance Department and 2021 Work and Integrity Report of Director of Internal Audit Department.	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	6	January 12, March 29, April 30, August 25, November 8 and December 22	Deliberated and ratified the Committee's 2022 Work Plan, the Company's Credit Plan for Suyin KGI Consumer Finance Co., Ltd., Name List of Related Parties as of the End of 2021, 2021 Related Transaction Report, Amount Estimate for 2022 Daily Related Transactions, 2022 Q1 Related Transaction Report, Report of Related Transactions in the First Half of 2022, Revision of Related Transaction Measures, 2022 Q3 Related Transaction Report and Related Transactions with Suyin KGI Consumer Finance Co., Ltd.	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
Risk Management Committee	7	February 18, March 26, April 6, May 25, August 25, November 8 and December 19	Deliberated and ratified the Implementation Report on the Law Enforcement Inspection of the People's Bank of China, Limit Plan Adjustment, the Committee's 2022 Work Plan, the Company's 2021 Comprehensive Risk Management Report, 2022 Risk Limit Plan, 2022 Risk Management Strategies, 2022 Statement of Risk Preference, Risk Management Policies of Money Laundering and Terrorism Financing, 2021 Evaluation Report of the Group's Internal Capital Sufficiency, 2021 Report of Online Loan Business Evaluation, 2021 Report of Internal Control Case Prevention, 2022 Q1 Comprehensive Risk Management Report, Report on Comprehensive Risk Management in the First Half of 2022, Recovery Plan (2022) and Suggestions on Disposal Plan (2022), 2022 Q3 Report of Comprehensive Risk Management, Revision and Implementation of the Management Measures of Expected Credit Loss, 2021 Special Audit Report of Anti-money Laundering and Antiterrorism Financing, listened to 2021 Report on the Evaluation of Employees' Behaviors, Report on 2021 Operation, Development and Management of Capital Operation Center and 2021 Report on Development and Management of Branches in China's Other Provinces.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Nomination and Remuneration Committee	6	March 26, April 6, April 27, August 25, September 26 and November 18	Deliberated and ratified the Committee's 2022 Work Plan, Evaluation Measures of the Board of Directors for Director's Performance, 2021 Report of Director's Performance Evaluation, 2021 Work Report of Independent Directors, 2021 Remuneration Assessment Results of Senior Managers, Nomination of Independent Director Candidates, 2021 Special Audit Report of Performance Assessment and Remuneration Management, 2021 Work Report of Remuneration Management, Employment of Chairman 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	3	March 26, August 25 and December 19	Deliberated and ratified the Committee's 2022 Work Plan, 2021 Work Report of Consumer Protection and 2022 Work Emphasis, Work Report of Consumer Protection Committee for the First Half of 2022 and 2021 Special Audit Report of Consumer Protection.	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, attended meetings and 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. All 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. All directors took an active part in special trainings of "Studying the Spirit of the 20th CPC National Congress, Strive for a New Journey" organized by China Banking Association—Reform and development, corporate governance, digital transformation, internal control and risk management, green finance, peer sharing, etc. of urban commercial banks and private banks in 2022; special trainings organized by JiangSu Association for Public Companies concerning judicial interpretation of new false statements, litigation risks of listed companies in the era of new judicial interpretation, interpretation of Work Guidelines for the Investor Relations Management of Listed Companies, spirit propaganda of "Three-year Action to Promote and Improve the Quality of Listed Companies", and follow-up trainings organized by Shanghai Stock Exchange concerning reduction of shares held by shareholders and directors and supervisors of listed companies and independent directors, 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 provisions, 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. In 2022, the independent directors carried out on-site or off-site research in a targeted manner regarding the application and practice of expected credit loss method, stabilization of real estate market and prevention of systematic risks, and worked out research reports, so as to further play an active guiding role in promoting the stable and long-term development of the Company.



## IV. Performance of Duties by Supervisors

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

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	8	8	5	0	0	No	2
PAN Jun	Yes	4	4	2	0	0	No	1
CHEN Libiao	Yes	8	4	5	0	0	No	0
LIU Wei	Yes	4	4	2	0	0	No	1
ZHENG Gang	No	8	8	5	0	0	No	0
XIANG Rong	No	8	8	5	0	0	No	0
BAO Gang	No	8	8	5	0	0	No	1
SHI Shengjiu	No	8	8	5	0	0	No	1
JIN Rui	No	8	8	5	0	0	No	2
<b>Times of meetings of the board of supervisors held during the year</b>								<b>8</b>
Including: Times of onsite meetings								3
Times of meetings held by means of communication								5
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 2022, 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 2022 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. Information about Directors, Supervisors and Senior Managers

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

Unit: Share, RMB 10,000

Name	Post	Sex	Year of Birth	Term of Office	Shares Held at the Beginning of the Year	Shares Held as of the End of the Year	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	42,900	42,900	104
	Executive Director			October 2022-change of term of office			
GE Yuren	President	Male	1965	September 2022-change of term of office	41,080	41,080	96
	Chief Information Officer			February 2017-change of term of office			
Jl Jinsong	Executive Director	Male	1967	August 2021-change of term of office	16,900	16,900	94
	Executive Director			May 2018-change of term of office			
WU Dianjun	Deputy President	Male	1969	April 2019-change of term of office	41,470	41,470	95
	Secretary of the Board			August 2016-change of term of office			



Name	Post	Sex	Year of Birth	Term of Office	Shares Held at the Beginning of the Year	Shares Held as of the End of the Year	Total Pre-tax Remuneration Obtained from the Company during the Reporting Period (RMB 10,000)
HU Jun	Non-executive Director	Male	1970	August 2015-change of term of office	-	-	0
SHAN Xiang	Non-executive Director	Male	1969	September 2017-change of term of office	-	-	0
JIANG Jian	Non-executive Director	Male	1966	March 2012-change of term of office	-	-	0
TANG Jinsong	Non-executive Director	Male	1969	December 2006-change of term of office	8,626	8,626	0
DU Wenyi	Non-executive Director	Male	1963	March 2014-November 2022	-	-	0
REN Tong	Non-executive Director	Male	1967	November 2019-change of term of office	-	-	0
YU Chen	Independent Non-executive Director	Male	1971	August 2015-August 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
SHEN Kunrong	Independent Non-executive Director	Male	1963	May 2022-change of term of office			13
ZHU Qilong	Chief Supervisor	Male	1964	February 2016-change of term of office	39,000	39,000	104
PAN Jun	External Supervisor	Male	1976	May 2022-change of term of office	-	-	16
CHEN Libiao	External Supervisor	Male	1982	July 2020-change of term of office	-	-	28
LIU Wei	External Supervisor	Male	1982	May 2022-change of term of office	-	-	16



Name	Post	Sex	Year of Birth	Term of Office	Shares Held at the Beginning of the Year	Shares Held as of the End of the Year	Total Pre-tax Remuneration Obtained from the Company during the Reporting Period (RMB 10,000)
ZHENG Gang	Shareholder Supervisor	Male	1974	July 2020-change of term of office	-	-	0
XIANG Rong	Shareholder Supervisor	Male	1972	November 2019-change of term of office	-	-	0
BAO Gang	Employee Supervisor	Male	1975	July 2020-change of term of office	-	-	234
SHI Shengjiu	Employee Supervisor	Male	1969	July 2020-change of term of office	-	-	236
JIN Rui	Employee Supervisor	Male	1973	July 2020-change of term of office	-	-	189
JI Ming	Executive Director	Male	1962	August 2015-September 2022	45,500	45,500	96
	President			April 2015-September 2022			
GU Xian	Deputy President	Female	1963	October 2019-change of term of office	32,500	32,500	95
ZHAO Hui	Deputy President	Male	1965	February 2018-change of term of office	46,800	46,800	95
LI Min	Assistant to President	Male	1963	June 2009-change of term of office	65,000	65,000	320
WANG Weibing	Assistant to President	Male	1967	April 2018-change of term of office	709,070	709,070	387
ZHOU Aiguo	Business Director	Male	1972	February 2021-change of term of office			309
LUO Feng	Business Director	Male	1972	February 2021-change of term of office			286

## 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 released the *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of External Supervisors* on March 8, 2022, informing that CHEN Zhibin had resigned from the external supervisor and member of relevant committees of the board of supervisors. CHEN 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.

6. The Company released the *Announcement on Resolutions of the 2021 Annual General Meeting of Bank of Jiangsu* on May 12, 2022, ratified the *Proposal on Election of External Supervisors of Bank of Jiangsu Co., Ltd.* after deliberation and elected PAN Jun and LIU Wei as external supervisors of the Company.

7. The Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Directors and President* on September 27, 2022. According to the organization's arrangement, JI Ming resigned from the post of director, president and member of relevant committees of the board of directors of the Company.

8. GE Renyu was appointed as the president of the Company at the 22nd meeting of the 5th board of directors as held on September 26, 2022, and GE was elected as the director of the Company at the first interim shareholders' meeting of 2022 held on October 27, 2022. On December 15, 2022, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Approval of the Qualifications of Directors and President by the Regulatory Authority*, and received the *Reply of Jiangsu Supervision Bureau of China Banking and Insurance Regulatory Commission on the Qualification of GE Renyu* (S.Y.B.J.F. [2022] No. 445); Jiangsu Supervision Bureau of China Banking and Insurance Regulatory Commission approved the qualifications of GE Renyu as the president and director.

9. The Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Directors* on November 19, 2022. DU Wenyi resigned from the post of the Company's director and member of relevant committees of the board of directors due to work arrangement.

10. The Company released the *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 qualification was approved by the regulatory authority.

11. SHEN Kunrong was elected as an independent director of the Company at the 2021 Annual General Meeting of Shareholders held on May 11, 2022. The Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Qualification of Independent Directors Approved by the Regulatory Authority* on July 23, 2022, and received the *Reply of Jiangsu Supervision Bureau of China Banking and Insurance Regulatory Commission on the Qualification of SHEN Kunrong* (S.Y.B.J.F. [2022] No. 273). Jiangsu Supervision Bureau of China Banking and Insurance Regulatory Commission approved the qualification of SHEN Kunrong as the Company's independent director.

**(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.
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, Member of the Party Committee and Vice President of Bank of Jiangsu. GE now serves as the Executive Director, Deputy Secretary of the Party Committee, President and Chief Information Officer of Bank of Jiangsu and Director of Urban commercial banks Clearing.
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; General Manager of Business Management Department, Deputy Chief Supervisor, Secretary of Discipline Inspection Commission, Member of Party Committee, Vice President, Deputy Secretary of Party Committee and President of Bank of Jiangsu Head Office. In September 2022, JI no longer held the post of the Executive Director, President and Deputy Secretary of the Party Committee of Bank of Jiangsu due to the adjustment of working responsibilities.
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.
WU Dianjun	A member of the Communist Party of China, Master's Degree and PhD of economics. WU once worked as Deputy Director and Director of office of Agricultural Development Bank Lianyungang Branch, Director of Party Committee Office and Manager of Business Department, Deputy Director of office of Agricultural Development Bank Jiangsu Branch, Deputy Director of Party Committee Office and Deputy Director of office (take charge of the work), Assistant Director, Deputy Director and Director of Office 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.



Name	Basic Information
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, 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) and Director 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 General 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.
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.
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.

Name	Basic Information
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, etc. HONG now serves as the Partner of Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership) and Independent Director of Bank of Jiangsu and concurrently as the Deputy Director of the Education and Training Committee of Jiangsu Institute of Certified Public Accountants, and Deputy Director of the Technical Committee of Nanjing Institute of Certified Public Accountants.
SHEN Kunrong	A member of the Communist Party of China, PhD of Economics, Postdoctoral Fellow of Economics of China Academy of Social Sciences and the expert of special allowance of the State Council. SHEN once worked as the head of Department of Economics, Nanjing University, the dean of the School of Economics, Nanjing University and the dean of Nanjing University Business School. SHEN now serves as a professor and doctoral supervisor of Nanjing University Business School, chief expert of macroeconomics of Yangtze IDEI of Nanjing University, and independent director of Bank of Jiangsu. SHEN also doubles as a member of the expert group of the 14th Five-Year Planning of Jiangsu Province, executive vice president of China Society of Industrial Economics, vice president of Western Returned Scholars Association Jiangsu Branch, and president of Jiangsu Society of Digital Economy.
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 (Division Level) and Law Office Director of Nanjing Branch of the People's Bank of China, Division Chief of Supervision Division of Urban commercial bank of Jiangsu Banking Regulatory Bureau, Office Director, Director of Party Committee Office, Head of Publicity Department, Member of Party Committee, Secretary of the Board, Assistant to President and Vice 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.
PAN Jun	A member of the Communist Party of China, PhD of accounting, postdoctoral fellow of business administration (finance), professor and doctoral supervisor; leading talent in China's accounting field, consulting expert of China Accounting Standards Committee of Ministry of Finance, young and middle-aged academic leader of "Qinglan Project" in Jiangsu Province. PAN once worked as the lecturer, associate professor and master tutor of Jiangsu University and now serves as the assistant dean of School of Accounting, Nanjing Audit University and the assistant dean of Institute of Accounting and Governance, Nanjing Audit University and external supervisor of Bank of Jiangsu.
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.



Name	Basic Information
LIU Wei	A member of the Communist Party of China, master' s degree, bachelor of economics, master of law and a practicing lawyer. LIU once worked as an assistant lawyer, lawyer, partner and senior partner of Beijing Dentons (Nanjing) Law Firm and now serves as the senior partner of Beijing Dentons (Nanjing) Law Firm, member of Industry Development and Rules Committee of Jiangsu Lawyers Association and 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.
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 Guojin Investment Group Co., Ltd., Deputy General Manager of Yangzhou Modern Financial Investment Group, Chairman of Yangzhou Financial Investment Management Co., Ltd., Chairman of Yangzhou Jintou Commercial Factoring Co., Ltd.; 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 (second level department) and Deputy General Manager of Investment Banking and Asset Management Headquarters, Deputy General Manager of Investment and Financing Approval Department (first level 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.

Name	Basic Information
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 of Bank of Jiangsu. GU now serves as the 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.
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.
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) Positions of directors, supervisors and senior managers position currently and leaving office during the Reporting Period

#### 1. Office holding in legal-person shareholders

Name of the Person in Office	Name of Legal-person Shareholder	Positions Held in Legal-person Shareholder
HU Jun	Jiangsu International Trust Corporation Limited	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
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. DU Wenyi resigned in November 2022.



## 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
SHAN Xiang	Beijing Phoenix Linkage Film and Television Culture Communication Co., Ltd.	Director
	Beijing Suyuan Mansion Co., Ltd.	Supervisor
	Jiangsu Xinguanglian Technology Company Ltd.	Chairman
	Jiangsu Phoenix Publishing & Media Corporation Limited	Director
	Sichuan Phoenix Wine Co., Ltd.	Chairman
	Jiangsu Phoenix Publishing & Media Group Finance Co., Ltd.	Chairman
	Shanghai FPL New Materials Co., Ltd.	Chairman
TANG Jinsong	Wuxi Urban Development Group Co., Ltd.	Chairman of the Board of Directors
	Xijin International Co., Ltd.	Director
	Xihui International Co., Limited	Director
	Wuxi Environmental Protection Group Co., Ltd.	Director
DU Wenyi	Nanjing Yuejin Automobile Co., Ltd.	Director
	Fu'anda Fund Management Co., Ltd.	Vice Chairman
	Jiangsu Financial Leasing Co., Ltd.	Director
	Jiangsu Railway Group Co., Ltd.	Chairman of the Board of Supervisors
REN Tong	Jiangsu Broadcasting International Media Co., Ltd.	Executive Director
	Omnijoi Media Corporation Co., Ltd.	Director
	Jiangsu Zijin Cultural Industry Development Fund (Limited Partnership)	Director
	Jiangsu Join Hands Capital	Director General
YU Chen	Yeepay Co., Ltd	President
DING Xiaolin	Co-effort Law Firm LLP -Nanjing	Senior Partner
LI Xindan	Nanjing Securities Co., Ltd.	Independent Director
	China Southern Asset Management Co., Ltd.	Independent Director
	Shandong Gold Financial Holding Capital Management Co., Ltd.	Independent Director
	HSBC Bank (China) Company Limited	Independent Director
	Soochow Securities Co., Ltd.	Independent Director
	Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership)	Executive
HONG Lei	ZKI Property and Casualty Insurance Co., Ltd.	External Director
	Nanjing XinGong Investment Group Co. Ltd.	External Director
	Xuzhou Coal Mining Group Corp.	External Director
	Omnijoi Media Corporation Co., Ltd.	Independent Director



Name of the Person in Office	Name of Other Institutions	Position Held in Other Institutions
SHEN Kunrong	Nanjing Jinling Holdings Ltd.	Independent Director
	Nanjing Chixia Development Co., Ltd.	Independent Director
PAN Jun	School of Accounting, Nanjing Audit University	Assistant Dean
	Qi Jing Machinery Co., Ltd.	Independent Director
	Cangzhou Langbo Sealing Technology Co., Ltd.	Independent Director
CHEN Libiao	Guangzhou ZhangTao Network Technology Co., Ltd. (MobTech)	Chairman
LIU Wei	Beijing Dentons (Nanjing) Law Firm	Senior Partner
ZHENG Gang	Suzhou Trust Corporation Limited	Director
	Soochow Securities Co., Ltd	Director
	SIDVC	Director
	Suzhou Guofa Financing Guarantee Co., Ltd.	Director
	Suzhou Yingcai Investment Group Company	Director
XIANG Rong	Yangzhou Jintou Asset Management Co., Ltd.	Chairman
	Yangzhou Jintou Commercial Factoring Co., Ltd.	Chairman
	Yangzhou Rural Commercial Bank Co., Ltd.	Director
	Yangzhou Guojin Investment Group Co., Ltd.	Deputy General Manager
GE Renyu	Urban commercial banks Clearing	Director
GU Xian	Suyin KGI Consumer Finance	Chairman

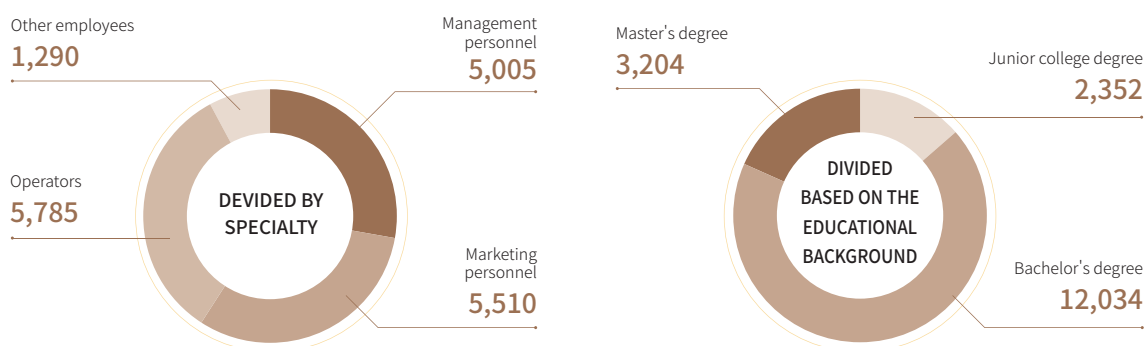
#### (IV) Changes in directors, supervisors and senior managers of the Company

Name	Position Held	Situation of Change	Reason of Change
JI Ming	Director and President	Demission	Work reason
GE Renyu	Director and President	Appointment	New appointment
SHEN Kunrong	Independent Director	Appointment	New appointment
DU Wenyi	Director	Demission	Work reason
CHEN Zhibin	Supervisor	Demission	Work reason
PAN Jun	Supervisor	Appointment	New appointment
LIU Wei	Supervisor	Appointment	New appointment

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

### (I) Information of employees

As of the end of the Reporting Period, the Group had 17,590 employees (including dispatched employees, technology and administrative outsourcing personnel, and employees of its subsidiaries). If the Group's employees are divided by specialty, the Group has 5,005 management personnel, 5,510 marketing personnel, 5,785 operators and 1,290 employees responsible for other responsibilities. If they are divided based on the educational background, the Group has 3,204 employees with a master's degree or above, 12,034 with a bachelor's degree, and 2,352 with a junior college degree. As of the end of the Reporting Period, the parent company and its subsidiaries had 3,041 retired employees, for which, they are responsible for bearing relevant expenses.



### (II) Remuneration policy

In accordance with regulatory requirements, the Bank has formulated salary management measures, performance pay deferment management measures, recourse and deduction 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 Group prioritized education and training in a strategic level, adhered to the principle of building morality and cultivating talents, deepened the structural reform on the supply side of education and training, and actively carried out training for all types of personnel at all levels online and offline. A total of 2,692 offline



trainings were held throughout the whole year, which covered 2,580,533 person-times; the average number of training hours per participant was 124.75, of which 76.94 hours per participant were offline and 47.81 hours per participant were online (including cloud learning: 35.72 credit hours; e-classroom micro-class learning (145.06 courses): 12.09 credit hours). The Bank will deepen the concept of building morality and cultivating talents in its education and training, adhere to the general keynote of seeking progress in stability, promote stability through steady progress, carry forward the spirit of “Four Dare” (dare to bear, dare to think and do, dare to endure hardship and dare to contribute), keep deepening the structural reform on the supply side of education and training, and contribute to the Bank’s high quality development with high quality trainings.

#### (IV) Labor outsourcing

Total hours of labor outsourcing	12,075,311h
Total remuneration paid for labor outsourcing	RMB 780,020,000

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

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

1. The Articles of Association of the Company clearly stipulate the profit distribution policy: From the perspective of paying attention to the reasonable ROI for investors and facilitating 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 minority 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 minority shareholders through the website of the Company, public mailbox or visiting reception and other channels, fully listen to the opinions and demands of the minority shareholders,

and promptly answer the concerns of the minority 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 2021 shareholders' meeting, the Company formulated the 2021 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 4 (tax-inclusive) for every 10 shares to all shareholders, totaling RMB 5,907,850,000 (tax-inclusive). In 2021, the proportion of the Company's cash dividend was 30.00% (i.e., the proportion of cash dividend in the net profits belonging to the listed company's 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 May 26, 2022. The equity registration date for distribution of rights and interests was May 25, 2022. In light of the Company's total shares of 14,769,639,126 registered by Shanghai Branch of China Securities Registration and Clearing Co., Ltd. after closing of Shanghai Stock Exchange on that afternoon, the cash dividend distributed per share was RMB 0.4 (tax-inclusive), and therefore, totally RMB 5,907,855,651 cash dividends were distributed.

3. The Company's 2022 profits distribution plan has been approved in the 29th meeting of the 5th board of directors, and the board of directors gave the proposal as follows: Based on the Company's 14,769,660,000 shares in total at the end of 2022, cash dividends to be distributed to all shareholders for every 10 shares was RMB 5.156 (tax-inclusive), totaling RMB 7,615,240,000 (tax-inclusive), accounting for 30% of the net profit attributable to the parent company. However, since the convertible bonds issued by the Company is in conversion period, if the total number of common shares changes before the record date of equity distribution, the Company will maintain the total amount of distribution and adjust the distribution amount per share accordingly based on the total share capital of ordinary shares on the record date of equity distribution. The plan will be deliberated and approved in the shareholders' meeting of the Company.

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.

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

The deliberation procedure of the Proposal on the 2022 Profit Distribution Plan of Jiangsu Bank Co., Ltd., which was deliberated and approved at the 29th meeting of the 5th board of directors of the Company, is legal and effective. The profit distribution plan is not only conducive to the sustainable and stable development of the Company, but also fully considers the returns of investors, and at the same time, ensures that the capital adequacy ratio of the Company 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) Plan or pre-arranged planning for the distribution of common stock dividends and the plan or pre-arranged planning for the increase of capital reserves to share capital by transferring in the past three years (including the Reporting Period) of the Company**

Unit: RMB Currency: RMB

Dividend Year	Bonus Shares per 10 Shares (Shares)	Dividends per 10 Shares (RMB) (tax-inclusive)	Transfers per 10 Shares (Shares)	Amount of Cash Dividends (tax-inclusive)	Net Profit Attributable to Listed Companies in the Annual Consolidated Statement of Dividends	Ratio of Net Profit Attributable to Listed Companies in Consolidated Statements (%)
2022	0	5.156	0	7,615,234,995	25,385,992,744	30.00
2021	0	4.00	0	5,907,855,651	19,694,365,000	30.00
2020	0	3.16	0	4,667,197,491	15,065,745,000	30.98

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

The Bank disclosed the full text of the self-evaluation report on internal control of 2022 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 26, 2023.

## X. Description of the Internal Control Audit Report

The Bank disclosed the full text of 2022 internal control audit report on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 26, 2023.

## XI. Information Disclosure and Investor Relations

### (I) Information disclosure

The board of directors and the management of the Bank attached great importance to information disclosure 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 online and offline to further enhance the compliance awareness, and ensured the truthfulness, accuracy and completeness of the information disclosed. During the Reporting Period, the Bank totally disclosed 4 periodical reports, 51 temporary reports and 77 network files for various kinds.

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

2022/1/5	Announcement on the Results of Converting Convertible Bond into Shares and Change of Shares
2022/1/12	Bulletin Announcement on 2021 Performance
	Independent Opinions of Independent Directors on Relevant Matters
	Prior Approval Letter of Independent Directors on Relevant Matters
2022/1/18	Announcement on Related Party Transactions
	Announcement on the Resolutions of Board of Supervisors
	Announcement on the Board Resolutions
2022/2/19	Announcement on the Board Resolutions
2022/3/8	Announcement on the 2022 Payment of Interest of “Suyin Convertible Bond”
	Announcement on the Resignation of External Directors
2022/3/29	Announcement on the Resolutions of Board of Supervisors
	Announcement on the Board Resolutions
2022/4/2	Announcement on Holding Performance Exchange
	Announcement on the Results of Converting Convertible Bond into Shares and Change of Shares



	2021 Annual Report
	2021 Corporate Social Responsibility (CSR) Report and ESG Report
	2021 Financial Statements and Audit Report
	2021 Special Explanation on Occupation of Non-operating Funds and Other Related Fund Transactions
	Announcement on Estimated Amount of Daily Related Transactions in 2022
	Announcement on the Resolutions of Board of Supervisors
	Announcement on the Renewal of the Employment for Accounting Firm
	2021 Performance Report of the Audit Committee of the Board of Directors
2022/4/13	Prior Approval Letter of Independent Directors on Relevant Matters
	Summary of Annual Report 2021
	Annual Report of BOC International (China) Co, Ltd. and Huatai United Securities on Continuous Supervision of Bank of Jiangsu in 2021
	Work Report of Independent Directors in 2021
	Announcement on the Board Resolutions
	Independent Opinions of Independent Directors on Relevant Matters
	2021 Internal Control Evaluation Report
	2021 Internal Control Audit Report
	Announcement on Profit Distribution Scheme in 2021
2022/4/20	Meeting Materials of 2021 Annual General Meeting
	Notice on Convening 2021 Annual General Meeting of Shareholders
2022/4/29	2022 Q1 Report
	Announcement on the Board Resolutions
2022/5/12	Legal Opinions of Jiangsu Century Tongren Law Firm on 2021 Annual General Meeting of Shareholders of Bank of Jiangsu
	Announcement on the Resolutions of 2022 Shareholders' Meeting
2022/5/13	Informative Announcement on the Implementation of 2021 A-share Dividend Distribution and the Continuous Suspension for the Conversion of "Suyin Convertible Bonds" into Shares
2022/5/20	Announcement on Implementing 2021 Equity Distribution
	Announcement on the Adjustment of the Conversion Price of A-share Convertible Corporate Bonds under the 2021 Profit Distribution Plan
2022/6/10	Announcement on the 2022 Tracking Rating Results of Bank of Jiangsu
	Announcement on the 2022 Tracking Rating Results of A-share Convertible Corporate Bonds
2022/7/2	Announcement on the Results of Converting Convertible Bond into Shares and Change of Shares
2022/7/15	Announcement



2022/7/16	Bulletin Announcement on 2022 Semi-annual Performance
2022/7/23	Announcement on the Approval of Job Qualification of Independent Directors Obtained from the Regulatory Authority.docx
2022/7/28	Announcement on Initial Public Offering of Restricted Sales Stock for Listing and Circulation Verification Opinions of BOC International Securities Co., Ltd. and Huatai United Securities on the Initial Public Offering of Some Restricted Shares of Bank of Jiangsu
2022/8/30	Summary of 2022 Semi-annual Report 2022 Semi-annual Report Announcement on the Resolutions of Board of Supervisors Announcement on the Board Resolutions
2022/9/27	Announcement on the Resolutions of Board of Supervisors Announcement on the Resignation of Directors and President Announcement on Appointment of President and Nomination of Director Candidates Announcement on the Board Resolutions Independent Opinions of Independent Directors on Relevant Matters
2022/10/1	Announcement on Completion of Issuance of Special Financial Bonds for Agriculture, Rural Areas and Farmers in 2022
2022/10/11	Announcement on the Results of Converting Convertible Bond into Shares and Change of Shares
2022/10/12	Notice of Bank of Jiangsu on Holding 2022 1st Interim Shareholders' Meeting Meeting Materials of the First Extraordinary General Meeting of Shareholders in 2022
2022/10/18	Announcement on Pre-increase of Performance in the First Three Quarters of 2022
2022/10/28	Legal Opinion of C&T Partners on 1st Interim Shareholders' Meeting of Bank of Jiangsu in 2022 Announcement of Resolutions of 1st Interim Shareholders' Meeting in 2022
2022/10/29	2022 Q3 Report Announcement on the Board Resolutions
2022/11/9	Informative Announcement on the Change of Shareholders' Equities
2022/11/16	Announcement on Holding Performance Exchange Meeting
2022/11/18	Announcement on the Dividend Distribution of Preferred Shares Independent Opinions of Independent Directors on Relevant Matters
2022/11/19	Announcement on the Resignation of Directors Voluntary Announcement on Shareholder Increase in Shares Announcement on the Board Resolutions
2022/11/29	Announcement on Adjusting the Dividend Rate of Preferred Stock (Su Yinyou 1)



2022/12/15	Announcement on the Approval of Job Qualification of Directors and President Obtained from the Regulatory Authority
2022/12/24	Announcement on the Board Resolutions
	Announcement on the Resolutions of Board of Supervisors

## (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 on 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 2022, the Bank held 2 periodic report presentation meetings, 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 117 roadshows either online or offline, with more than 1,000 investors participating in the exchange. The Company made communication with various investors for nearly 1,000 times by phone, mail, SSE e interactive platform, etc.

BANK OF JIANGSU

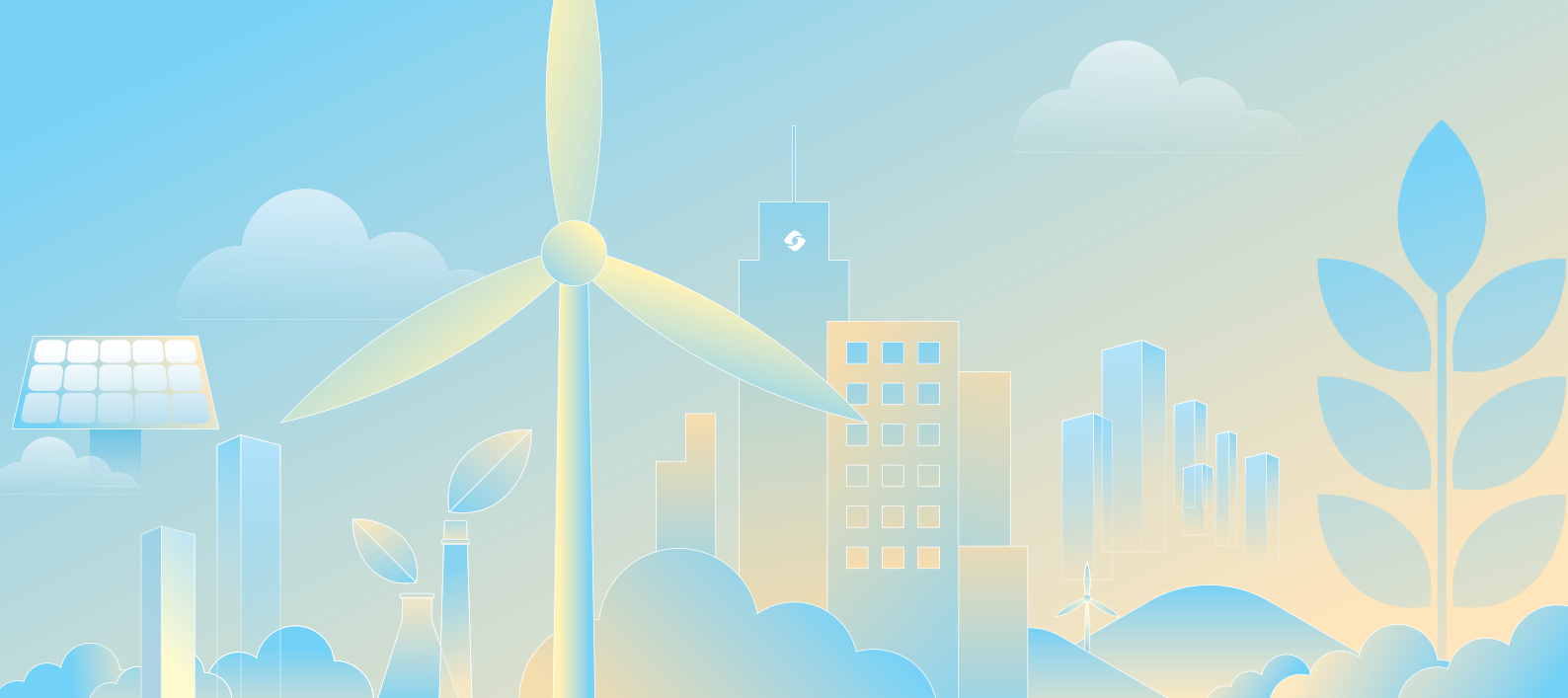
ANNUAL REPORT 2022





Section 5

## **Environment and Social Responsibilities**



# Environment and Social Responsibilities

## I. Environment Information

### (I) Annual overview

Did the Bank establish relevant mechanisms for environmental protection?	Yes
Amount of environmental protection funds during the Reporting Period (unit: RMB 10,000)	12,207,238
Measures for carbon emission reduction during the Reporting Period and their effects	
Did the Bank take carbon emission reduction measures?	Yes
Reduction of CO2 equivalent emissions (unit: t)	3,734,537.67
Type of carbon emission reduction measures (e.g., using clean energy for power generation, carbon emission reduction technologies in production processes, developing carbon emission reduction products, etc.)	Focus on the fields with transparent carbon emission reduction effect, such as clean energy, energy conservation and environmental protection, carbon emission reduction technologies, increase capital investment, and assist enterprises save energy and reduce carbon emission.

The Bank earnestly implemented the national strategies of green development and “carbon peak and neutrality” , strengthened ESG strategic guidance continuously, promoted the improvement of professional operation system of green finance, and environmental and social risk management system, and committed to building a green finance brand “leading in domestic market and influential worldwide” . We promoted ESG to the strategic height of the Bank, defined the development goals of climate investment and financing, and inclusive finance based on the construction of “UN Principles for Responsible Banking” , and promoted the sustainable development of the Bank’ s operation and management. The Bank made efforts to promote specialized operations, conduct in-depth industry and market



research, innovate green financial products and services, and establish a group green financial product system covering green credit, green bonds, green leasing, and green financial management. Furthermore, we strengthened environmental and social risk management, and built an environmental and social risk management system focused on the Equator Principles project management, ESG risk management and environmental stress testing. As of the end of 2022, the green credit assets realized an annual emission reduction amount of 1,376,100 t standard coals (equivalent to one-year electricity consumption of 8,260,000 ordinary families), 3,734,500 t carbon dioxide equivalents (equivalent to one-year emission of 1,380,000 1.6L displacement passenger vehicles), and 43,567,800 t of water saving (equivalent to water capacity of 8 Xuanwu Lakes), yielding favorable environmental and social benefits.

## (II) Environment-related governance structure

The "Strategy Committee" of the board of directors was upgraded to the "Strategy and ESG Committee", which is responsible for the top-level design of ESG development of the Bank, supervising and evaluating strategy implementation, and promoting the construction of a comprehensive ESG management system. The Green Finance Committee of Head Office coordinated the development of green finance throughout the Bank, promoted the construction of mechanism and process, clarified the development objectives and division of responsibilities, reported the work related to green finance to the board of directors annually, and strengthened information disclosure. The Green Finance Department of the Head Office took the lead in promoting the construction of professional operation system of green finance and environmental and social risk management system, and Green Finance Committee of the Branch and the green finance franchise institution were responsible for implementation. In 2022, the Bank held meetings of the Green Finance Working Group and the Green Finance Committee in February and September respectively to publicize the "Carbon Peak Action Plan and Green Finance Policy", improved green finance organizational structure system of its branches, promoted the establishment of the Green Finance Committee of its branches and set up another 2 green sub-branches.

## (III) Environment-related policies and rules

The Bank strengthened the construction of environment-related policies and systems continuously, and intensified relevant work on mechanism construction, professional operation, environmental and social risk management, etc. based on more specific requirements.

---- **Mechanism construction.** We have formulated special assessment scheme for green finance of each department and subsidiary as well as assessment and evaluation system of green sub-branches, established the green finance development mechanism under joint management, and played the pioneer exemplary role of green sub-branch in business development; strengthened resource policy preference, provided differentiated credit access policies and green approval channels for green subdivided industries and key regions, and continuously increased green credit FTP pricing preference. To strengthen green and low-carbon operation, the Bank released the Plan on Promoting Green and Low-carbon Energy Conservation and Environmental Protection Management of Business Offices of Bank of Jiangsu and the Notice on Formulating and Implementing Green and Low-carbon Operation Management Measures for Business Offices of the Bank of Jiangsu.

---- **Specialized operation.** The Bank actively seized the opportunities of new energy industry develop, carried out in-depth research on the industries and markets of energy storage, lithium battery, new energy vehicles (NEVs), formulated industry information and marketing guidelines, and adjusted the credit investment policies of relevant industries dynamically. We implemented national and local policies on ecological environmental protection faithfully,

participated in the launch of the Common Action Plan for Banking Sector to Support Biodiversity Conservation, got involved in the “the 7th Golden Ring Dialogue in Jiangsu Province” and “Comprehensive Treatment Meeting of volatile Organic Pollutants (VOCs) in Jiangsu Province”, and supported local in-depth fight against pollution financially. We accelerated the development of green inclusive finance, formulated and released the Guiding Opinions of Bank of Jiangsu on Accelerating the Development of Green Inclusive Financial Business for serving and supporting small and micro businesses in the fields of energy conservation, environmental protection and new energy, so as to accelerate the development of online green finance products.

---- **Environmental and social risk management.** We strictly implemented the Equator Principles Project Management Measures of Bank of Jiangsu and Environmental and Social Risk Management Measures of Bank of Jiangsu (Revised in 2021), and strengthened environmental and social risk management of the whole credit business process. The Bank implemented the requirements of “six principles and three steps” specified in the “UN Principles for Responsible Banking”, carried out impact analysis of responsible banking, and disclosed the Self-evaluation Report of Bank of Jiangsu Co., Ltd. on Principle for Responsible Banking in the 1st Year. Moreover, we strengthened the application of environmental protection credit evaluation results, managed enterprises with red and black environmental protection credit rating by including them into a list, established differentiated examination and approval policies, and strengthened post-loan monitoring and evaluation.

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

The Bank continuously enhanced the innovation of green finance products to construct a diversified system of green finance products, enriched and improved the Group’s sustainable financial product system constantly, and accelerated the system implementation in large companies, large retail, subsidiaries and government-bank cooperation.

---- **Large company.** We launched several leading and characteristic products in the industry innovatively, such as “loan for park’s green upgrading”, “loan for county-wide distributed PV”, “EOD project loan”, “franchised project loan”, “carbon account-linked loan”, etc., and implemented the first “loan for county-wide distributed PV” in Jiangsu Province and the first “water rights loan” in Jiangsu Province. The product of “carbon account-linked loan” was granted the 1st prize of the key cultivation project of Suzhou City’s Green and Low Carbon Finance Laboratory. The distribution scale of “Su Carbon Finance” products exceeded RMB 6 trillion, which supported 356 green small and micro businesses and reduced carbon dioxide emissions by 546,000 t. We underwrote many green bonds, such as green ABS and carbon neutrality bonds, and implemented the first green bond pledge income voucher business on the market, and green special inter-bank loan business.

---- **Large retail.** We actively guided customers to live a green and low-carbon life, and issued nearly 140,000 green and low-carbon credit cards, which were granted the award of “Best Credit Card Product for Green Sustainable Finance” in 2022. The Bank intensified the vertical scenario layout of green consumption such as NEVs, and improved the “green financial contribution degree” of consumer financial products such as offline installment repayment of credit card through preferential consumption credit policy resources.

---- **Subsidiary.** Suyin Financial Leasing Co., Ltd. innovated the “domestic L/C + forfaiting” model to support the financing of NEV equipment. Suyin Wealth Management issued green equity and debt products such as “Ruiyuan Growth Phase 3 Talent and Technological Innovation of Suyin Wealth Management” and “Hengyuan Fixed Issue 15 1-year Deposit (Green Bonds) of Suyin Wealth Management”. Suyin KGI Consumer Finance actively explored green



consumption scenarios. Suyin Village Bank innovated and promoted "green agricultural loan".

---- **Cooperation between government and bank.** The Bank vigorously promoted government-bank cooperation products such as "environmental protection loan", "environmental protection guarantee", "green innovation portfolio loan", etc. and is cooperative bank of China Clean Development Mechanism Fund Center (CDM Center) of Ministry of Finance with the largest business volume, and the supporting institution of major energy projects of Jiangsu Energy Bureau.

## (V) Environmental risk management procedures

The Bank continuously optimized and improved relevant processes and mechanisms, coordinated work in many aspects such as strategy, business, asset portfolio and information disclosure and kept improving the comprehensiveness and effectiveness of environmental risk management.

---- **Strategic level.** We continuously promoted the construction of "UN Principles for Responsible Banking", carried out impact analysis, participated in the preparation of practice guidelines such as Tools for Analyzing the Influence of Bank Investment Portfolio and PRB Impact Analysis Tool (Simplified Chinese Version), etc., and publicly disclosed the Self-evaluation Report of Bank of Jiangsu Co., Ltd. on Principle for Responsible Banking in the 1st Year. The construction of "Principles for Responsible Banking" has been officially affirmed by UNEP FI.

---- **Operational level.** We continued to strengthen the project management of Equator Principles and intensified early warning and prevention of potential environmental and social risks. The Bank assisted Equator Principles Committee (EPA) with the cultivation of social and environmental risk management capacity in China, and undertook the translation and transmission work of documents such as Guidelines for Climate Change Risk Assessment and EP 101 Basic Guidelines for the Equator Principles. We continuously iterated and optimized the ESG methodology for credit customers, applied ESG rating results to the internal rating system for non-retail customers, and launched pilot innovative products such as "ESG performance-linked loans". Moreover, in order to promote the application of environmental protection credit evaluation results, the Bank applied the enterprises' information of environmental protection credit evaluation from the Department of Ecology and Environment of Jiangsu Province to the whole process of credit business such as pre-loan investigation, loan approval, loan review, post-loan management, etc.

---- **Asset portfolio level.** The Bank participated in the preparation of the Environmental Stress Test Standard for Commercial Banks of the People's Bank of China, promoted the environmental and climate risk stress test in depth, completed the pilot work of "Climate Risk Sensitivity Stress Test" for the 8 industries included in the national carbon market led by the People's Bank of China, and guided Hangzhou Branch to complete the "Climate Risk Stress Test of Zhejiang Province".

---- **Information disclosure level.** As a core member of China-UK Green Finance Working Group, the Bank has explored methods and paths of environmental risk analysis and information disclosure for financial institutions for five years continuously; we also participated in the formulation of the Guidelines for Environmental Information Disclosure of Financial Institutions, the standard of head office of the People's Bank of China, took the lead in disclosing environmental and climate risk information in the industry, and promoted the release of the first ESG report and the first green finance development report of Bank of Jiangsu. Moreover, we promoted Shenzhen Branch to disclose environmental information of local financial institutions, and drove Suzhou Branch and Shanghai Branch to participate in environmental information disclosure of financial institutions in the Integration Demonstration Zone of Yangtze River Delta.



## **(VI) Influences of the Bank’ s investment and financing activities on environment**

The Bank focused on key areas with significant carbon reduction effects, such as energy conservation and environmental protection, clean energy and carbon emission reduction technologies, and kept intensifying the release of loans on green credit and clean energy. In 2022, the Bank realized an annual emission reduction amount of 1,376,100 t standard coals (equivalent to one-year electricity consumption of 8,260,000 ordinary families), 3,734,500 t carbon dioxide equivalents (equivalent to one-year emission of 1,380,000 1.6L displacement passenger vehicles), chemical oxygen demand of 102,300 t, ammonia nitrogen of 26,400 t, sulfur dioxide of 380,000 t, nitrogen oxides of 142,600 t and water saved of 43,567,800 t (equivalent to water capacity of 8 Xuanwu Lakes). Among them, the carbon dioxide emission reduction was increased by 29.2% on a YoY basis, yielding favorable environmental and social benefits.

## **(VII) Environmental impacts by the Bank’ s business activities**

The Bank actively advocated green office and kept improving the effect of expenditure saving and efficiency improvement of equipment and facilities. To be specific, in terms of green office, we improved the paperless management efficiency of office as per the Management Measures for Video Conference of Bank of Jiangsu. In 2022, the Head Office held 997 meetings in total, of which 693 were video meetings and meetings based on paperless conference system, with online meetings accounting for 69.5% of the total meetings. We promoted the online function of OA system continuously, by which, more than 5,753 documents were received and more than 3,445 documents were issued from January to December, reducing paper consumption. In terms of expenditure saving and efficiency improvement, the electric energy was 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 was intensified, and the technical applications, e.g., solar heat collection, photovoltaic power generation and ground source heat pump, were widely promoted. We strengthened the use of renewable energy, and actively promoted the application of solar energy collection, photovoltaic power generation and ground source heat pump technology. In virtue of themed activities, such as the national “Energy Conservation Publicity Week” and “Low Carbon Day”, we organized and carried out diversified energy conservation publicities, advocated green, low carbon and environmental protection concepts, and created a favorable atmosphere for low carbon operation. In 2022, our expenditure for the renovation and transformation of energy-saving and water-saving facilities and equipment was RMB 691,400, which was estimated to save 814,800 kWh electricity, 328 t water and RMB 555,000 energy use fee that year. Solar photovoltaic power generation was 67,700 kWh, rainwater recovery system saved 9,025 t water, and renewable energy was used to save RMB 80,500, further improving the utilization efficiency of renewable energy.

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

By underlining the three dimensions of green finance policies, standards and cutting-edge research, the Bank consolidated the foundation of green finance research continuously and enhanced professional research capabilities. As a specially-invited expert, we participated in more than 70 green finance forums, academic seminars and expert review meetings such as Tsinghua University, Fudan University, Institute of Finance and Sustainability, GIZ, ClientEarth, WWF, etc., and published 3 research articles in domestic financial journals. In terms of standard research, we participated in the research work of Guidelines for Environmental Information Disclosure of Financial Institutions, Industrial Standards for Environmental Stress Testing of Commercial Banks and Industrial Standards for Green Bills issued by the Head Office of the People’ s Bank of China; participated in the formulation of the “China Carbon Neutralization Effectiveness Evaluation System” standard of the Ministry of Science and Technology as well as the



Carbon Asset Pledge Financing Operational Guidelines of Jiangsu Province (Interim), the carbon finance standard of Jiangsu Province. In the aspect of subject research, as a member unit of “carbon peak and neutrality” target expert group of China Banking Association, the Bank actively participated in the research of 7 subjects, such as “Research on Carbon Accounting Data of China’s Banking Industry”. We also actively carried out research on “biodiversity finance”, “carbon finance” and “transformation finance”, and led or participated in the research on the four topics such as “Promotion on the Innovation of Biodiversity Investment and Financing Products” and “Transformation of Financial Products and Service System” of the Green Finance Committee of China Society for Finance and Banking. The two research results, including Present Situation and System of Carbon Financial Products and Research on Suggestions on Supporting Biodiversity by China’s Banking Industry, were released at “Meetings on Banking Nature and Climate Action” at 2022 UN Biodiversity Conference.

### (IX) Others

The Bank promoted the construction of green finance ecosystem continuously, initiated the Green Finance Committee of Jiangsu Banking Association, Green Finance Alliance of Small and Medium-sized Banks, and the Climate Change Research Center, etc., and jointly promoted the development of green finance in partnership with external think tanks and by integrating the resources of various parties. First, we took the lead in the work of the Green Finance Committee of Jiangsu Banking Association, gave full play to the leading role of the director unit and took the lead in carrying out various work of the Green Finance Committee, including: Formulating the “Working Rules and Annual Work Plan”, releasing the Self-discipline Convention on Green Financial Services of Jiangsu Banking Industry, setting up a green finance expert group and green finance research subject, holding green finance excellent case selection activities, etc. Second, the Bank promoted the construction of a climate change research center; establish a normalized working meeting system. During the Report Period, the Bank took the lead in convening three working meetings of Climate Change Research Center. Drive the innovative research of green finance. We carried out research on ecological product value realization mechanism and carbon account subject with Jiangsu Engineering Consulting Center; carried out quantitative research on environmental index system with Environment School Nanjing University; carried out research on evaluation criteria of EOD project with Jiangsu Provincial Assessment Center. Third, the Bank led the Green Finance Alliance of Small and Medium-sized Banks. To strengthen the construction of alliance system, we launched the initiative on alliance green finance cooperation and formulated the articles of association for alliance. We also intensified the alliance’s capacity cultivation and organized alliance members to participate in training related to the Equator Principles.

## II. Fulfillment of Social Responsibilities

### (I) Main information of CSR work

Adhering to the mission of “creating a better life”, the Bank adheres to the political and people-oriented nature of financial work, serves the country and the people, and does good things with finance, includes corporate social responsibility into the whole process of development strategy and operation management, makes contributions to the sustainable development of economy and society, and strives to maximize the comprehensive value of economy, environment and society. During the Report Period, the Group donated a total of RMB 48,868,600.

The Bank attaches great importance to communication with stakeholders, has established a normalized

communication mechanism by which it listens to the opinions and feedback of stakeholders, and encourages stakeholders' full involvement. The Bank has issued annual corporate social responsibility (CSR) report for 9 consecutive years since 2022, when it prepared and disclosed the first ESG report, which was granted such honors as "Top 10 Social Responsibility Reports of China Financial Year", "ESG Golden Jasmine Award", "Excellent ESG Listed Company in 2022", etc. MSCI raised the ESG rating of Bank of Jiangsu for the first time in recent 5 years.

---- **Serve the high-quality development of local economy.** The Bank obeys its strategic positioning of local corporate bank, implemented the new development concept faithfully, continuously increased credit supply, innovated product services constantly, and provided more active financial assistance for real economy. We've strengthened support for consolidating and expanding value chain, and improved the proportion of loan for manufacturing industry in the total corporate loan continuously. We expanded the service coverage of self-reliance and self-improvement of S & T, increased the service coverage of specialized, fine, characteristic and novel enterprises in the province to 2/3, and cooperation coverage of high-tech enterprises to 1/3, and scaled the balance of S & T loans to a new height by topping the list within the whole province. The Bank accelerated the construction of a new development pattern of "dual circulation" (international and domestic circulation). At the end of 2022, the assets of FTZ ranked 1st continuously among all urban commercial banks, and the accumulative amount of "Sumao Loan" released ranked 1st within the province, and the annual international settlement volume exceeded USD 200 billion. Moreover, we actively supported small and micro private enterprises and revitalization of rural areas, and the scale of full-caliber small and micro loans ranked 1st within the province, among which, the growth rate of inclusive small and micro loans, operating e loans and inclusive agricultural loans was 16.7%, 21.3% and 29.9% higher than that of various loans respectively.

---- **Promote common prosperity.** We grasped people's new expectation on high-quality life, accurately held their demand for high-quality financial services, continuously launched consumer financial products and activities that could facilitate people's life and benefit them, stayed closer to and got familiar with customers, understood their demands better and satisfied their yearning for a better life. The Bank held activities such as "919 Wealth Festival" and provided voluntary services focused on financial knowledge publicity and education, financial convenience, etc. We launched the exclusive bank card and wage payment monitoring platform for migrant workers, paid migrant workers' wages by proxy, and prevented risk of misappropriation of funds. We issued the exclusive debit card of "Army Support Card" to entitled groups such as demobilized soldiers, soldiers' family members, etc., and provided life-long service charge reduction and exemption services; designed the exclusive debit card of "Happiness Card of Financial Services" and launched the "Happiness Edition of Financial Services" of mobile banking in order to improve the convenience and security of the elderly customers in using electronic products. We focus on scenario, localization and life, and launch the "mobile banking that knows you better" to meet the life needs of customers.

---- **Safeguard consumers' rights and interests.** On the customer-oriented principle, we actively implemented the concept of finance for the people, continuously improved the construction of consumer protection system and mechanism, and fully respected and protected consumers' rights and interests; strengthened the whole process management and control measures, underlined consumer protection requirements in key links such as product & service design and development, marketing and after-sales services management, and carried out business activities in compliance with laws and regulations. We paid attention to improving service quality and customer experience, and launched services items highly expected by customers, such as online loan settlement certificate, green channel for repayment postponing, green channel for interest and fee reduction, special business services, etc. Adhering to the "education-oriented" concept, the Bank carried out routine publicity and education activities on public welfare financial knowledge in virtue of online and offline activities, such as "Consumer Protection Micro Classroom of Bank



of Jiangsu” , “Activities of Party Members Entering Community” and “Micro-Salon Activities” , to help consumers improve their financial literacy and enhance their awareness of risk prevention. We actively promoted the diverse financial dispute resolution mechanism, guided and guaranteed institutions at all levels to solve their difficulties and complaints through mediation, etc., opened up new dispute resolution channels, and improved dispute resolution rate. In 2022, the Bank accepted a total of 7,408 customer complaints through all channels, all of which were settled, with a YoY drop of 1.92% compared with 2021.

---- **Practice social welfare undertakings.** We've always integrated the performance of corporate social responsibility into development, actively practiced public welfare and charity undertakings, supported employees to participate in voluntary services, and interpreted the responsibilities of Bank of Jiangsu at some defining moments, such as fight against COVID-19; carried out the special activity of “Helping Farmers, Building Dreams” to relieve farmers’ pressure of agricultural product sales and avoid the poor sales of agricultural products caused by extreme weather and the pandemic. According to the deployment of the Communist Youth League and Provincial Party Committee, we actively organized and participated in the online fund-raising activities of “99 Public Welfare Day” , established 139 teams from the levels of Youth League Committee and Youth League Branch, and collected 7,060 donations for the “Dream House Care Plan” . Moreover, we got involved in public welfare donation activities extensively, such as the Hope Project “Dream Fulfillment Action” plan, “Collecting Strengths to Build Dreams” poverty alleviation project for assisting the impoverished students, epidemic prevention donation, “Warm Jiangsu” , “National Reading” , etc. At the Commendation Conference of the 6th “Jiangsu Charity Award” , the Bank was awarded the honor of “the Most Charitable Donator” . We continued to carry out the activity of “Activities of Party Members Entering Community” . Party members and cadres were organized to carry out activities in communities on a monthly basis, such as financial knowledge publicity, voluntary service and paired building.

---- **Care employees' growth.** The Bank promoted democratic supervision and democratic management, gave full play to the role of workers' congresses and trade unions in ensuring employees' participation in management and safeguarding employees' legitimate rights and interests, and submitted each issue related to employees' vital interests of employees to Workers Congress for deliberation; fully exerted the role of “highlight platform” , --- the very platform for exchange among employees within the Bank, solved the pain points and difficulties of grass-root employees and drove the reform and innovation of the Bank. It has successively established platforms such as Suyin Research Institute, Digital Intelligence Research Institute, Provincial Post-doctoral Innovation Practice Base, National Post-doctoral Workstation, etc., developed the talent cultivation and development system of “talent + project + platform” , and promoted talent growth and promotion through innovation; advocated the idea of “creating value by professionalism” , organized the selection of “Small Industry Experts” in 2021, determined August 18 of each year as “Staff Skill Day” , held skills competition of the whole bank oriented to business operation and finally selected a batch of “Industry Experts” and “Business Experts” .

**(II) Consolidate and expand the achievements of poverty alleviation and rural revitalization**

Poverty alleviation and rural revitalization project	Qty./Content
Including: Capital (RMB 100,000,000)	As of the end of 2022, the total amount of the Bank's loans for financial targeted poverty alleviation, and promotion and service for poverty-stricken population had been on the rise and reached RMB 32.413 billion in total.
Materials (RMB 10,000)	The Bank continuously promoted the construction of "Collecting Strengths to Build Dreams" poverty alleviation project, subsidized 2,400 poor students from low-income families having been filed and granted card in 12 key counties designated by Jiangsu Province to complete their non-compulsory studies in senior high schools, with a total donation of RMB 16.8 million in two phases (six years in total).
Number of benefited personnel (persons)	With the loan for individual targeted poverty alleviation, 175 impoverished persons have been filed and granted card. The loan for industry targeted poverty alleviation benefited 87 persons. The "Collecting Strengths to Build Dreams" Poverty Alleviation Project supported 2,400 impoverished students.
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Among them, there were 494 loans for individual targeted poverty alleviation, totaling RMB 45 million; 22 loans for industry targeted poverty alleviation, totaling RMB 1.341 billion; there were 1,535 loans used for promoting and serving the impoverished people with a total amount of RMB 31.027 billion.



By complying with the rural revitalization strategy actively, the Bank increased financial resources to rural areas continuously, expanded the depth of financial services, extended the breadth of financial supply, and consolidated and expanded the effective linking of key achievements of poverty alleviation and rural revitalization. As of the end of 2022, the balance of agricultural loans exceeded RMB 230 billion, which served more than 5,000 new agricultural operation entities. 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 69 billion. Moreover, we strengthened the cooperation among banks, towns, villages and enterprises, served nearly 1,000 new customers in rural revitalization pilot & demonstration towns, with a loan balance of RMB 4.6 billion. By taking new body, new elements and new formats of agriculture and rural areas as the main service objects, we intensified the innovation of agricultural products, and promoted special agricultural products with special characteristics such as “Farmer Operation Loan”, “Storage & Cold Chain Loan” and “Sunshine Farmer Prosperity Loan”, issued “Crab Agricultural Loan” of Xinghua, “Sucang Loan” of Suqian, “Changzhou Farmers’ Loan” of Changzhou, etc. We released marketing guidelines and batch credit schemes for agricultural machinery, silkworm, homestay, straw and other sub-sectors, and the number of featured batch projects exceeded 30.

For more details, please refer to the 2022 Social Responsibility Report & ESG Report disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) by the Company on April 26, 2023.

BANK OF JIANGSU

ANNUAL REPORT 2022



Section 6

## 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
Commitments related to initial public offerings	Restricted on sales of shares	Internal employee shareholders holding more than 50,000 shares of the Company	See Note 1 for details	August 2, 2016 - August 1, 2024	Yes	Yes	N/A	N/A
	Restricted on sales of shares	TANG Jinsong, current and outgoing directors, supervisors and senior 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. The Company's Explanation and Analysis on the Reasons and Influences of Changes in Accounting Policies and Accounting Estimates or Correction of Major Accounting Errors

In 2022, the Bank 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:

- *Interpretation of Accounting Standards for Enterprises No. 15* (C.K. [2021] No. 35) ( “the Interpretation No. 15” )
- Interpretation of Provisions of “Judgment on Loss Contract” in Interpretation No. 15
- *Notice on Relevant Issues Concerning the Application of <Provisions on the Accounting Treatment of Rent Concession Relating to COVID-19>* (C.K. [2022] No. 13)
- *Interpretation of Accounting Standards for Enterprises No. 16* (C.K. [2022] No. 31) ( “the interpretation No. 16” )

## III. Appointment and Dismissal of Accounting Firms

Unit: RMB 10,000 Currency: RMB

Items	Present Appointment
Name of domestic accounting firm	KPMG (Special General Partnership)
Remuneration of domestic accounting firms	421.2
Audit years of domestic accounting firms	7 years
Name of certified public accountant of domestic accounting firms	DOU Youming and XUE Chenjun
Consecutive years of audit services provided by certified public accountants of domestic accounting firms	2 years

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

## IV. Occupation of Capital Not for Business by Controlling Shareholders and Other Related Parties within the Reporting Period

The Bank 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 Bank's conventional banking businesses approved by relevant regulatory authorities. The Bank 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 Bank 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 Bank 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 Bank, there are a total of 4 cases with the amount of more than RMB 10 million for each case and the amount of money involved in the cases is RMB 155 million. The Bank believes that the final ruling and execution results of such events will not have a significant impact on the Bank's financial status or operating results.

## VII. Punishment and Rectification of Listed Company and Its Directors, Supervisors, Senior Managers, Controlling Shareholders and Actual Controllers Suspected of Violating Laws and Regulations

The Bank had no controlling shareholders or actual controllers. During the Reporting Period, the Bank 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 Bank 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 Bank 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 Bank superior to other borrowers or trading rivals and conform to the overall interests of the Bank and shareholders. See the note to Financial Statements for the major related transactions between the Bank and its related parties within the Reporting Period.

BANK OF JIANGSU

ANNUAL REPORT 2022





Section 7

## **Share Changes and Information about Shareholders**



# Share Changes and Information about Shareholders

## I. Capital Change

### (I) Statement of share changes

Unit: Shares

Items	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 (%)
I. Shares with limited sales conditions	89,761,833	0.61			-8,159,900	-8,159,900	81,601,933	0.55
1. Shares held by the state								
2. Shares held by state owned legal persons								
3. Shares held by other domestic capital	89,761,833	0.61			-8,159,900	-8,159,900	81,601,933	0.55
Including: shares held by domestic non-state-owned legal persons	30,254	0			-2,750	-2,750	27,504	0
Shares held by domestic natural persons	89,731,579	0.61			-8,157,150	-8,157,150	81,574,429	0.55



Items	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 (%)
4. Foreign share holding								
Including: Shares held by overseas legal person								
Shares held by overseas natural person								
<b>II. Circulating shares without restrictions</b>	14,679,866,951	99.39		27,916	8,159,900	8,187,816	14,688,054,767	99.45
1. RMB common shares	14,679,866,951	99.39		27,916	8,159,900	8,187,816	14,688,054,767	99.45
2. Domestic listed foreign shares								
3. Overseas listed foreign shares								
4. Others								
<b>III. Total of shares</b>	14,769,628,784	100		27,916	0	27,916	14,769,656,700	100

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 123,028 shares, and in particular, the number of shares formed due to conversion during the period from January 1, 2022 to December 31, 2022 was 27,916. 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, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on



April 2, 2022, *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, 2022, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on October 11, 2022, *Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares* disclosed by the Company on January 4, 2023.

## (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	8,159,900	8,159,900	-	Initial issuance of restricted shares	August 2, 2022
Other shareholders holding shares in restricted period	81,601,933	-	81,601,933		Lockup period of 96 months
<b>Total</b>	<b>89,761,833</b>	<b>8,159,900</b>	<b>81,601,933</b>	<b>/</b>	<b>/</b>

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

According to the register of shareholders provided by China Securities Depository and Clearing Corporation Limited, the Bank's shares pledged by shareholders were frozen as follows: As of the end of the Reporting Period, the shares held by 3 shareholders were pledged and frozen, accounting for 0.72% of the total share capital of the Bank.

# II. Issuing and Listing of Securities

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

During the Reporting Period, the Bank had no relevant matters.

## (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 81,574,429 internal employee shares, accounting for 0.55% 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	110,797
Total number of common shareholders (accounts) as of the end of the last month before the disclosure date of the Annual Report	122,180
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 Status	Quantity	
Jiangsu International Trust Corporation Limited	0	1,206,607,072	8.17	-	None	-	State-owned legal person
Jiangsu Phoenix Publishing & Media Group Co., Ltd.	0	1,197,149,625	8.11	-	None	-	State-owned legal person
Huatai Securities Co., Ltd.	35,950,010	868,000,010	5.88	-	None	-	State-owned legal person
Jiangsu Expressway Company Limited	153,600,000	721,084,800	4.88	-	None	-	State-owned legal person
Hong Kong Securities Clearing Company Limited	250,987,649	714,194,783	4.84	-	None	-	Overseas legal person
Wuxi Construction and Development Investment Co., Ltd.	0	710,435,942	4.81	-	None	-	State-owned legal person
Jiangsu Broadcasting and Television Group Co., Ltd.	1,536,114	452,239,127	3.06	-	None	-	State-owned legal person
Suzhou International Development Group Co., Ltd.	0	351,459,272	2.38	-	None	-	State-owned legal person
Jiangsu Guoxin Investment Group Limited	0	292,201,391	1.98	-	None	-	State-owned legal person
Jiangsu Phoenix Publishing Media Group Co., Ltd.	4,095,000	271,247,256	1.84	-	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.

Descriptions of the above shareholders' participation in margin trading and refinancing business: As of the end of the Reporting Period on December 31, 5,905,000 A shares held by Jiangsu Phoenix Publishing Media Group Co., Ltd. were still lent due to participation in refinancing business. If all of them were returned, it would hold a total of 277,152,256 A shares of the Company, accounting for 1.88% of the total share capital of the Bank.

### (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	Al Chen	250,000	August 2, 2024	250,000	Initial public offering
2	JIANG Tao	249,995	August 2, 2024	249,995	Initial public offering
3	WANG Weibing	249,919	August 2, 2024	249,919	Initial public offering
4	SHAN Yi	249,875	August 2, 2024	249,875	Initial public offering
5	CUI Meiling	249,130	August 2, 2024	249,130	Initial public offering
6	YANG Yi	248,490	August 2, 2024	248,490	Initial public offering
7	SUN Xiren	248,137	August 2, 2024	248,137	Initial public offering
8	ZHANG Wenbin	248,137	August 2, 2024	248,137	Initial public offering
9	YU Yunfei	244,374	August 2, 2024	244,374	Initial public offering
10	WANG Zuhong	240,486	August 2, 2024	240,486	Initial public offering
Description of incidence relation or concerted action of the said shareholders			The Bank 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 Bank had no corporate shareholders with a shareholding ratio above 10%.

BANK OF JIANGSU

ANNUAL REPORT 2022



Section 8

## **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	47
Total shareholders of preferred shares (accounts) as of the end of previous month before the disclosure date of the Annual Report	50



## (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	Increase/ Decrease during the Reporting 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	-4,000,000	27,340,000	13.67	Domestic preferred shares	Without pledge	Others
Everbright Yongming Assets Management - China Everbright Bank - Juyou No. 1 Equity Asset Management Product of Everbright Yongming Asset	0	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	0	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
BOCOM Schroders Assets Management - Bank of Communications - No. 2 Zhuoyuan Collective Asset Management Program under BOCOM Schroders Assets Management	0	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
TruValue ASSET MANAGEMENT - China Merchants Bank - China Merchants Bank	-2,000,000	17,320,000	8.66	Domestic preferred shares	Without pledge	Others
CITICS - SPDB - Xingchen No. 50 Collective Assets Management Plan of CITICS	0	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	0	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	0	8,500,000	4.25	Domestic preferred shares	Without pledge	Others
AVIC Trust - Tianji Gongying Collective Fund Trust Program for Securities Investment under AVIC Trust	6,000,000	6,000,000	3.00	Domestic preferred shares	Without pledge	Others
Hwabao Trust Co., Ltd. - Hwabao Trust - No.1 Collective Fund Trust Program under Baofu Investment	0	5,000,000	2.50	Domestic preferred shares	Without pledge	Others
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 Bank does not know the incidence relation or concerted action among the said shareholders.		



### III. Profit Distribution of Preferred Shares

#### (I) Profit distribution

On November 18, 2022, 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 25, 2022, ex-dividend date was November 25, 2022, the interest value date of distribution of dividends was November 28, 2021, and the dividend distribution date was November 28, 2022. 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 1.04 billion (tax-inclusive) based on the distribution size of Suyinyou 1 of 200 million shares.

#### (II) Distribution amount and ratio of preferred shares in recent 3 years

Unit: RMB Currency: RMB

Year	Distribution Amount	Proportion of Distribution (%)
2022	1,040,000,000	5.20
2021	1,040,000,000	5.20
2020	1,040,000,000	5.20

#### (III) Adjustment of dividend yield

According to the relevant provisions of *Prospectus for Non-public Issuance of Preferred Shares of Bank of Jiangsu* (hereinafter referred to as the “*Prospectus*”), interest period of Suyin You 1 shall be five years from the payment deadline (November 28, 2017), and the nominal dividend yield ratio shall be adjusted once every five years; the nominal dividend yield ratio shall be the same within each interest-bearing cycle. On November 28, 2022, the first 5-year interest period of Suyin You 1 ended. According to relevant provisions of the *Prospectus*, the Bank adjusted the nominal dividend yield ratio of the second interest period of Suyin You 1. Since November 28, 2022, the nominal dividend yield ratio of the second interest period of Suyin You 1 was 3.86%. The Bank disclosed the *Announcement of Bank of Jiangsu on Adjusting the Dividend Rate of Preferred Shares (Suyin You 1)* on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

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



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

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

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

In accordance with the contract terms of the issued preferred shares and their economic essence, and based on the definitions of financial assets, financial liabilities and equity instruments, the Bank classified 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 Bank which contain no 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.

BANK OF JIANGSU

ANNUAL REPORT 2022





Section 9

## **Convertible Corporate Bond**



# Convertible Corporate Bond

## 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 day.

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
			Redemption	Repurchase	
Suyin Convertible Bond	19,999,309	171	-	-	19,999,138

## 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	9,829
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)	2,835,496,000	14.18
Special account for bond repurchase and pledge of registration and settlement system (CCB)	1,227,537,000	6.14
Special account for bond repurchase and pledge of registration and settlement system (BOC)	992,909,000	4.96
The Hongkong and Shanghai Banking Corporation Limited	805,050,000	4.03
Special account for bond repurchase and pledge of registration and settlement system (Bank of Beijing Co., Ltd.)	800,000,000	4.00
Special account for bond repurchase and pledge of registration and settlement system (ABC)	700,812,000	3.50
Special account for bond repurchase and pledge of registration and settlement system (China Merchants Bank Co., Ltd.)	651,893,000	3.26
Special account for bond repurchase and pledge of registration and settlement system (BOCOM)	380,132,000	1.90
Special account for bond repurchase and pledge of registration and settlement system (China Minsheng Bank Co., Ltd.)	368,216,000	1.84
Special account for bond repurchase and pledge of registration and settlement system (China Galaxy Securities Co., Ltd.)	353,080,000	1.77

## IV. Cumulative Conversion of Convertible Corporate Bonds during the Reporting Period

Name of convertible corporate bond	Suyin Convertible Bonds
Amount of converted shares during the Reporting Period (RMB)	171,000
Number of shares transferred during the Reporting Period (bonds)	27,916
Cumulative number of converted shares (bonds)	123,028
Proportion of cumulative number of converted shares in the total number of shares issued by the Company before conversion (%)	0.0011
Amount of shares not converted (RMB)	19,999,138,000
Proportion of non-converted shares to bonds in total amount of issued convertible bonds (%)	99.9957

## V. Adjustments of Conversion Price

Unit: RMB 1,000 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
May 26, 2022	5.97	May 20, 2022	www.sse.com.cn	Adjustment of conversion price due to distribution of common stock profit in 2021
Latest conversion price as of the end of the Reporting Period				5.97

## 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 7, 2022, 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 Bank of Jiangsu Co., Ltd.: XIA Ping

Date of submission approved by the board of directors: April 25, 2023



BANK OF JIANGSU

ANNUAL REPORT 2022



Section 10

# Financial Report



# Bank of Jiangsu Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS

FOR THE YEAR 1 JANUARY 2022 TO 31 DECEMBER 2022

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 2302619 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 143, which comprise the consolidated and the Bank's balance sheet as at 31 December 2022, 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 2022, 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(28)(a) to the Financial Statements: Significant accounting estimates and judgements” of the accounting policy to the financial statements, “Note 5(6) to the Financial Statements: Loans and advances to customers” and “Note 5(7)(b) Financial investments measured at amortised cost”.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group has adopted the expected credit loss model according to New financial instruments standards ( “CAS 22” ).</p> <p>Impairment of loans and financial investments measured at amortised cost is a subjective area due to the degree of judgement applied by management in determining impairment allowances. From the Group’ s perspective, the determination of the loss allowances is heavily dependent on the external macro environment and the Group’ s internal credit risk management strategy, and the judgments in determining the loss given default or the assessment of recoverable cash flows relating to individual loans and financial investments measured at amortised cost, where loans and financial investments measured at amortised cost were unsecured or were subject to potential collateral shortfalls. The economic impact of New Coronavirus pneumonia has increased the degree of uncertainty associated with accounting estimates.</p> <p>The Group classifies financial instruments into three stages and recognises an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset, depending on whether credit risk on that financial instrument has increased significantly since initial recognition and whether an asset is considered to be credit-impaired respectively.</p>	<p>Our audit procedures to assess ECL for loans and advances to customers and financial investments at amortized cost included the following:</p> <ul style="list-style-type: none"> <li>· 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;</li> <li>- 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;</li> <li>- 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.</li> <li>· 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;</li> <li>· 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;</li> </ul>

### 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(28)(a) to the Financial Statements: Significant accounting estimates and judgements” of the accounting policy to the financial statements, “Note 5(6) to the Financial Statements: Loans and advances to customers” and “Note 5(7)(b) Financial investments measured at amortised cost” .

The Key Audit Matter	How the matter was addressed in our audit
<p>The loss allowance for loans and advances to customers, other than those corporate loans and advances financial investments measured at amortised cost which are credit-impaired, is measured using the risk parameters method. The key parameters include probability of default (PD), loss given default (LGD) and exposure at default (EAD), which are derived from considerations including the historical overdue data, historical loss ratio, internal credit grading and other adjustment factors.</p> <p>Loss allowances for the credit-impaired corporate loans and advances and financial investments measured at amortised cost are measured using the discounted cash flow method. Management exercises judgment in determining recoverable cash flow based on a range of factors. These factors include available remedies for recovery, the financial situation of the borrowers, collateral valuation, the seniority of the claim and the existence and cooperativeness of other creditors. Whilst the Group appoints an external appraiser for the valuation of certain property and other illiquid collateral, enforceability, timing and means of realisation also affect the ultimate collectability and thereby the amount of expected credit loss allowances at the end of the reporting period.</p> <p>We identified the loss allowance for expected credit losses as a key audit matter because of the inherent uncertainty and management judgments involved, and because the loss allowance is significant to the financial results and capital of the Group.</p>	<ul style="list-style-type: none"> <li>· 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;</li> <li>· 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;</li> <li>· 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 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.</li> <li>· 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.</li> <li>· Selecting samples and reviewing the calculation of ECL to assess the application of ECL model by the Group;</li> <li>· Evaluating whether the disclosures relating to ECL meet the disclosure requirements of the Accounting Standard for Business Enterprises No. 37 –Presentation of Financial Instruments.</li> </ul>



### Consolidation of structured entities

Refer to “Note 3(4): Consolidated financial statements” and “Note 3(28)(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> <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> </li> </ul>

## Other Information

The Group's management is responsible for the other information. The other information comprises all the information included in 2022 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



Beijing, China

Certified Public Accountants

Registered in the People's Republic of China

Dou Youming



Xue Chengjun



25-04-2023



**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's balance sheet as at 31 December 2022**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

		The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Assets	Note				
Cash and deposits with central bank	5(1)	142,569,502	132,508,177	142,201,497	132,188,845
Deposits with banks and other financial institutions	5(2)	44,124,631	50,518,998	39,074,795	46,510,782
Placements with banks and other financial Institutions	5(3)	69,656,507	55,152,181	81,563,392	65,208,431
Derivative financial assets	5(4)	1,708,980	2,068,083	1,682,060	2,068,083
Financial assets held under resale agreements	5(5)	4,619,628	8,003,521	240,276	3,024,991
Loans and advances to customers	5(6)	1,556,170,969	1,359,127,491	1,532,425,790	1,346,864,681
Financial investments:	5(7)				
Financial investments measured at fair value through profit or loss		377,571,282	266,871,583	261,677,751	212,726,347
Financial investments measured at amortised cost		517,641,295	531,606,371	516,164,845	530,372,487
Financial investments measured at fair value through other comprehensive income		158,751,177	119,554,477	158,192,634	119,554,477
Financial investments designated at fair value through other comprehensive income		224,024	216,938	224,024	216,938
Long-term receivables	5(8)	72,646,111	63,604,653	-	-
Long-term equity investments	5(9)	-	-	5,944,400	5,944,400
Structured entities included in the consolidation scope		-	-	87,245,482	38,571,977
Fixed assets	5(10)	5,975,149	6,217,734	4,964,573	5,208,886
Construction in progress	5(11)	1,087,010	1,072,144	1,087,010	1,072,144
Intangible assets	5(12)	580,548	589,548	553,245	571,004
Deferred tax assets	5(13)	17,642,774	15,165,251	16,882,698	14,462,055
Other assets	5(14)	9,325,105	6,597,110	7,587,547	6,261,906
Total assets		2,980,294,692	2,618,874,260	2,857,712,019	2,530,828,434

The notes on pages 160 to 245 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's balance sheet as at 31 December 2022 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Liabilities and shareholders' equity					
Liabilities					
Borrowings from central bank		186,674,842	183,379,765	186,314,205	183,136,699
Deposits from banks and other financial institutions	5(16)	196,071,080	177,552,170	197,582,396	178,395,077
Borrowings from banks and other financial institutions	5(17)	102,060,245	71,567,135	41,145,573	25,824,814
Financial liabilities held for trading	5(18)	9,072,932	254,093	40,476	49,926
Derivative financial liabilities	5(4)	1,804,609	1,818,408	1,804,609	1,818,408
Financial assets sold under repurchase agreements	5(19)	93,277,079	39,229,402	70,183,416	21,399,586
Deposits from customers	5(20)	1,658,677,652	1,478,812,360	1,657,529,948	1,477,801,674
Employee benefits payable	5(21)	10,279,155	8,441,738	9,889,516	8,233,530
Taxes payable	5(22)	7,523,438	7,489,150	7,046,017	7,074,871
Provision	5(23)	3,188,577	1,883,482	3,188,507	1,883,412
Debt securities issued	5(24)	478,305,197	432,760,951	470,858,585	427,351,442
Other liabilities	5(25)	17,928,547	17,629,858	8,293,807	8,343,325
Total liabilities		2,764,863,353	2,420,818,512	2,653,877,055	2,341,312,764
Equity					
Share capital	5(26)	14,769,657	14,769,629	14,769,657	14,769,629
Other equity instruments	5(27)	42,762,595	42,762,619	42,762,595	42,762,619
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(28)	27,699,781	27,699,613	27,619,843	27,619,675
Other comprehensive income	5(29)	993,917	2,266,574	994,104	2,266,574
Surplus reserve	5(30)	26,519,192	22,786,262	26,519,192	22,786,262
General reserve	5(31)	42,027,725	37,215,107	40,303,635	36,231,150
Retained earnings	5(32)	53,859,863	44,727,274	50,865,938	43,079,761
Total equity attributable to shareholders of the Bank		208,632,730	192,227,078	203,834,964	189,515,670
Non-controlling interests		6,798,609	5,828,670	-	-
Total shareholders' equity		215,431,339	198,055,748	203,834,964	189,515,670
Total liabilities and shareholders' equity		2,980,294,692	2,618,874,260	2,857,712,019	2,530,828,434

These financial statements were approved by the Board of Directors of the Bank on 25 April 2023.

Xia Ping

Legal Representative

Ge Renyu

The person in charge of accounting affairs

Luo Feng

The head of the accounting department

The notes on pages 160 to 245 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's income statement for the year ended 31 December 2022**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2022	2021	2022	2021
Interest income		115,706,547	104,871,482	108,440,713	99,590,910
Interest expenses		(63,442,639)	(59,391,791)	(61,301,540)	(57,704,223)
Net interest income	5(33)	52,263,908	45,479,691	47,139,173	41,886,687
Fee and commission income		6,881,511	8,190,410	5,384,826	7,538,977
Fee and commission expenses		(629,658)	(700,292)	(536,975)	(441,153)
Net fee and commission income	5(34)	6,251,853	7,490,118	4,847,851	7,097,824
Investment income	5(35)	10,499,851	8,503,786	10,476,566	8,569,269
Other income		568,228	336,872	553,043	329,118
Net gains from changes in fair value	5(36)	148,477	1,306,817	134,479	1,272,917
Net foreign exchange gains		619,967	456,484	618,244	450,842
Other operating income		148,872	68,613	20,692	25,284
Gains from asset disposals		69,266	128,972	73,201	129,316
Operating income		70,570,422	63,771,353	63,863,249	59,761,257
Taxes and surcharges		(796,663)	(736,743)	(744,750)	(716,968)
General and administrative expenses	5(37)	(17,306,731)	(14,307,278)	(16,343,974)	(13,874,851)
Impairment losses on credit	5(38)	(19,676,225)	(22,280,093)	(18,151,325)	(21,117,574)
Other operating expenses		(116,829)	(38,956)	(9,488)	(9,583)
Operating expenses		(37,896,448)	(37,363,070)	(35,249,537)	(35,718,976)
Operating profit		32,673,974	26,408,283	28,613,712	24,042,281
Add: Non-operating income		43,823	122,641	43,719	122,475
Less: Non-operating expenses		(89,007)	(55,067)	(88,539)	(54,811)
Profit before income tax		32,628,790	26,475,857	28,568,892	24,109,945
Less: Income tax expenses	5(39)	(6,276,802)	(6,066,597)	(5,269,444)	(5,445,302)
Net profit for the year		26,351,988	20,409,260	23,299,448	18,664,643

The notes on pages 160 to 245 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's income statement for the year ended 31 December 2022 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

		<i>The Group</i>		<i>The Bank</i>	
	<i>Note</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Net profit for the year		26,351,988	20,409,260	23,299,448	18,664,643
Attributable to:					
Shareholders of the Bank		25,385,993	19,694,365	23,299,448	18,664,643
Non-controlling interests		965,995	714,895	-	-
Other comprehensive income, net of tax	5(29)	(1,268,713)	961,877	(1,272,470)	961,877
Other comprehensive income (net of tax) attributable to shareholders of the Bank		(1,272,657)	961,877	(1,272,470)	961,877
Items that may not be reclassified to profit or loss:					
Changes in fair value of financial investments designated at FVOCI		5,315	16,476	5,315	16,476
Items that may be reclassified to profit or loss:					
Changes in fair value of financial investments measured at FVOCI		(1,974,304)	515,497	(1,969,160)	515,497
Credit losses of financial investments measured at FVOCI		695,632	429,904	691,375	429,904
Translation differences arising from translation of foreign currency financial statements		700	-	-	-
Other comprehensive income (net of tax) attributable to non-controlling interests		3,944	-	-	-
Total comprehensive income for the year		25,083,275	21,371,137	22,026,978	19,626,520

The notes on pages 160 to 245 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's income statement for the year ended 31 December 2022 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

		<i>The Group</i>		<i>The Bank</i>	
		<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Total comprehensive income for the year		25,083,275	21,371,137	22,026,978	19,626,520
Attributable to shareholders of the Bank		24,113,336	20,656,242		
Attributable to non-controlling interests		969,939	714,895		
Earnings per share					
Basic earnings per share (RMB yuan)	5(40)	1.60	1.21		
Basic earnings per share (RMB yuan)	5(40)	1.36	1.05		

These financial statements were approved by the Board of Directors of the Bank on 25 April 2023.

Xia Ping

Legal Representative

Ge Renyu

The person in charge of accounting affairs

Luo Feng

The head of the accounting department

The notes on pages 160 to 245 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 2022**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2022	2021	2022	2021
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		192,573,095	196,846,978	193,108,121	197,400,894
Net increase in borrowings from central bank		3,342,079	-	3,224,578	-
Net increase in borrowings from banks and other financial institutions and financial assets sold under repurchase agreements		79,163,656	46,547,176	63,938,167	22,417,688
Interest, fee and commission receipts		100,812,135	94,291,523	94,520,896	88,971,816
Proceeds from other operating activities		1,324,439	2,303,206	690,850	486,899
Sub-total of cash inflows		377,215,404	364,107,233	355,482,612	333,581,583
Net increase in deposits with domestic central bank and other financial institutions		(12,520,050)	-	(10,800,951)	-
Net increase in loans and advances to customers		(214,233,812)	(207,427,789)	(201,835,129)	(196,156,040)
Net increase in placements with banks and other financial institutions		(28,266,195)	(3,614,597)	(30,686,195)	(9,013,538)
Net increase in financial assets held for trading purpose		(38,462,417)	(3,137,455)	(38,462,417)	(5,427,523)
Net decrease in borrowings from central bank		-	(12,151,099)	-	(12,104,426)
Interest, fee and commission payments		(46,896,925)	(42,024,146)	(44,471,081)	(40,517,283)
Payment to and for employees		(8,204,845)	(7,587,799)	(7,914,340)	(7,392,833)
Payment of various taxes		(14,358,040)	(11,913,556)	(12,973,054)	(11,323,636)
Payment for other operating activities		(18,086,082)	(11,266,265)	(6,485,300)	(933,811)
Sub-total of cash outflows		(381,028,366)	(299,122,706)	(353,628,467)	(282,869,090)
Net cash (outflows)/inflows from operating activities	5(41)(a)	(3,812,962)	64,984,527	1,854,145	50,712,493

These financial statements were approved by the Board of Directors of the Bank on 25 April 2023.

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The notes on pages 160 to 245 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 2022 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2022	2021	2022	2021
Cash flows from investing activities:					
Proceeds from disposal of investments		1,112,527,024	2,074,741,145	1,108,828,265	2,104,421,285
Investments returns received		36,067,472	32,145,698	33,034,231	32,243,621
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		217,992	355,179	205,313	354,946
Sub-total of cash inflows		1,148,812,488	2,107,242,022	1,142,067,809	2,137,019,852
Payment for acquisition of investments		(1,196,050,993)	(2,146,819,105)	(1,192,520,037)	(2,165,117,383)
Payment for establishment of a subsidiary		-	-	-	(1,410,600)
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(848,041)	(3,128,172)	(673,328)	(2,311,782)
Sub-total of cash outflows		(1,196,899,034)	(2,149,947,277)	(1,193,193,365)	(2,168,839,765)
Net cash outflows from investing activities		(48,086,546)	(42,705,255)	(51,125,556)	(31,819,913)
Cash flows from financing activities:					
Proceeds from establishment of a subsidiary		-	1,189,399	-	-
Including: Proceeds from non-controlling shareholders of subsidiaries		-	1,189,399	-	-
Proceeds from issuance of debt securities		674,414,169	460,303,276	672,407,468	457,012,850
Sub-total of cash inflows		674,414,169	461,492,675	672,407,468	457,012,850
Repayment of debt securities		(638,860,000)	(451,700,000)	(638,860,000)	(449,200,000)
Payment for dividends, profits distributions or interest		(10,565,277)	(8,941,350)	(10,391,909)	(8,532,640)
Payment for other financing activities		(441,917)	(431,512)	(415,637)	(421,971)
Sub-total of cash outflows		(649,867,194)	(461,072,862)	(649,667,546)	(458,154,611)
Net cash inflows/(outflows) from financing activities		24,546,975	419,813	22,739,922	(1,141,761)

The notes on pages 160 to 245 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 2022 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2022	2021	2022	2021
Effect of foreign exchange rate changes on cash and cash equivalents		950,002	(929,877)	917,635	(929,877)
Net (decrease)/increase in cash and cash equivalents	5(41)(b)	(26,402,531)	21,769,208	(25,613,854)	16,820,942
Add: Cash and cash equivalents at the beginning of the year		90,356,190	68,586,982	83,328,209	66,507,267
Cash and cash equivalents at the end of the year	5(41)(c)	63,953,659	90,356,190	57,714,355	83,328,209

These financial statements were approved by the Board of Directors of the Bank on 25 April 2023.

Xia Ping

Legal Representative

Ge Renyu

The person in charge of accounting affairs

Luo Feng

The head of the accounting department

The notes on pages 160 to 245 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Consolidated statement of changes in shareholders' equity for the year ended 31 December 2022**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	Attributable to shareholders of the Bank							Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings		
Balance at 1 January 2022		14,769,629	42,762,619	27,699,613	2,266,574	22,786,262	37,215,107	44,727,274	5,828,670	198,055,748
Changes in equity during the year										
1. Total comprehensive income		-	-	-	(1,272,657)	-	-	25,385,993	969,939	25,083,275
2. Convertible bonds conversion	5(24),(26),(27),(28)	28	(24)	168	-	-	-	-	-	172
3. Appropriation of profits										
(1) Appropriation for surplus reserve	5(30)	-	-	-	-	3,732,930	-	(3,732,930)	-	-
(2) Appropriation for general reserve	5(31)	-	-	-	-	-	4,812,618	(4,812,618)	-	-
(3) Ordinary share dividend distribution	5(32)	-	-	-	-	-	-	(5,907,856)	-	(5,907,856)
(4) Preference share dividend distribution	5(33)	-	-	-	-	-	-	(1,040,000)	-	(1,040,000)
(5) Payments for interest on perpetual bonds	5(32)	-	-	-	-	-	-	(760,000)	-	(760,000)
Balance at 31 December 2022		14,769,657	42,762,595	27,699,781	993,917	26,519,192	42,027,725	53,859,863	6,798,609	215,431,339

The notes on pages 160 to 245 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 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Attributable to shareholders of the Bank								Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Sub-total		
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		-	-	-	961,877	-	-	19,694,365	20,656,242	714,895	21,371,137
2. Shareholders' contributions of capital											
(1) Contribution by Non-controlling shareholders	5 (28)			158					158	1,189,241	1,189,399
3. Convertible bonds conversion	5 (24), (26), (27), (28)	22	(20)	137	-	-	-	-	139	-	139
4. Appropriation of profits											
(1) Appropriation for surplus reserve	5 (30)	-	-	-	-	2,926,866	-	(2,926,866)	-	-	-
(2) Appropriation for general reserve	5 (31)	-	-	-	-	-	4,833,428	(4,833,428)	-	-	-
(3) Ordinary share dividend distribution	5 (32)	-	-	-	-	-	-	(4,667,200)	(4,667,200)	(117,000)	(4,784,200)
(4) Preference share dividend distribution	5 (32)	-	-	-	-	-	-	(1,040,000)	(1,040,000)	-	(1,040,000)
(5) Payments for interest on perpetual bonds classified as financial liabilities	5 (32)							(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 25 April 2023.

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

The notes on pages 160 to 245 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Statement of changes in shareholders' equity for the year ended 31 December 2022**  
*(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 2022		14,769,629	42,762,619	27,619,675	2,266,574	22,786,262	36,231,150	43,079,761	189,515,670
Changes in equity during the year									
1. Total comprehensive income	5(24), (26), (27), (28)	-	-	-	(1,272,470)	-	-	23,299,448	22,026,978
2. Convertible bonds conversion		28	(24)	168	-	-	-	-	172
3. Appropriation of profits									
(1) Appropriation for surplus reserve	5(30)	-	-	-	-	3,732,930	-	(3,732,930)	-
(2) Appropriation for general reserve	5(31)	-	-	-	-	-	4,072,485	(4,072,485)	-
(3) Ordinary share dividend distribution	5(32)	-	-	-	-	-	-	(5,907,856)	(5,907,856)
(4) Preference share dividend distribution	5(32)	-	-	-	-	-	-	(1,040,000)	(1,040,000)
(5) Payments for interest on perpetual bonds	5(32)	-	-	-	-	-	-	(760,000)	(760,000)
Balance at 31 December 2022		14,769,657	42,762,595	27,619,843	994,104	26,519,192	40,303,635	50,865,938	203,834,964

The notes on pages 160 to 245 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Statement of changes in shareholders' equity(continued) 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(24),(26),(27),(28)	22	(20)	137	-	-	-	-	139
3. Appropriation of profits									
(1) Appropriation for surplus reserve	5(30)	-	-	-	-	2,926,866	-	(2,926,866)	-
(2) Appropriation for general reserve	5(31)	-	-	-	-	-	4,645,458	(4,645,458)	-
(3) Ordinary share dividend distribution	5(32)	-	-	-	-	-	-	(4,667,200)	(4,667,200)
(4) Preference share dividend distribution	5(32)	-	-	-	-	-	-	(1,040,000)	(1,040,000)
(5) Payments for interest on perpetual bonds classified as financial liabilities	5(32)	-	-	-	-	-	-	(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 25 April 2023.

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

The notes on pages 160 to 245 form part of these financial statements.

# Bank of Jiangsu Company Limited

## Notes to the financial statements

*(Expressed in thousands of Renminbi, unless otherwise stated)*

### 1. General information

Upon the approval from the former China Banking Regulatory Commission ( “CBRC” ) Jiangsu Office, Bank of Jiangsu Company Limited (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 (the “Group” ) including corporate and personal financial services, settlement, treasury, investment banking, financial leasing and other financial services.

### 2. Basis of preparation

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

### 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 (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 2022, 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 controlled by the Bank. 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 financial investments designated at fair value through other comprehensive income, 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. Tat 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)(a) 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)(a) for the definition of credit-impaired financial assets.

#### (ii) Presentation of allowance for ECL

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

#### (iii) Write-off

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

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

#### (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(15)).

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

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(15)).

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. The cost of self-constructed assets is measured in accordance with the policy set out in Note 3(11).

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

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

The carrying amount of a fixed asset is derecognised:

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

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

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

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

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

### (11) Construction in progress

The cost of a self-constructed fixed asset includes engineering materials, direct labor, borrowing costs eligible for capitalization, and necessary expenses incurred before bringing the asset to its intended usable condition.

Self-constructed fixed assets are transferred to fixed assets when they reach their intended usable state, previously listed in construction in progress and without depreciation.

Construction in progress is satated in the balance sheet as a cost impairment provision (see Note 3(15)).

### (12) Intangible assets

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 3(15)). 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:

<i>Class</i>	<i>Amortisation period</i>
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.

### (13) Long-term deferred expenses

The Group recognizes all expenses that have been incurred and have a benefit period of more than one year as long-term amortization expenses. Long-term amortization charges are shown in assets and liabilities as costs less accumulated amortization and impairment provisions (see Note 3(15)).

### (14) 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(15).

### (15) 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
- 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(16)) 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.

## **(16) 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.

## **(17) 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 as follows:

- 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 amounts of provisions at the balance sheet date and adjusts their carrying amounts to the current best estimates.

## **(18) 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.

## **(19) 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.

## **(20) 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;
- 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.

## **(21) 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.(15).

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.

## **(22) 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.

## **(23) 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.

**(24) 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.

**(25) 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.

**(26) 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.

**(27) 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.

## **(28) 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(12)) and provision for impairment of various types of assets (see Notes 5(2), (3), (5), (6), (7), (8), (9), (11), (12), (14)). Other significant accounting estimates are as follows:

- (i) Note 5(13): 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(27): 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.

## **(29) Changes in significant accounting policies and accounting estimates**

In 2022, the Group has adopted the following newly revised accounting standards and implementation guidance and illustrative examples issued by the MOF:

- “Accounting for selling outputs that are produced before fixed assets are available for intended use or produced in the course of research and development” ( “accounting for sales before intended use” ) in CAS Bulletin No.15 (Caikuai [2021] No.35)
- “Determining whether a contract is onerous” in CAS Bulletin No.15
- Notice of Application Issues for Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2022] No.13)
- “Accounting for the income tax consequences of dividends on financial instruments classified as equity instruments by the issuer” in CAS Bulletin No.16 (Caikuai [2022] No.31)

### **(a) Accounting for sales before intended use**

In accordance with CAS Bulletin No.15, the Group accounts for the proceeds and related cost arising from the sale of products or by-products produced before the fixed asset is available for its intended use and in the course of research and development ( “sales before intended use” ) in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognises them in profit or loss for the current period. The net amount of proceeds from such sales before intended use less related costs is no longer offset against the cost of the fixed asset or research and development expenditure.

The adoption of Bulletin No.15 does not have a significant effect on the financial position and financial performance of the Group.

### **(b) Determining whether a contract is onerous**

In accordance with CAS Bulletin No.15, when determining whether a contract is onerous, the Group includes in its estimated cost of

fulfilling the contract the amount of the incremental cost of fulfilling the contract and the allocation of other costs directly attributable to fulfilling the contract.

The adoption of Bulletin No.15 does not have a significant effect on the financial position and financial performance of the Group.

#### (c) Caikuai [2022] No.13

The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10) provides a practical expedient under certain conditions for rent concessions occurring as a direct consequence of the COVID-19 pandemic. According to the provisions of Caikuai [2022] No.13, the practical expedient of Caikuai [2020] No.10 can continue to apply to eligible reduction in lease payments that are originally due after 30 June 2022.

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

#### (d) Accounting for the income tax consequences of dividends on financial instruments classified as equity instruments by the issuer

In accordance with CAS Bulletin No.16, for financial instruments classified as equity instruments (such as perpetual bonds classified as equity instruments, etc.) in accordance with the CAS No. 37 - Presentation and Disclosure of Financial Instruments and other requirements, if the relevant dividend payments are deductible for income tax purposes according to the relevant provisions of tax policies, the Group (as the issuer) shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. The Group shall recognise the income tax consequences of dividends in (1) profit or loss, if those payments are distributions of profits generated from transactions or events previously recognised in profits or loss; or (2) the items of owner's equity, if those payments are distributions of profits generated from the transactions or events previously recognised in the items of owner's equity.

The adoption of Bulletin No.16 does not have a 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 2% - 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" ), 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 2022	31 December 2021	31 December 2022	31 December 2021
Cash on hand		1,743,850	1,514,254	1,738,270	1,509,517
Deposits with domestic central bank					
- Statutory deposit reserves	(i)	121,083,712	115,405,796	120,731,201	115,106,695
- Surplus deposit reserves	(ii)	18,317,897	14,905,898	18,308,011	14,890,431
- Fiscal deposits	(iii)	1,217,791	628,180	1,217,791	628,180
- Foreign exchange risk reserves	(iv)	146,393	-	146,393	-
Sub-total		140,765,793	130,939,874	140,403,396	130,625,306
Accrued interest		59,859	54,049	59,831	54,022
Total		142,569,502	132,508,177	142,201,497	132,188,845



(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 2022, the reserve ratio for RMBdeposits of the Bank is 7.5% (31 December 2021: 8%), and the reserve ratio for foreign currency deposits of the Bank is 6% (31 December 2021: 9%). The reserve ratio for RMBdeposits of the Bank's subsidiary, Suyin Rural Bank, is 5% (31 December 2021: 5%), and for Suyin Financial Leasing Co., Ltd., is 5% (31 December 2021: 5%).

(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 20% from September 28, 2022 ( 31 December 2021: 0%).

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

Analysed by location of counterparties and type

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deposits in mainland China				
- Banks	38,586,595	39,698,108	33,551,802	35,713,677
Deposits outside mainland China				
- Banks	5,440,794	10,700,175	5,440,794	10,700,175
Sub-total	44,027,389	50,398,283	38,992,596	46,413,852
Accrued interest	172,012	229,233	155,051	203,827
Less: Provision for impairment losses	(74,770)	(108,518)	(72,852)	(106,897)
Total	44,124,631	50,518,998	39,074,795	46,510,782

As at 31 December 2022, deposits placed with banks in mainland China of the Group, included RMB 817 million refundable deposits of which RMB 65 million is deposited by the bank (31 December 2021: RMB 734 million refundable deposits of which RMB 734 million is deposited by the bank ).As at the balance sheet day, part of deposits with banks and other financial institutions are used as pledges for the issuance of notes(see Note 5(42)(a) for details).

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

Analysed by location and type of counterparties

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Placements in mainland China				
- Banks	443,106	4,063,661	443,106	4,063,661
- Other financial institutions	68,598,593	49,847,020	80,558,593	59,817,019
Sub-total	69,041,699	53,910,681	81,001,699	63,880,680
Placements outside mainland China				
- Banks	-	998,017	-	998,017
Sub-total	69,041,699	54,908,698	81,001,699	64,878,697
Accrued interest	1,251,702	707,822	1,352,283	794,053
Less: Provision for impairment losses	(636,894)	(464,339)	(790,590)	(464,319)
Total	69,656,507	55,152,181	81,563,392	65,208,431

## (4) Derivative financial assets and liabilities

*The Group*

	31 December 2022			31 December 2021		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives	347,931,584	1,521,204	(1,651,342)	459,513,419	1,752,938	(1,526,211)
Interest rate derivatives	45,375,184	157,637	(153,267)	50,025,489	292,796	(290,861)
Credit derivatives	1,499,777	30,139	-	1,240,174	22,349	(1,336)
Total	394,806,545	1,708,980	(1,804,609)	510,779,082	2,068,083	(1,818,408)

*The Bank*

	31 December 2022			31 December 2021		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives	347,931,584	1,521,204	(1,651,342)	459,513,419	1,752,938	(1,526,211)
Interest rate derivatives	45,375,184	157,637	(153,267)	50,025,489	292,796	(290,861)
Credit derivatives	114,286	3,219	-	1,240,174	22,349	(1,336)
Total	393,421,054	1,682,060	(1,804,609)	510,779,082	2,068,083	(1,818,408)

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 2022	31 December 2021	31 December 2022	31 December 2021
Bonds				
- Bonds issued by banks and other financial institutions	3,999,970	7,907,846	246,100	2,991,200
- Bonds issued by other institutions	600,000	90,000	-	90,000
- Bonds issued by Chinese government	24,179	60,000	-	-
Sub-total	4,624,149	8,057,846	246,100	3,081,200
Accrued interest	1,812	2,849	56	956
Less: Provision for impairment losses	(6,333)	(57,174)	(5,880)	(57,165)
Total	4,619,628	8,003,521	240,276	3,024,991

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

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
In mainland China				
- Banks	3,428,049	3,176,646	-	-
- Funds and wealth management products	1,196,100	1,785,600	246,100	1,785,600
- Securities company	-	3,095,600	-	1,295,600
Sub-total	4,624,149	8,057,846	246,100	3,081,200
Accrued interest	1,812	2,849	56	956
Less: Provision for impairment losses	(6,333)	(57,174)	(5,880)	(57,165)
Total	4,619,628	8,003,521	240,276	3,024,991



## (6) Loans and advances to customers

### (a) Analysed by nature

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2022</i>	<i>31 December 2021</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Measured at amortised cost				
Loans and advances to corporates	835,245,949	717,530,548	834,021,031	716,376,099
Loans and advances to individuals				
- Property mortgages	245,012,741	243,896,280	244,844,128	243,698,019
- Personal consumption loans	287,794,969	254,403,462	264,783,965	243,358,849
- Personal business loans	35,928,822	34,756,920	35,753,566	34,644,180
- Credit cards	35,779,466	28,383,571	35,779,466	28,383,571
Sub-total	604,515,998	561,440,233	581,161,125	550,084,619
Discounted bills	205,749	138,791	205,749	138,791
Sub-total	1,439,967,696	1,279,109,572	1,415,387,905	1,266,599,509
<i>Measured at FVOCI</i>				
Loans and advances to corporates	19,608,253	8,526,142	20,044,821	8,526,142
Discounted bills	144,613,461	112,536,040	144,613,461	112,536,040
Sub-total	164,221,714	121,062,182	164,658,282	121,062,182
Accrued interest	6,663,236	5,537,141	6,390,057	5,423,618
Less: Provision for impairment losses	(54,681,677)	(46,581,404)	(54,010,454)	(46,220,628)
Carrying amount	1,556,170,969	1,359,127,491	1,532,425,790	1,346,864,681

As at the balance sheet date, part of the above loans and advances to customers were pledged for repurchase agreements (see Note 5(42)(a) for details).

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

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2022</i>	<i>31 December 2021</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Unsecured loans	610,037,542	521,351,647	587,466,157	510,293,150
Guaranteed loans	530,402,768	399,913,468	529,496,508	399,079,166
Loans secured by tangible assets	395,145,710	398,746,785	394,486,062	398,135,701
Loans secured by monetary assets	68,603,390	80,159,854	68,597,460	80,153,674
Total	1,604,189,410	1,400,171,754	1,580,046,187	1,387,661,691



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

	The Group			The Bank		
	31 December 2022		31 December 2021		31 December 2022	
	Amount	%	Amount	%	Amount	%
Leasing and commercial services	204,898,591	12.77	173,763,034	12.42	204,866,390	12.96
Manufacturing	193,238,235	12.04	160,031,226	11.43	192,725,479	12.19
Wholesale and retail	107,620,092	6.70	87,683,956	6.26	107,850,951	6.83
Water, environment and public utility management	97,823,555	6.10	78,702,377	5.62	97,482,765	6.17
Real estate	89,296,925	5.57	90,833,819	6.49	89,296,925	5.65
Construction	43,569,462	2.72	40,330,547	2.88	43,536,652	2.76
Agriculture, forestry, husbandry and fishery	22,733,194	1.42	16,138,745	1.15	22,679,993	1.44
Transportation, storage and postal services	21,642,772	1.35	19,096,827	1.36	21,631,862	1.37
Scientific research and technological services	17,906,867	1.12	10,344,911	0.74	17,901,967	1.13
Electricity, thermo power, gas and water supply	16,738,336	1.04	13,886,715	0.99	16,738,336	1.06
Information Transmittal, software and information technology service	14,263,500	0.89	10,832,517	0.77	14,259,700	0.90
Resident services, repairs and other services	6,090,441	0.38	5,908,779	0.42	6,080,191	0.38
Culture, sports and entertainment	5,333,485	0.33	6,336,990	0.45	5,325,585	0.34
Financing	4,412,989	0.28	2,753,350	0.20	4,412,989	0.28
Hospitality and catering	3,659,718	0.23	3,102,192	0.22	3,650,027	0.23
Hygiene and social work	3,126,022	0.19	2,966,772	0.21	3,126,022	0.20
Education	1,889,754	0.12	2,136,480	0.15	1,889,754	0.12
Others	610,264	0.04	1,207,453	0.09	610,264	0.04
Sub-total of Loans and advances to corporates	854,854,202	53.29	726,056,690	51.85	854,065,852	54.05
Loans and advances to individuals	604,515,998	37.68	561,440,233	40.10	581,161,125	36.78
Discounted bills	144,819,210	9.03	112,674,831	8.05	144,819,210	9.17
Total	1,604,189,410	100.00	1,400,171,754	100.00	1,580,046,187	100.00



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

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Jiangsu	1,366,732,229	1,178,937,582	1,342,589,006	1,166,427,519
Yangtze River Delta (excluding Jiangsu)	106,551,344	94,145,576	106,551,344	94,145,576
Pearl River Delta	68,508,184	63,724,372	68,508,184	63,724,372
Bohai Rim	62,397,653	63,364,224	62,397,653	63,364,224
Total	1,604,189,410	1,400,171,754	1,580,046,187	1,387,661,691

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

## The Group

	As at 31 December 2022				
	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	4,924,431	3,833,765	350,807	119,340	9,228,343
Guaranteed loans	895,380	835,515	1,352,534	480,762	3,564,191
Loans secured by tangible assets	421,650	1,201,148	1,519,882	257,856	3,400,536
Loans secured by monetary assets	827	90,060	1,798	-	92,685
Total	6,242,288	5,960,488	3,225,021	857,958	16,285,755

	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

## The Bank

	As at 31 December 2022				
	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	4,422,159	3,565,815	350,807	119,340	8,458,121
Guaranteed loans	894,781	835,515	1,352,534	480,762	3,563,592
Loans secured by tangible assets	414,302	1,197,638	1,519,882	257,856	3,389,678
Loans secured by monetary assets	827	90,060	1,798	-	92,685
Total	5,732,069	5,689,028	3,225,021	857,958	15,504,076

	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
Total	4,980,951	6,241,216	3,756,833	1,138,147	16,117,147

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*

	2022			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(27,738,594)	(6,174,541)	(12,668,269)	(46,581,404)
Transfer:				
- to stage 1	(1,905,981)	1,842,789	63,192	-
- to stage 2	2,260,131	(3,593,394)	1,333,263	-
- to stage 3	98,371	1,552,999	(1,651,370)	-
Charge	(4,983,142)	(2,940,461)	(11,149,175)	(19,072,778)
Written-offs and transfer out	-	-	12,347,166	12,347,166
Recoveries	-	-	(1,375,586)	(1,375,586)
Others	577	172	176	925
As at 31 December	(32,268,638)	(9,312,436)	(13,100,603)	(54,681,677)

	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)
Written-offs and transfer out	-	-	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)

*The Band*

	2022			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(27,460,937)	(6,148,155)	(12,611,536)	(46,220,628)
Transfer:				
- to stage 1	(1,905,121)	1,842,369	62,752	-
- to stage 2	2,259,834	(3,593,097)	1,333,263	-
- to stage 3	89,887	1,549,163	(1,639,050)	-
Charge	(4,822,816)	(2,930,203)	(10,248,122)	(18,001,141)
Written-offs and transfer out	-	-	11,559,644	11,559,644
Recoveries	-	-	(1,349,254)	(1,349,254)
Others	577	172	176	925
As at 31 December	(31,838,576)	(9,279,751)	(12,892,127)	(54,010,454)



	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)
Written-offs and transfer out	-	-	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)

(ii) Loans and advances to customers measured at FVOCI

*The Group and The Bank*

	2022			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(1,665,298)	(32,148)	-	(1,697,446)
Transfer:				
- to stage 1	(4,298)	4,298	-	-
- to stage 2	5,126	(5,126)	-	-
- to stage 3	-	-	-	-
Reverse	219,550	28,896	-	248,446
As at 31 December	(1,444,920)	(4,080)	-	(1,449,000)

	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	(317,715)	(24,127)	-	(341,842)
As at 31 December	(1,665,298)	(32,148)	-	(1,697,446)

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 2022	31 December 2021	31 December 2022	31 December 2021
Financial investments measured at FVTPL	(a)	377,571,282	266,871,583	261,677,751	212,726,347
Financial investments measured at amortised cost	(b)	517,641,295	531,606,371	516,164,845	530,372,487
Financial investments measured at FVOCI	(c)	158,751,177	119,554,477	158,192,634	119,554,477
Financial investments designated at FVOCI	(d)	224,024	216,938	224,024	216,938
Total		1,054,187,778	918,249,369	936,259,254	862,870,249

## (a) Financial investments measured at FVTPL

Analysed by type of issuer and geographical location

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Debt instruments				
Issued in mainland China:				
- Government	3,700,106	1,654,605	3,690,140	1,651,502
- Policy banks	56,757,872	41,123,202	2,347,124	1,893,069
- Banks and other financial institutions	5,532,908	6,146,378	2,765,851	1,557,318
- Other institutions	44,299,031	17,098,132	33,450,236	16,387,525
Sub-total	110,289,917	66,022,317	42,253,351	21,489,414
Issued in mainland China:				
- Government	6,460	236,551	6,460	236,551
- Policy banks	452,508	715,212	452,508	715,212
- Banks and other financial institutions	2,377,147	6,467,297	2,377,147	6,467,297
- Other institutions	551,490	1,585,089	551,490	1,585,089
Sub-total	3,387,605	9,004,149	3,387,605	9,004,149
Sub-total of debt instruments	113,677,522	75,026,466	45,640,956	30,493,563
Fund investments	195,880,120	144,228,617	149,744,881	143,793,129
Wealth management products	23,024,398	26,896,379	22,400,073	26,452,880
Asset management and trust fund	10,814,947	2,128,817	10,814,947	2,128,817
Asset-backed securities	4,531,313	3,349,369	4,531,313	3,334,019
Equity investments	338,156	389,717	338,156	389,717
Other investments	29,304,826	14,852,218	28,207,425	6,134,222
Total	377,571,282	266,871,583	261,677,751	212,726,347

At the balance sheet date, some of the debt instruments were pledged as collateral for repurchase transactions (see Note 5(42)(a) for details). No other investments were subject to material restriction on realisation.



## (b) Financial investments measured at amortised cost

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

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Debt instruments				
Issued in mainland China:				
- Government	345,675,498	309,999,924	344,116,091	308,690,406
- Policy banks	17,149,241	17,551,128	17,149,241	17,551,128
- Banks and other financial institutions	1,550,000	2,050,000	1,850,000	2,050,000
- Other institutions	11,934,287	13,327,469	11,934,287	13,467,469
Sub-total	376,309,026	342,928,521	375,049,619	341,759,003
Issued outside mainland China				
- Government	440,645	-	440,645	-
- Policy banks	240,674	95,230	240,674	95,230
- Banks and other financial institutions	8,491,606	2,076,736	8,491,606	2,076,736
- Other institutions	27,993,632	20,063,760	27,993,632	20,063,760
Sub-total	37,166,557	22,235,726	37,166,557	22,235,726
Sub-total of debt instruments	413,475,583	365,164,247	412,216,176	363,994,729
Asset management and trust fund	77,756,180	126,559,230	77,756,180	126,559,230
Asset-backed securities	27,330,368	35,467,979	27,330,368	35,467,979
Other investments	7,556,366	15,590,503	7,359,000	15,540,730
Sub-total	526,118,497	542,781,959	524,661,724	541,562,668
Accrued interest	5,837,508	5,749,845	5,817,746	5,735,108
Less: Provision for impairment losses	(14,314,710)	(16,925,433)	(14,314,625)	(16,925,289)
Total	517,641,295	531,606,371	516,164,845	530,372,487

At the balance sheet date, some of the debt instruments were pledged as collateral for repurchase transactions (see Note 5(42)(a) for details). No other investments were subject to material restriction on realisation.

## (ii) Movements of provision for impairment losses

## The Group

	2022			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(8,024,268)	(6,330,502)	(2,570,663)	(16,925,433)
Transfer:				
- to stage 1	(2,387,995)	2,387,995	-	-
- to stage 2	2,647,232	(2,849,831)	202,599	-
- to stage 3	290,269	1,209,906	(1,500,175)	-
Reverse/(Charge)	1,439,383	1,631,600	(813,512)	2,257,471
Written-offs and transfer out and other movements	(60,331)	(344)	413,927	353,252
As at 31 December	(6,095,710)	(3,951,176)	(4,267,824)	(14,314,710)

	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)

*The Bank*

	2022			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(8,024,124)	(6,330,502)	(2,570,663)	(16,925,289)
Transfer:				
- to stage 1	(2,387,995)	2,387,995	-	-
- to stage 2	2,647,232	(2,849,831)	202,599	-
- to stage 3	290,269	1,209,906	(1,500,175)	-
Reverse/(Charge)	1,439,324	1,631,600	(813,512)	2,257,412
Written-offs and transfer out and other movements	(60,331)	(344)	413,927	353,252
As at 31 December	(6,095,625)	(3,951,176)	(4,267,824)	(14,314,625)

	2021			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
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)

**(c) Financial investments measured at FVOCI****(i) Analysed by type of issuer and geographical location**

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Debt instruments				
Issued in mainland China:				
- Government	40,108,116	32,405,733	39,554,431	32,405,733
- Policy banks	26,891,151	34,579,084	26,891,151	34,579,084
- Banks and other financial institutions	16,935,742	9,176,985	16,935,742	9,176,985
- Other institutions	37,282,319	17,928,647	37,282,319	17,928,647
Sub-total	121,217,328	94,090,449	120,663,643	94,090,449
Issued outside mainland China				
- Government	3,755,726	-	3,755,726	-
- Policy banks	176,164	175,972	176,164	175,972
- Banks and other financial institutions	6,212,317	4,073,310	6,212,317	4,073,310
- Other institutions	19,004,382	18,758,225	19,004,382	18,758,225
Sub-total	29,148,589	23,007,507	29,148,589	23,007,507
Sub-total of debt instruments	150,365,917	117,097,956	149,812,232	117,097,956
Asset-backed securities	6,262,227	736,179	6,262,227	736,179
Sub-total	156,628,144	117,834,135	156,074,459	117,834,135
Accrued interest	2,123,033	1,720,342	2,118,175	1,720,342
Total	158,751,177	119,554,477	158,192,634	119,554,477

At the balance sheet date, some of the debt instruments were pledged as collateral for repurchase transactions (see Note 5(42)(a) for details). No other investments were subject to material restriction on realisation.



## (ii) Movements of provision for impairment losses

*The Group*

	2022			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(547,133)	(29,026)	(333,562)	(909,721)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	1,124	(30,150)	29,026	-
- to stage 3	-	29,026	(29,026)	-
(Charge)/Reverse	(880,553)	1,805	(288,309)	(1,167,057)
Written-offs and transfer out and other movements	-	-	388,472	388,472
As at 31 December	(1,426,562)	(28,345)	(233,399)	(1,688,306)

	2021			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
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)

*The Bank*

	2022			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(547,133)	(29,026)	(333,562)	(909,721)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	1,124	(30,150)	29,026	-
- to stage 3	-	29,026	(29,026)	-
(Charge)/Reverse	(872,247)	1,805	(288,309)	(1,158,751)
Written-offs and transfer out and other movements	-	-	388,472	388,472
As at 31 December	(1,418,256)	(28,345)	(233,399)	(1,680,000)

	2021			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(78,219)	(10,785)	(189,353)	(278,357)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Charge	(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)



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 2022	31 December 2021
Equity investments	224,024	216,938

The Group designates non-trading equity investments as financial investments measured at FVOCI. During the year of 2022, dividend income recognised for such equity investments was RMB 19.46 million (2021: RMB 6.53 million).

#### (8) Long-term receivables

##### *The Group*

	31 December 2022	31 December 2021
Finance leases	30,576,873	41,616,788
Including: Unearned finance income	(2,911,449)	(3,584,770)
Finance leasing receivables	27,665,424	38,032,018
Leaseback receivables after sale	48,481,118	28,712,279
Sub-total	76,146,542	66,744,297
Less: Provision for impairment losses	(3,500,431)	(3,139,644)
Carrying amount	72,646,111	63,604,653

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

	31 December 2022			31 December 2021		
	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables
Overdue	415,915	(80,449)	335,466	446,505	(58,930)	387,575
Within 1 year	14,355,711	(1,034,356)	13,321,355	17,822,994	(1,576,930)	16,246,064
1 year to 2 years	8,877,589	(900,363)	7,977,226	13,509,488	(1,146,093)	12,363,395
2 years to 3 years	3,306,984	(300,381)	3,006,603	6,426,467	(438,418)	5,988,049
3 years to 5 years	2,208,353	(387,159)	1,821,194	2,521,364	(202,625)	2,318,739
Above 5 years	1,412,321	(208,741)	1,203,580	889,970	(161,774)	728,196
Total	30,576,873	(2,911,449)	27,665,424	41,616,788	(3,584,770)	38,032,018

#### (9) Long-term equity investments

##### *The Bank*

	31 December 2022 and 31 December 2021
Investments in subsidiaries	
Suyin Finance Leasing	2,460,000
Suyin Wealth Management	2,000,000
Suyin KGI Consumer Finance	1,410,600
Suyin Rural Bank	73,800
Carrying amount	5,944,400

The Bank's long-term equity investments in subsidiaries did not change during the reporting period.



## Movements of Long-term equity investments:

	2022			
	Balance at 1 January	Additional investment	Balance at 31 December	Balance of provision for impairment losses at 31 December
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	1,410,600	-
Suyin Rural Bank	73,800	-	73,800	-
Total	4,533,800	1,410,600	5,944,400	-

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

## (10) Fixed assets

## The Group

	Premises and buildings	Electronic equipment	Motor vehicles	Unearned finance leasing income	Total
Cost					
As at 1 January 2022	7,901,106	760,448	896,790	1,084,081	10,642,425
Additions	129,405	90,725	71,245	117,864	409,239
Transfers in of construction in progress	119,690	-	-	-	119,690
Disposals	(142,615)	(76,255)	(10,302)	(131,783)	(360,955)
As at 31 December 2022	8,007,586	774,918	957,733	1,070,162	10,810,399
Accumulated depreciation					
As at 1 January 2022	(3,062,462)	(596,018)	(90,593)	(670,908)	(4,419,981)
Charge for the year	(365,175)	(84,655)	(48,700)	(126,424)	(624,954)
Disposals	19,324	72,488	9,787	112,796	214,395
As at 31 December 2022	(3,408,313)	(608,185)	(129,506)	(684,536)	(4,830,540)
Provision for impairment loss					
As at 1 January 2022 and 31 December 2022	(4,710)	-	-	-	(4,710)
Carrying amount					
As at 1 January 2022	4,833,934	164,430	806,197	413,173	6,217,734
As at 31 December 2022	4,594,563	166,733	828,227	385,626	5,975,149

	Premises and buildings	Electronic equipment	Motor vehicles	Other equipment	Total
Cost					
As at 1 January 2021	7,131,733	761,648	264,186	903,619	9,061,186
Additions	260,240	86,390	644,675	212,095	1,203,400
Transfers in of construction in progress	777,056	-	-	-	777,056
Disposals	(267,923)	(87,590)	(12,071)	(31,633)	(399,217)
As at 31 December 2021	7,901,106	760,448	896,790	1,084,081	10,642,425
Accumulated depreciation					
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)
Provision for impairment loss					
As at 1 January 2021	(4,780)	-	-	-	(4,780)
Disposals	70	-	-	-	70
As at 31 December 2021	(4,710)	-	-	-	(4,710)
Carrying amount					
As at 1 January 2021	4,364,217	159,524	185,253	276,060	4,985,054
As at 31 December 2021	4,833,934	164,430	806,197	413,173	6,217,734

As at 31 December 2022, there was no significant amounts of temporarily idle fixed assets (as at 31 December 2021: Nil).

As at 31 December 2022, title deeds were not yet finalised for the Group's premises and buildings with the book value of RMB 12 million (as at 31 December 2021: RMB 13 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.

Aa at As at 31 December 2022, 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 RMB 990 million (as at 31 December 2021: RMB1,021 million).

## (11) Construction in progress

### *The Group and The Bank*

	31 December 2022	31 December 2021
As at 1 January 2022	1,072,144	242,392
Additions during the year	134,556	1,607,687
Transfers out of fix asset	(119,690)	(777,056)
Other dedductions	-	(879)
As at 31 December 2022	1,087,010	1,072,144

## (12) Intangible assets

### *The Group*

	Land use right	Software	Total
Cost			
As at 1 January 2022	744,381	539,576	1,283,957
Additions	-	67,049	67,049
Disposals	(3,027)	-	(3,027)
As at 31 December 2022	741,354	606,625	1,347,979
Accumulated amortization			
As at 1 January 2022	(217,827)	(476,422)	(694,249)
Charge for the year	(18,710)	(55,176)	(73,886)
Disposals	864	-	864
As at 31 December 2022	(235,673)	(531,598)	(767,271)
Provision for impairment loss			
As at 1 January 2022 and 31 December 2022	(160)	-	(160)
Carrying amount			
As at 1 January 2022	526,394	63,154	589,548
As at 31 December 2022	505,521	75,027	580,548

	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 and 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



### (13) Deferred tax assets and liabilities

#### (a) Analysed by nature

##### The Group

##### Deferred tax assets

	Note	31 December 2022				
		Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
Provision for Impairment losses		63,983,782	15,995,946	-	-	15,995,946
Employees benefits payable		3,408,000	852,000	-	-	852,000
Fair value change		-	-	(558,116)	(139,529)	(139,529)
Others	(i)	4,438,316	1,109,579	(700,888)	(175,222)	934,357
Total		71,830,098	17,957,525	(1,259,004)	(314,751)	17,642,774

	Note	31 December 2021				
		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
Total		63,568,656	15,892,164	(2,907,650)	(726,913)	15,165,251

(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 deductible temporary differences arising from intertemporal costs.

#### (b) Movements of deferred tax

##### The Group

##### Deferred tax assets

	Note	2022			
		1 January 2022	Recognised in profit or loss	Recognised in equity	31 December 2022
Deferred tax					
- Provision for Impairment losses	(i)	14,610,479	1,215,925	169,542	15,995,946
- Employee benefits Payables		802,378	49,622	-	852,000
- Fair value change	(ii)	(624,093)	(101,428)	585,992	(139,529)
- Others		376,487	557,870	-	934,357
Net balance		15,165,251	1,721,989	755,534	17,642,774

	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

(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.

## (14) Other assets

*The Group*

	Note	31 December 2022	31 December 2021
Settlement and liquidation		4,642,870	3,819,081
Right-of-use assets	(a)	1,431,645	1,419,663
Prepayments	(b)	895,889	140,768
Tax assets		744,372	201,490
Debt-expiated assets	(c)	478,481	6,303
Long-term deferred expenses	(d)	431,517	376,509
Cash paid as collateral		328,018	436,251
Interest receivables		196,481	9,844
Other receivables	(e)	175,832	187,201
Total		9,325,105	6,597,110

## (a) Right-of-use assets

*The Group*

	Plant & buildings
Cost	
As at 1 January 2022	1,824,805
Additions during the year	481,334
As at 31 December 2022	2,306,139
Accumulated depreciation	
As at 1 January 2022	(405,142)
Charge for the year	(469,352)
As at 31 December 2022	(874,494)
Provision for impairment	
As at 1 January 2022 and 31 December 2022	-
Carrying amounts	
As at 1 January 2022	1,419,663
As at 31 December 2022	1,431,645

	Plant & buildings
Cost	
As at 1 January 2021	1,425,577
Additions during the year	399,228
As at 31 December 2021	1,824,805
Accumulated depreciation	
As at 1 January 2021	-
Charge for the year	(405,142)
As at 31 December 2021	(405,142)
Provision for impairment	
As at 1 January 2021 and 31 December 2021	-
Carrying amounts	
As at 1 January 2021	1,425,577
As at 31 December 2021	1,419,663



(b) The prepayment mainly includes the payment for house purchase and decoration of the head office and the branches and the advance payment for system upgrade of the information technology.

(c) Debt-expiated assets mainly included premises and buildings. As at 31 December 2022, the Group and the Bank's provision for impairment losses for debt-expiated assets is Nil. (as at 31 December 2021: Nil).

(d) Long-term deferred expenses

*The Group*

	2022					As at 31 December
	As at 1 January	Additions	Amortisation charged for the year	Other decreases		
Long-term deferred expenses	376,509	238,622	(182,810)	(804)		431,517

	2021					As at 31 December
	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	
Long-term deferred expenses	294,565	(25,671)	266,478	(158,795)	(68)	376,509

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

(e) Other receivables analysed by aging schedules

*The Group*

	31 December 2022	31 December 2021
Within 1 year (inclusive)	73,602	154,659
Over 1 year but within 2 years (inclusive)	101,414	22,322
Over 2 years but within 3 years (inclusive)	17,323	12,655
Over 3 years	100,043	100,856
Sub-total	292,382	290,492
Less: Provision for bad and doubtful debts	(116,550)	(103,291)
Total	175,832	187,201

## (15) Provision for impairment losses

*The Group*

Impaired items	Note	2022			
		As at 1 January 2022	(Reverse)/Charge for the year	Write-off and others	As at 31 December 2022
Deposits with banks and other financial institutions	5(2)	108,518	(33,915)	167	74,770
Placements with banks and other financial institutions	5(3)	464,339	172,517	38	636,894
Financial assets held under resale agreements	5(5)	57,174	(50,832)	(9)	6,333
Loans and advances to customers measured at amortised cost	5(6)	46,581,404	19,072,778	(10,972,505)	54,681,677
Loans and advances to customers measured at FVOCI	5(6)	1,697,446	(248,446)	-	1,449,000
Financial investments measured at amortised cost	5(7)	16,925,433	(2,257,471)	(353,252)	14,314,710
Financial investments measured at FVOCI	5(7)	909,721	1,167,057	(388,472)	1,688,306
Long-term receivables	5(8)	3,139,644	596,231	(235,444)	3,500,431
Fixed assets	5(10)	4,710	-	-	4,710
Intangible assets	5(12)	160	-	-	160
Other assets	5(14)	103,291	(15,268)	28,527	116,550
Total		69,991,840	18,402,651	(11,920,950)	76,473,541

Impaired items	Note	2021			
		As at 1 January 2021	(Reverse)/Charge 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 FVOCI	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(12)	160	-	-	160
Other assets	5(14)	168,561	55,259	(120,529)	103,291
Total		60,572,198	20,993,919	(11,574,277)	69,991,840

*The Bank*

Impaired items	Note	2022			
		As at 1 January 2022	(Reverse)/Charge for the year	Write-off and others	As at 31 December 2022
Deposits with banks and other financial institutions	5(2)	106,897	(34,203)	158	72,852
Placements with banks and other financial institutions	5(3)	464,319	326,233	38	790,590
Financial assets held under resale agreements	5(5)	57,165	(51,285)	-	5,880
Loans and advances to customers measured at amortised cost	5(6)	46,220,628	18,001,141	(10,211,315)	54,010,454
Loans and advances to customers measured at FVOCI	5(6)	1,697,446	(248,446)	-	1,449,000
Financial investments measured at amortised cost	5(7)	16,925,289	(2,257,412)	(353,252)	14,314,625
Financial investments measured at FVOCI	5(7)	909,721	1,158,751	(388,472)	1,680,000
Fixed assets	5(10)	4,710	-	-	4,710
Intangible assets	5(12)	160	-	-	160
Other assets	5(14)	100,667	(17,028)	29,454	113,093
Total		66,487,002	16,877,751	(10,923,389)	72,441,364



Impaired items	Note	2021			
		As at 1 January 2021	(Reverse)/Charge for the year	Write-off and others	As at 31 December 2021
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 FVOCI	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	5(10)	4,780	-	(70)	4,710
Intangible assets	5(12)	160	-	-	160
Other assets	5(14)	166,272	53,671	(119,276)	100,667
Other assets	5(14)	168,561	55,259	(120,529)	103,291
Total		57,725,838	19,831,430	(11,070,266)	66,487,002

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

Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
In mainland China				
- Banks	17,183,421	11,333,598	18,694,510	12,175,467
- Other financial institutions	177,864,557	165,071,623	177,864,557	165,071,623
Sub-total	195,047,978	176,405,221	196,559,067	177,247,090
Accrued interest	1,023,102	1,146,949	1,023,329	1,147,987
Total	196,071,080	177,552,170	197,582,396	178,395,077

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

Analysed by geographical location of counterparty and type

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
In mainland China				
- Banks	94,763,528	62,840,072	34,821,395	21,233,428
- Other financial institutions	500,000	3,610,000	-	-
Sub-total	95,263,528	66,450,072	34,821,395	21,233,428
Outside mainland China				
- Banks	6,036,275	4,418,335	6,036,275	4,418,335
Sub-total	101,299,803	70,868,407	40,857,670	25,651,763
Accrued interest	760,442	698,728	287,903	173,051
Total	102,060,245	71,567,135	41,145,573	25,824,814

### (18) Financial liabilities held for trading

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Non-controlling interests in consolidated structured entities	(a)	9,032,456	204,167	-	-
Financial liabilities related to precious metals		40,476	49,926	40,476	49,926
Total		9,072,932	254,093	40,476	49,926

(a) Non-controlling interests in consolidated structured entities is classified as measured at fair value through profit or loss ("FVTPL"). As at 31 December 2022, the above fair value profit or loss does not have any significant change due to credit risk change.



## (19) Financial assets sold under repurchase agreements

## (a) Analysed by type of collateral

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Securities				
- Government bonds	74,723,692	23,115,686	51,645,706	9,419,850
- Bank and other financial institution bonds	13,903,839	6,097,199	13,903,839	1,977,199
- Other bonds	624,930	-	624,930	-
Commercial bills	3,955,358	10,000,524	3,955,358	10,000,524
Sub-total	93,207,819	39,213,409	70,129,833	21,397,573
Accrued interest	69,260	15,993	53,583	2,013
Total	93,277,079	39,229,402	70,183,416	21,399,586

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

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
In mainland China				
- Central bank	39,865,358	4,120,000	39,865,358	4,120,000
- Banks	47,949,242	33,116,210	24,871,256	15,300,374
- Other financial institutions	1,499,100	-	1,499,100	-
Sub-total	89,313,700	37,236,210	66,235,714	19,420,374
Outside mainland China				
- Banks	3,894,119	1,977,199	3,894,119	1,977,199
Sub-total	93,207,819	39,213,409	70,129,833	21,397,573
Accrued interest	69,260	15,993	53,583	2,013
Total	93,277,079	39,229,402	70,183,416	21,399,586

## (20) Deposits from customers

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Demand deposits				
- Corporate customers	353,815,271	394,930,625	353,654,629	394,812,525
- Individual customers	108,814,392	81,803,215	108,770,242	81,777,511
Sub-total	462,629,663	476,733,840	462,424,871	476,590,036
Time deposits (include call deposits)				
- Corporate customers	528,402,432	523,295,304	528,007,223	522,865,969
- Individual customers	446,360,871	341,314,896	445,849,729	340,909,313
Sub-total	974,763,303	864,610,200	973,856,952	863,775,282
Pledged deposits				
- Bank acceptances	104,248,827	53,896,865	104,242,606	53,894,532
- Letters of credit	23,945,298	10,426,383	23,945,298	10,426,383
- Letters of Guarantee	5,834,004	4,673,544	5,834,004	4,673,544
- Guarantees	2,955,015	3,611,364	2,955,015	3,611,364
- Others	29,494,004	25,356,109	29,494,004	25,356,109
Sub-total	166,477,148	97,964,265	166,470,927	97,961,932
Treasury Deposit	20,805,000	11,358,000	20,805,000	11,358,000
Outward remittance	94,220	340,074	94,220	340,074
Inward remittance	371,168	116,278	370,312	113,308
Fiscal deposits	6,041	93,547	6,041	93,547
Sub-total	1,625,146,543	1,451,216,204	1,624,028,323	1,450,232,179
Accrued interest	33,531,109	27,596,156	33,501,625	27,569,495
Total	1,658,677,652	1,478,812,360	1,657,529,948	1,477,801,674



## (21) Employee benefits payable

### The Group

	Note	31 December 2022	31 December 2021
Short-term employee benefits	(a)	3,768,897	3,567,311
Post-employment benefits			
- defined contribution plans	(b)	16,745	17,145
Termination benefits		576,632	592,401
Other long-term employee benefits	(c)	5,916,881	4,264,881
Total		10,279,155	8,441,738

### (a) Short - term employee benefits

	2022			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Salaries, bonuses, allowances	3,521,742	5,419,460	(5,225,312)	3,715,890
Staff welfare	-	445,831	(445,831)	-
Social insurance	7,943	341,942	(343,659)	6,226
- Medical insurance	820	311,556	(308,539)	3,837
- Work-related injury insurance	1,423	6,782	(7,322)	883
- Maternity insurance	5,700	23,604	(27,798)	1,506
Housing fund	2,660	476,187	(475,595)	3,252
Labour union fee, staff and workers' education fee	34,966	134,368	(125,805)	43,529
Total	3,567,311	6,817,788	(6,616,202)	3,768,897

	2021			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Salaries, bonuses, allowances	3,815,675	4,740,234	(5,034,167)	3,521,742
Staff welfare	-	270,693	(270,693)	-
Social insurance	23,434	313,769	(329,260)	7,943
- Medical insurance	18,701	286,090	(303,971)	820
- Work-related injury insurance	1,626	5,559	(5,762)	1,423
- Maternity insurance	3,107	22,120	(19,527)	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
Total	3,878,804	5,894,734	(6,206,227)	3,567,311

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

	2022			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Basic pension insurance	9,760	559,789	(559,920)	9,629
Unemployment insurance	2,551	17,321	(17,337)	2,535
Annuity and supplemental pension insurance	4,834	439,654	(439,907)	4,581
Total	17,145	1,016,764	(1,017,164)	16,745

	2021			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Basic pension insurance	5,551	487,823	(483,614)	9,760
Unemployment insurance	2,362	15,064	(14,875)	2,551
Annuity and supplemental pension insurance	7,178	398,992	(401,336)	4,834
Total	15,091	901,879	(899,825)	17,145

## (c) Other long-term employee benefits

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

## (22) Taxes payable

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Income tax payable	6,040,694	6,158,769	5,615,266	5,761,536
Value-added tax and surcharges payable	1,388,718	1,255,925	1,343,420	1,241,888
Others	94,026	74,456	87,331	71,447
Total	7,523,438	7,489,150	7,046,017	7,074,871

## (23) Estimated Liabilities

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Provision for credit commitments impairment losses	3,185,216	1,879,599	3,185,146	1,879,529
Provision for estimated liabilities on unresolved litigations and disputes	3,361	3,883	3,361	3,883
Total	3,188,577	1,883,482	3,188,507	1,883,412

## (24) Debt securities issued

Analysed by types of debt securities issued

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Inter-bank certificates of deposits issued	379,232,353	362,605,911	379,232,353	362,605,911
Other financial debts securities issued	57,288,146	29,277,022	49,995,522	23,996,054
Convertible bonds issued	20,359,669	19,649,581	20,359,669	19,649,581
Subordinated debts issued	19,997,618	19,997,734	19,997,618	19,997,734
Sub-total	476,877,786	431,530,248	469,585,162	426,249,280
Accrued interest	1,427,411	1,230,703	1,273,423	1,102,162
Total	478,305,197	432,760,951	470,858,585	427,351,442

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

## The Group

	Note	2022				
		1 January 2022	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2022
Inter-bank certificates of deposits issued	(a)	362,605,911	632,409,372	(624,860,000)	9,077,070	379,232,353
Other financial debts securities issued	(b)	29,277,022	42,004,797	(14,000,000)	6,327	57,288,146
Subordinated debts issued	(c)	19,997,734	-	-	(116)	19,997,618
Convertible bonds issued	(d)	19,649,581	-	(172)	710,260	20,359,669
Total		431,530,248	674,414,169	(638,860,172)	9,793,541	476,877,786

	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



### The Bank

	Note	2022				
		1 January 2022	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2022
Inter-bank certificates of deposits issued	(a)	362,605,911	632,409,372	(624,860,000)	9,077,070	379,232,353
Other financial debts securities issued	(b)	23,996,054	39,998,096	(14,000,000)	1,372	49,995,522
Subordinated debts issued	(c)	19,997,734	-	-	(116)	19,997,618
Convertible bonds issued	(d)	19,649,581	-	(172)	710,260	20,359,669
Total		426,249,280	672,407,468	(638,860,172)	9,788,586	469,585,162

	Note	2021				
		1 January 2022	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2022
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
Total		407,507,230	457,012,850	(449,200,139)	10,929,339	426,249,280

(a) As at 31 December 2022, the Group and the Bank held 113 unmaturing negotiable certificates of deposit that were issued in the inter-bank market. The maximum maturity is 365 days. The interest rate ranges from 1.92% to 2.81% (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%).

(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 2022	31 December 2021
Fixed rate green financial bonds maturing in April 2022	(i)	-	9,996,844
Fixed rate ordinary financial bonds maturing in July 2022	(ii)	-	4,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(iii)	5,000,000	5,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(iv)	1,999,651	1,988,296
Fixed rate ordinary financial bonds maturing in March 2024	(v)	1,298,682	1,297,636
Fixed rate Innovation and entrepreneurship financial bonds maturing in April 2024	(vi)	4,999,293	4,999,210
Fixed rate green financial bonds maturing in April 2024	(vii)	1,997,151	1,995,036
Fixed rate micro financial bonds maturing in March 2025	(viii)	9,998,899	-
Fixed rate ordinary financial bonds maturing in August 2025	(ix)	1,997,140	-
Fixed rate agricultural financial bonds maturing in September 2025	(x)	7,999,166	-
Fixed rate financial bonds maturing in November 2025	(xi)	19,998,414	-
Fixed rate agricultural financial bonds maturing in September 2027	(xii)	1,999,750	-
Total		57,288,146	29,277,022

(i) The Bank issued 3-year 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.

(ii) The Bank issued 5-year 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.

(iii) The Bank issued 5-year 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.

(iv) The Bank's subsidiary Suyin Finance Leasing issued a 3-year 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.

(v) The Bank's subsidiary Suyin Finance Leasing issued a 3-year 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.

(vi) The Bank issued 3-year 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.

(vii) The Bank's subsidiary Suyin Finance Leasing issued a 3-year 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.

(viii) The bank issued a 3-year Fixed interest rate micro financial bonds maturing on 16 March 2022. The coupon interest rate per annum is 2.99% and the interest is settled once a year.

(ix) The Bank's subsidiary Suyin Finance Leasing issued a 3-year fixed-rate non-bank financial institution freight logistics theme bonds on 3 August 2022. The coupon interest rate per annum is 2.72% and the interest is settled once a year.

(x) The bank issued a 3-year Fixed interest agricultural financial bonds maturing on 26 September 2022. The coupon interest rate per annum is 2.48% and the interest is settled once a year.

(xi) The Bank issued a 3-year fixed interest rate non-banking ordinary financial bonds on 16 November 2022. The coupon interest rate per annum is 2.80% and the interest is settled once a year.

(xii) The bank issued a 5-year Fixed interest agricultural financial bonds maturing on 26 September 2022. The coupon interest rate per annum is 2.86% 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 2022	31 December 2021
Subordinated fixed rate bonds maturing in September 2029	(i)	19,997,618	19,997,734

(i) 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 2022	31 December 2021
6-years fixed rate convertible bonds issued in March 2019	20,359,669	19,649,581

Equity and liability components allocation:

	Liability Components	Equity Components	Total
31 December 2021	19,649,581	2,787,861	22,437,442
Amortisation charged for the year	710,260	-	710,260
Convertible bonds conversion during the year	(172)	(24)	(196)
31 December 2022	20,359,669	2,787,837	23,147,506

(i) Approved by the China Banking and Insurance Regulatory Commission ( "the CBIRC" ) and other relevant agencies, the Bank issued RMB 20 billion of A-shares convertible corporate bonds publicly ( "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 2022, the latest conversion price was RMB 5.97 per share (as at 31 31 December 2021: RMB 6.37 per share).

(iv) As at 31 December 2022, RMB 862,000 of the convertible corporate bonds were converted into A-shares ordinary shares, with a cumulative number of 123,028 shares. (as at 31 December 2021, RMB 691,000 of the convertible corporate bonds were converted into A-shares ordinary shares, with a cumulative number of 95,112 shares.)

## (25) Other liabilities

### The Group

	31 December 2022	31 December 2021
Suspense account for clearing	8,724,562	9,260,383
Deposits for financial leasing and fulfilment payment	6,476,943	5,547,284
Lease liabilities (a)	1,286,285	1,244,695
Contract liabilities	559,035	834,541
Dividend payable	82,167	75,498
Others	799,555	667,457
Total	17,928,547	17,629,858

### (a) Lease liabilities

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

	31 December 2022	31 December 2021
Within a year	400,604	397,328
One to two years	334,011	309,493
Two to three years	248,373	249,739
Three to five years	158,052	255,978
More than five years	260,618	139,669
Total undiscounted lease liabilities	1,401,658	1,352,207
Total Lease Liabilities	1,286,285	1,244,695

## (26) Share capital

### The Bank

	Note	2022	2021
Balance at the beginning of the year		14,769,629	14,769,607
Convertible bonds conversion (a)		28	22
Balance at the end of the year		14,769,657	14,769,629

(a) As referred to in Note 5(24)(d) , approved by the China Banking and Insurance Regulatory Commission and other relevant agencies, the Bank issued RMB 200 billion of A-shares convertible corporate bonds publicly on March 14, 2019. In 2022, the convertible corporate bonds of Bank of Jiangsu with a par value of RMB 171,000 were converted into A-share common shares, with 27,916 shares (in 2021, the convertible corporate bonds of Bank of Jiangsu with a par value of RMB 143,000 were converted into A-share common shares, with 22,141).

## (27) Other equity instruments

### *The Group and the Bank*

	Note	31 December 2022	31 December 2021
Preference shares	(a)	19,977,830	19,977,830
Perpetual bonds	(b)	19,996,928	19,996,928
Equity components of convertible bonds issued	5(24)(d)	2,787,837	2,787,861
Total		42,762,595	42,762,619

### (a) Preference shares

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

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

### (ii) Major terms

#### 1) 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. From November 28, 2022, the Preference shares Su Yinyou 1 coupon dividend rate of 3.86% for the second interest-bearing cycle and the benchmark interest rate is 2.55%,which the fixed premium of 1.31%.

#### 2) 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.

#### 3) 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.

#### 4) 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.

#### 5) 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.

#### 6) 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.

#### 7) 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).

#### 8) 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 (32).

#### (b) Perpetual bonds

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

	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			

#### (ii) Major terms

With the approvals of relevant regulatory authorities, the Bank issued RMB20 billion undated capital bonds ( "Perpetual Bond" ) in China's national inter-bank bond market on 1 April 2020. Each Perpetual Bond has a par value of RMB100, and the annual coupon rate of the Bonds for the first five years is 3.80%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread. The fixed spread is the difference between the distribution rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period.

The duration of the Perpetual Bond is the same as the continuing operation of the Bank. 5 years after the issuance date of the Perpetual Bond, the Bank shall have the right to redeem the Perpetual Bond in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). Upon the issuance of the Perpetual Bond, in the event that the Perpetual Bond is not classified as other tier-one capital bonds due to unpredictable changes in regulations, the Bank shall have the right to redeem the



Perpetual Bond fully instead of partly.

The claims in respect of the Perpetual Bond, in the event of a winding-up of the Bank, will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to the Perpetual Bond; will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other Additional

Tier 1 Capital instruments of the Bank that rank pari passu with the perpetual bond.

Upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all the above Perpetual Bond issued and existing at that time in accordance with the total par value without the consent of the bondholders. The bonds are written down according to the proportion of the existing par value in the total existing par value of all other tier 1 capital instruments with the same trigger event.

The Perpetual Bond is paid by non-cumulative interest. The Bank shall have the right to cancel, in whole or in part, distributions on the Perpetual Bond and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.

(iii) Changes in perpetual bonds outstanding:

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

Please refer to Note 5(32) for the interest payment of the Bank to the holders of the Bank's perpetual bonds

**(c) Relevant information of amounts attributable to holders of equity instruments**

	2022	2021
Equity attributable to shareholders of the Bank	208,740,730	192,227,078
- Equity attributable to ordinary shareholders of the Bank	168,765,972	152,252,320
- Equity attributable to holders of the Bank's other equity instruments	39,974,758	39,974,758
Equity attributable to non-controlling shareholders	6,798,609	5,828,670
- Equity attributable to non-controlling ordinary shareholders	6,798,609	5,828,670
- Equity attributable to non-controlling shareholders of other equity instruments	-	-

**(28) Capital reserve**

*The Group*

	2022		
	As at 1 January 2022	Additions during the year (Note 1)	As at 31 December 2022
Share premium	27,699,613	168	27,699,781

	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



### The Bank

	2022		
	As at 1 January 2022	Additions during the year (Note 1)	As at 31 December 2022
Share premium	27,619,675	168	27,619,843

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

(a) As referred to in Note 5(24), approved by the China Banking and Insurance Regulatory Commission and other relevant agencies, the Bank issued RMB 200 billion of A-shares convertible corporate bonds publicly on March 14, 2019. From the issue date to 31 December 2022, the convertible corporate bonds with par value of RMB 171,000 were converted into A-shares ordinary shares, with a cumulative number of 27,916 shares and share premium RMB 168,000. (From the issue date to 31 December 2021, the convertible corporate bonds with par value of RMB 143,000 were converted into A-shares ordinary shares, with a cumulative number of 22,141 shares and share premium RMB 137,000).

(b) In 2021, the Bank and other minority shareholders raised the capital of Suyin KGI Consumer Finance. The Group included the book net asset share of Suyin KGI, which is RMB 158,000 higher than the investment amount, into the capital reserve.

### (29) Other comprehensive income

#### The Group

	2022						
	As at 1 January 2022	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	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	(18,162)	7,087	-	(1,772)	5,315	-	(12,847)
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	629,361	(1,676,761)	(886,078)	587,764	(1,974,304)	(771)	(1,344,943)
- Provision on credit loss of the financial investments measured at FVOCI	1,655,375	918,611	(388,472)	169,542	695,632	4,049	2,351,007
- Currency translation differences	-	1,366	-	-	700	666	700
Total	2,266,574	(749,697)	(1,274,550)	755,534	(1,272,657)	3,944	993,917

	2021						
	As at 1 January 2021	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	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
Total	1,304,697	2,278,612	(526,388)	(790,347)	961,877	-	2,266,574

## The Bank

	2022					
	As at 1 January 2022	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Bank	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	(18,162)	7,087	-	(1,772)	5,315	(12,847)
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	629,361	(1,670,846)	(886,078)	587,764	(1,969,160)	(1,339,799)
- Provision on credit loss of the financial investments measured at FVOCI	1,655,375	910,305	(388,472)	169,542	691,375	2,346,750
Total	2,266,574	(753,454)	(1,274,550)	755,534	(1,272,470)	994,104

	2021					
	As at 1 January 2021	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Bank	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
Total	1,304,697	2,278,612	(526,388)	(790,347)	961,877	2,266,574

## (30) Surplus reserve

## The Group and the Bank

	Statutory surplus reserve	Discretionary surplus reserve	Total
As at 1 January 2021	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
Appropriation	1,866,465	1,866,465	3,732,930
As at 31 December 2022	13,147,028	13,372,164	26,519,192

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 12 May 2022 and 21 May 2021, the Bank will appropriate 10% of its net profit to statutory surplus reserve.



### (31) General reserve

	<i>The Group</i>		<i>The Bank</i>	
	2022	2021	2022	2021
As at 1 January	37,215,107	32,381,679	36,231,150	31,585,692
Appropriation	4,812,618	4,833,428	4,072,485	4,645,458
As at 31 December	42,027,725	37,215,107	40,303,635	36,231,150

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.

### (32) Appropriation of profits

(a) In accordance with the resolution of the 22nd meeting of the 5th board of directors of the Bank on 2022-11-28 the bank distribute RMB1.04 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 2022-5-12 the shareholders approved the following profit appropriations for the year ended 31 December 2021:

- 10% of the profit after tax for the statutory surplus reserve of year 2021;
- 10% of the profit after tax for the discretionary surplus reserve of year 2021;
- RMB 4.65 billion for the general reserve; and
- RMB 4.00 per 10 shares (including tax), with the aggregate amount of RMB 5.91 billion as cash dividend to the registered shareholders

(c) The bank distribute RMB 0.76 billion to perpetual bond on 3.80% dividend rate on 2022-4-1.

(d) In accordance with the resolution of the 14th meeting of the 5th board of directors of the Bank on 29 October 2021 the bank distribute RMB 1.04 billion to preference shareholders at RMB 5.20 (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 21 May 2021, the shareholders approved the following profit:

- 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 3.83 billion for the general reserve; and
- RMB 3.16 per 10 shares (including tax), with the aggregate amount of RMB 4.67 billion as cash dividend to the registered shareholders

(f) The bank distribute RMB 0.76 billion to perpetual bond on 3.80% dividend rate on 2021-4-1.

## (33) Net interest income

	<i>The Group</i>		<i>The Bank</i>	
	2022	2021	2022	2021
Loans and advances to customers				
- Corporate loans and advances	38,676,918	32,870,758	38,602,555	32,802,999
- Individual loans and advances	38,741,144	34,716,553	36,228,284	33,674,589
- Discounted bills	2,713,519	2,211,703	2,713,519	2,211,703
Investment in debt instruments	25,203,811	25,734,414	25,183,974	25,707,512
Long-term receivables	4,855,007	4,291,223	-	-
Placements with banks and other financial institutions	2,589,270	1,668,315	2,890,264	1,864,019
Deposits with central bank	1,976,580	2,179,852	1,975,633	2,178,799
Deposits with banks and other financial institutions	476,964	595,706	376,969	551,393
Financial assets held under resale agreements	473,334	602,958	469,515	599,896
Interest income	115,706,547	104,871,482	108,440,713	99,590,910
Deposits from customers				
- Corporate customers	(23,027,566)	(21,275,131)	(23,016,987)	(21,264,952)
- Individual customers	(14,181,157)	(11,863,490)	(14,165,116)	(11,849,631)
Debt securities issued	(12,854,339)	(13,396,125)	(12,650,570)	(13,176,941)
Borrowings from central bank	(5,081,793)	(5,455,259)	(5,074,077)	(5,450,367)
Deposits from banks and other financial institutions	(4,301,702)	(4,179,003)	(4,317,490)	(4,182,793)
Placements from banks and other financial institutions	(2,929,527)	(2,190,202)	(1,019,809)	(753,131)
Financial assets sold under repurchase agreements	(955,578)	(932,055)	(955,259)	(926,574)
Others	(110,977)	(100,526)	(102,232)	(99,834)
Interest expense	(63,442,639)	(59,391,791)	(61,301,540)	(57,704,223)
Net interest income	52,263,908	45,479,691	47,139,173	41,886,687



## (34) Net fee and commission income

	The Group		The Bank	
	2022	2021	2022	2021
Agency service fees	4,687,365	6,241,823	3,194,418	5,591,009
Credit commitment fees	1,011,687	788,414	1,011,653	788,381
Custodian and other fiduciary service fees	869,667	889,250	869,667	889,250
Bank card fees	163,228	165,984	163,212	165,967
Settlement and clearing fees	110,956	56,140	110,942	56,116
Advisory service fees	2,470	6,325	2,470	6,325
Others	36,138	42,474	32,464	41,929
Fee and commission income	6,881,511	8,190,410	5,384,826	7,538,977
Settlement and clearing charges	(309,075)	(241,808)	(309,073)	(241,806)
Bank card charges	(78,998)	(52,295)	(78,986)	(52,283)
Others	(241,585)	(406,189)	(148,916)	(147,064)
Fee and commission expense	(629,658)	(700,292)	(536,975)	(441,153)
Net fee and commission income	6,251,853	7,490,118	4,847,851	7,097,824

## (35) Investment gains

	The Group		The Bank	
	2022	2021	2022	2021
Net gains during the period in which financial instruments are held				
- Financial investments measured at FVTPL	9,510,007	7,911,205	9,500,824	7,855,554
- Financial investments designated at FVOCI	19,460	6,533	19,460	6,533
Net gains/(losses) from disposal of financial instruments				
- Loans and advances to customers measured at FVOCI	519,017	217,128	519,017	217,128
- Financial investments measured at FVOCI	769,635	309,260	755,533	309,260
- Debt instruments measured at amortized cost	11,555	60,458	11,555	60,458
- Financial liabilities held for trading	(12,488)	(5,856)	(12,488)	(5,856)
- Derivative financial instruments	(35,376)	190,558	(35,376)	190,558
- Financial investments measured at FVTPL	(281,959)	(185,500)	(281,959)	(187,366)
- Long-term equity investments at cost	-	-	-	123,000
Total	10,499,851	8,503,786	10,476,566	8,569,269

## (36) Net gains/(losses) from changes in fair value

	The Group		The Bank	
	2022	2021	2022	2021
Financial investments measured at FVTPL	151,950	1,349,917	137,952	1,316,017
Derivative financial instruments	970	(43,715)	970	(43,715)
Financial liabilities held for trading	(4,443)	615	(4,443)	615
Total	148,477	1,306,817	134,479	1,272,917

## (37) General and administrative expenses

	The Group		The Bank	
	2022	2021	2022	2021
Staff costs				
- Salaries and bonuses	7,584,201	6,832,753	7,196,706	6,567,086
- Social insurance and supplemental pension insurance	1,358,706	1,215,648	1,319,106	1,190,113
- Others	1,056,386	840,731	1,011,041	812,872
Sub-total	9,999,293	8,889,132	9,526,853	8,570,071
Premises and equipment expenses				
- Depreciation and amortisation	1,219,544	1,125,145	1,186,943	1,101,925
- Rental and property management expenses	143,857	167,468	136,934	165,736
- Utility charges	74,841	70,387	73,505	69,330
- Others	460,783	366,192	427,519	342,347
Sub-total	1,899,025	1,729,192	1,824,901	1,679,338
Other general and administrative expenses	5,408,413	3,688,954	4,992,220	3,625,442
Total	17,306,731	14,307,278	16,343,974	13,874,851

## (38) Impairment losses on credit

	The Group		The Bank	
	2022	2021	2022	2021
Loans and advances measured at amortised cost	19,072,778	15,110,794	18,001,141	14,799,796
Financial investments measured at amortised cost	(2,257,471)	4,716,767	(2,257,412)	4,716,887
Estimated Liabilities	1,273,574	1,286,174	1,273,574	1,286,144
Long-term receivable	596,231	848,884	-	-
Financial investments measured at FVOCI	1,167,057	642,614	1,158,751	642,614
Loans and advances measured at FVOCI	(248,446)	341,842	(248,446)	341,842
Other assets	(15,268)	55,259	(17,028)	53,671
Placements with inter-banks and other financial institutions	172,517	(95,756)	326,233	(95,756)
Deposits with inter-banks and other financial institutions	(33,915)	(252,061)	(34,203)	(253,200)
Financial assets held under resale agreements	(50,832)	(374,424)	(51,285)	(374,424)
Total	19,676,225	22,280,093	18,151,325	21,117,574

## (39) Income tax expenses

## (a) Income tax expenses

	The Group		The Bank	
	2022	2021	2022	2021
Current tax	8,628,047	7,627,840	7,647,343	6,800,465
Deferred tax	(1,721,989)	(1,799,135)	(1,665,109)	(1,570,965)
Adjustments for tax filling	(629,256)	237,892	(712,790)	215,802
Total	6,276,802	6,066,597	5,269,444	5,445,302



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

	Note	The Group		The Bank	
		2022	2021	2022	2021
Profit before tax		32,628,790	26,475,857	28,568,892	24,109,945
Expected income tax at statutory tax rate of 25%		8,157,198	6,618,964	7,142,223	6,027,486
Tax effect of non-taxable income (i)		(4,671,547)	(3,799,004)	(4,623,001)	(3,824,231)
Tax effect of non - deductible expenses		2,994,332	3,104,234	2,993,367	3,104,159
Adjustments for tax filling and others		(203,181)	142,403	(243,145)	137,888
Income tax expenses		6,276,802	6,066,597	5,269,444	5,445,302

(i) Non-taxable income mainly represent interest income from PRC and local government bonds, and fund dividends.

## (40) Earnings per share

## (a) Basic earnings per share

The earnings per share is calculated as consolidated net profit attributable to ordinary shareholders of the Bank divided by weighted average issued ordinary shares.

## The Group

	Note	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Bank	(i)	23,585,993	17,894,365
Consolidated net profit attributable to ordinary shareholders of the Bank	(ii)	14,769,642	14,769,617
Basic earnings per share (in RMBYuan)		1.60	1.21

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

	2022	2021
Consolidated net profit attributable to shareholders of the Bank	25,385,993	19,694,365
Effect of preferred stock dividend announcement	(1,040,000)	(1,040,000)
Effect of Perpetual bonds interest announcement	(760,000)	(760,000)
Consolidated net profit attributable to ordinary shareholders of the Bank	23,585,993	17,894,365

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

	2022	2021
Issued ordinary shares at the beginning of the year (in thousands)	14,769,629	14,769,607
Effect of conversion of convertible bonds (in thousands)	13	10
Weighted average number of ordinary shares at the end of the year (in thousands)	14,769,642	14,769,617



**(b) 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	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	(i)	24,440,003	18,712,792
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	(ii)	17,909,224	17,759,050
Diluted earnings per share (in RMB Yuan)		1.36	1.05

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

	2022	2021
Consolidated net profit attributable to ordinary shareholders	23,585,993	17,894,365
Diluted adjustments:		
After tax effect of effective interest on the liability component of convertible bonds	854,010	818,427
Consolidated net profit attributable to ordinary shareholders (diluted)	24,440,003	18,712,792

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

	2022	2021
Weighted average number of ordinary shares (in thousands)	14,769,629	14,769,607
Diluted adjustments:		
Effect of conversion of convertible bonds (in thousands)	3,139,582	2,989,433
Weighted average number of ordinary shares (diluted) (in thousands)	17,909,224	17,759,050

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

	<i>The Group</i>		<i>The Bank</i>	
	2022	2021	2022	2021
Net Profit	26,351,988	20,409,260	23,299,448	18,664,643
Add/(minus) :				
Impairment losses on credit	19,676,225	22,280,093	18,151,325	21,117,574
Depreciation and amortisation	1,336,373	1,163,475	1,196,431	1,110,883
Net gains from disposal of fixed assets, intangible assets and other long-term assets	(69,266)	(128,972)	(73,201)	(129,316)
Net gains from changes in fair value	(148,477)	(1,306,817)	(134,479)	(1,272,917)
Net foreign exchange gains	(577,442)	(1,180,775)	(546,441)	(1,180,775)
Investment income	(11,916,121)	(7,481,453)	(9,060,296)	(7,602,587)
Interest income from investment in debt instruments	(25,203,811)	(25,734,414)	(25,183,974)	(25,707,512)
Interest expenses on debt securities issued	12,854,339	13,396,125	12,650,570	13,176,941
Interest expenses from lease liabilities	47,680	45,499	46,453	44,901
Increase in deferred tax assets	(1,721,989)	(1,799,135)	(1,665,109)	(1,570,965)
Increase in operating receivables	(307,542,473)	(199,161,976)	(284,608,174)	(184,773,800)
Increase in operating payables	283,100,012	244,483,617	267,781,592	218,835,423
Net cash flow from operating activities	(3,812,962)	64,984,527	1,854,145	50,712,493



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

	The Group		The Bank	
	2022	2021	2022	2021
Cash and cash equivalents at the end of the year	63,953,659	90,356,190	57,714,355	83,328,209
Less: Cash and cash equivalents at the beginning of the year	(90,356,190)	(68,586,982)	(83,328,209)	(66,507,267)
Net (decrease)/increase in cash and cash equivalents	(26,402,531)	21,769,208	(25,613,854)	16,820,942

## (c) Cash and cash equivalents:

	The Group		The Bank	
	2022	2021	2022	2021
Cash on hand	1,743,850	1,514,254	1,738,270	1,509,517
Unrestricted deposits with central bank	18,317,897	14,905,898	18,308,011	14,890,431
Banks and other financial institutions deposits with a maturity of 3 months or less	33,861,738	46,338,935	31,025,949	42,887,804
Placements with banks and other financial institutions with a maturity of 3 months or less	5,406,025	19,539,257	6,396,025	20,959,257
Financial assets held under resale agreements with a maturity of 3 months or less	4,624,149	8,057,846	246,100	3,081,200
Cash and cash equivalents at the end of the year	63,953,659	90,356,190	57,714,355	83,328,209

## (42) 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 2022	31 December 2021	31 December 2022	31 December 2021
Borrowings from central bank	183,892,000	179,254,000	183,892,000	179,254,000
Financial assets sold under repurchase agreements	63,062,358	37,236,210	63,062,358	19,420,374
Deposits from customers	20,805,000	11,358,000	20,805,000	11,358,000
Other Liabilities	752,000	675,000	-	-
Total	268,511,358	228,523,210	267,759,358	210,032,374

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 2022	31 December 2021	31 December 2022	31 December 2021
Securities				
- Government bonds	274,116,998	241,424,867	274,116,998	241,424,867
- Bank and other financial institution bonds	8,258,841	1,111,894	8,258,841	1,111,894
- Corporate bonds	4,040,361	4,208,387	4,040,361	4,208,387
Sub-total	286,416,200	246,745,148	286,416,200	246,745,148
Commercial bills	3,955,358	10,000,523	3,955,358	10,000,523
Deposits with banks and other financial institutions	752,000	675,000	-	-
Total	291,123,558	257,420,671	290,371,558	256,745,671

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

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial investments measured at FVTPL	63,400	-	63,400	-
Loans and advances to customers	3,955,358	10,000,523	3,955,358	10,000,523
Financial investments measured at amortised cost	274,104,705	227,112,956	274,104,705	227,112,956
Financial investments measured at FVOCI	12,248,095	19,632,192	12,248,095	19,632,192
Deposits with banks and other financial institutions	752,000	675,000	-	-
Total	291,123,558	257,420,671	290,371,558	256,745,671

## (b) 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.

## (43) 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 2022		31 December 2021	
	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	8,092,116	7,067,475	2,161,467	1,977,199
bond lending transactions	5,607,489	-	1,238,358	-
Total	13,699,605	7,067,475	3,399,825	1,977,199

*Credit assets securitization*

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

Some securitization transactions entered into by the Group resulted in the Group decognising all transferred financial assets. The Group derecognizes the transferred financial assets when the Group transfers substantially all of the risks and rewards associated with ownership of financial assets to an unconsolidated securitisation entity, while retaining a relatively small interests in that entity or arranging follow-up services for the transferred financial assets. As at 31 December 2022, the carrying amount of such securitized credit assets of the Group and the Bank was RMB 27 million on the transfer date (31 December 2021: nil).

In addition to the above-mentioned securitization transactions, as at 31 December 2022, the Group transferred credit assets with a face value of RMB14,025 million (31 December 2021: RMB14,025 million) to securitization entities, in which the Group neither transferred nor retained substantially all of the risks and rewards associated with the ownership of the transferred credit assets and retained control



over the credit assets. The Group recognizes the asset on its balance sheet in accordance with the continued involvement of the Group and derecognises the remainder. As at 31 December 2022, the Group continued to recognize an asset value of RMB 2,181 million (31 December 2021: RMB 2,075 million).

#### *Credit assets Transaction*

In 2022, the Group directly transferred RMB 705 million of non-performing credit assets to third parties, all the assets were derecognized (2021: RMB 730 million, all derecognized).

In addition, the Group transfers credit assets to special purpose trust schemes, and investors receive shares in trust schemes.

In such transactions, the Group derecognizes the transferred financial assets when the Group transfers substantially all of the risks and rewards associated with ownership of financial assets to an unconsolidated SPV while retaining a relatively small interests in that entity or arrangements for follow-up services of the transferred financial assets. As at 31 December 2022, all such property rights trusts of the Group have matured and been repaid (31 December 2021: RMB1,554 million).

The interests retained by the Group and the Bank in these special purpose trusts and other relevant informations are set out in Note 6,(2)(c).

## 6. Interests in other entities

### (1) Interests in subsidiaries and structured entities that are included in the consolidated financial statements:

Structure of the Group

Main subsidiaries directly held through establishment:

Name	The Bank' s shareholding percentage (Note i)		The Bank' s voting rights percentage (Note i)		Registered capital		Place of operation and registration and date of establishment	Primary business
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021		
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%	54.25%	54.25%	54.25%	2,600,000	2,600,000	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 Suyin Rural Bank, the Bank holds 51% of the voting rights in the shareholders' meeting of Suyin Rural Bank. Therefore, the Bank considers it to be in control of Suyin 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 in 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 funds, trust plan, asset management plan and wealth management products. 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.

As at 31 December 2022 and 31 December 2021, 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 2022			
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	Total
Investment funds	150,017,978	-	-	150,017,978
Trust plans	3,441,540	61,883,258	-	65,324,798
Asset-backed securities	4,531,313	27,115,099	6,267,183	37,913,595
Wealth management products	23,024,398	-	-	23,024,398
Asset management plans	7,373,407	6,190,123	-	13,563,530
Total	188,388,636	95,188,480	6,267,183	289,844,299

	31 December 2021			
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	Total
Investment funds	144,228,617	-	-	144,228,617
Trust plans	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 plans	1,410,082	8,950,588	-	10,360,670
Total	176,603,182	147,393,520	737,065	324,733,767

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 2022 and 31 December 2021, 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 2022			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment funds	150,017,978	-	-	150,017,978
Trust plans	3,441,540	61,883,258	-	65,324,798
Asset-backed securities	2,350,052	27,114,249	6,267,183	35,731,484
Wealth management products	22,400,073	-	-	22,400,073
Asset management plans	7,373,407	6,190,123	-	13,563,530
Total	185,583,050	95,187,630	6,267,183	287,037,863

	31 December 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment funds	144,228,617	-	-	144,228,617
Trust plans	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 plans	1,410,082	8,950,588	-	10,360,670
Total	174,084,557	147,393,520	737,065	322,215,142

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 2022, the carrying amount of the Group's management fees receivable in the consolidated balance sheet was RMB 226 million (31 December 2021: RMB 316 million).

As at 31 December 2022 and 31 December 2021, 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 2022			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost		
Asset-backed securities	2,181,261	850		2,182,111
Wealth management products	624,325	-		624,325
Total	2,805,586	850		2,806,436

	31 December 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost		
Asset-backed securities	2,075,126	-		2,075,126
Wealth management products	443,499	-		443,499
Total	2,518,625	-		2,518,625

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

As at 31 December 2022, balance of the unsecured wealth management products and asset-backed securities that were established by the Group but not included in the Group's consolidated financial statements was RMB 438.3 billion and 6.7 billion respectively (31 December 2021: RMB 414.9 billion and 8.8 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 2022 and 2021.

The Group's unsecured wealth management products issued after 1 January 2022 and matured before 31 December 2022 totaled RMB 79.5 billion (unsecured wealth management products issued after 1 January 2021 and matured before 31 December 2021 totaled RMB 208.3 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 debt 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

	2022				
	Corporate banking	Personal banking	Treasury business	Others	Total
External net interest income/(expenses)	28,547,082	25,421,011	(1,704,185)	-	52,263,908
Inter-segment net interest income/(expenses)	11,086,333	(6,624,964)	(4,461,369)	-	-
Net interest income/(expenses)	39,633,415	18,796,047	(6,165,554)	-	52,263,908
Fee and commission income	3,479,817	1,254,980	2,146,714	-	6,881,511
Fee and commission expenses	(356,162)	(110,694)	(162,802)	-	(629,658)
Net fee and commission	3,123,655	1,144,286	1,983,912	-	6,251,853
Net investment gains	-	-	10,499,851	-	10,499,851
Other income	469,391	20,855	-	77,982	568,228
Net gains from changes in fair value	-	-	148,477	-	148,477
Net foreign exchange gains	218,044	2,084	399,839	-	619,967
Other operating incomes	132,299	-	-	16,573	148,872
Net gains/losses of asset disposal	20	-	(223)	69,469	69,266
Operating income	43,576,824	19,963,272	6,866,302	164,024	70,570,422
Business taxes and surcharges	(471,109)	(276,732)	(48,816)	(6)	(796,663)
General and administrative expenses	(8,753,571)	(7,648,191)	(904,959)	(10)	(17,306,731)
Impairment losses on credit	(14,894,841)	(4,142,802)	(638,582)	-	(19,676,225)
Other operating expenses	(107,341)	-	-	(9,488)	(116,829)
Operating expenses	(24,226,862)	(12,067,725)	(1,592,357)	(9,504)	(37,896,448)
Operating profit	19,349,962	7,895,547	5,273,945	154,520	32,673,974
Add: Non-operating income	-	-	-	43,823	43,823
Less: Non-operating expenses	-	-	-	(89,007)	(89,007)
Profit before tax	19,349,962	7,895,547	5,273,945	109,336	32,628,790
Other segment information:					
Depreciation and amortisation	(839,864)	(434,327)	(52,694)	(9,488)	(1,336,373)
Capital expenditure	544,106	256,552	47,383	-	848,041
	2022				
	Corporate banking	Personal banking	Treasury business	Others	Total
Segment assets	1,080,378,650	647,882,921	1,251,954,631	78,490	2,980,294,692
Segment liabilities	1,118,425,535	578,243,116	1,068,147,072	47,630	2,764,863,353
Other segment information:					
Credit commitments	449,492,644	42,691,268	-	-	492,183,912



	2021				
	Corporate banking	Personal banking	Treasury business	Others	Total
External net interest income/(expenses)	19,461,709	23,134,542	2,883,440	-	45,479,691
Inter-segment net interest income/(expenses)	10,894,191	(6,097,488)	(4,796,703)	-	-
Net interest income/(expenses)	30,355,900	17,037,054	(1,913,263)	-	45,479,691
Fee and commission income	5,720,514	1,151,047	1,318,849	-	8,190,410
Fee and commission expenses	(318,746)	(66,571)	(314,975)	-	(700,292)
Net fee and commission	5,401,768	1,084,476	1,003,874	-	7,490,118
Net investment gains	-	-	8,503,786	-	8,503,786
Other income	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	36,236,204	18,122,346	9,198,567	214,236	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	15,782,850	6,926,616	3,497,291	201,526	26,408,283
Add: Non-operating income	-	-	-	122,641	122,641
Less: Non-operating expenses	-	-	-	(55,067)	(55,067)
Profit before tax	15,782,850	6,926,616	3,497,291	269,100	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

	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

## 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.



### The Group

	31 December 2022	31 December 2021
Loan commitments		
- original contractual maturity less than 1 year	2,356,684	3,053,607
- original contractual maturity more than 1 year (inclusive)	43,059,988	28,388,771
Credit card commitments	42,691,268	30,401,879
Sub-total	88,107,940	61,844,257
Bank acceptances	297,018,679	273,094,429
Guarantees	44,315,903	38,550,118
Letters of credit	62,741,390	29,091,677
Sub-total	404,075,972	340,736,224
Total	492,183,912	402,580,481

## (2) Credit risk weighted amount

### The Group

	31 December 2022	31 December 2021
Credit risk weighted amount of credit commitments	106,480,955	104,505,565

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) Capital commitments

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

	31 December 2022	31 December 2021
Contracted for but not paid	216,761	273,461
Authorised but not contracted for	47,715	64,969

## (4) 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 2022	31 December 2021
Redemption commitments	13,646,837	14,800,355

The Group and the Bank did not have outstanding underwriting and redemption commitments at the balance sheet date.

## (5) Unresolved litigations and disputes

As at 31 December 2022, there were 34 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 RMB 179 million (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 RMB 151 million). The Group has made provision of RMB 3.36 million (31 December 2021: RMB 3.88 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 2022	31 December 2021
Entrusted loans	49,846,326	53,169,133
Entrusted funds	49,846,326	53,169,133

## 10. Risk management of financial instruments

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 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)(g).

#### *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 2022, loans and advances to customers of the Group and the Bank that have already suffered credit impairment are RMB12.43 billion and RMB12.42 billion respectively (31 December 2021: The Group and the bank were RMB14.59 billion and RMB14.57 billion respectively). Among them, the collaterals of the Group and the Bank covering such loans are RMB 4.07 billion and RMB 4.07 billion respectively (31 December 2021: The Group and the bank were RMB 6.65 billion and RMB 6.64 billion respectively).

**(b) Maximum exposure**

As at 31 December 2022, the maximum credit risk exposure of the financial instruments included in the impairment scope of the Group is set out below, sum of the book and the expected credit impairment reserve of the following financial assets is the maximum credit risk exposure of the Group with respect to these assets:

	31 December 2022	31 December 2021
Cash and deposits with central bank	140,825,652	130,993,923
Deposits with banks and other financial institutions	44,124,631	50,518,998
Placements with banks and other financial institutions	69,656,507	55,152,181
Derivative financial assets	1,708,980	2,068,083
Financial assets held under resale agreements	4,619,628	8,003,521
Loans and advances to customers	1,556,170,969	1,359,127,491
Financial investments:		
Financial investments measured at fair value through profit or loss	377,571,282	266,871,583
Financial investments measured at amortised cost	517,641,295	531,606,371
Financial investments measured at fair value through other comprehensive income	158,751,177	119,554,477
Long-term receivables	72,646,111	63,604,653
Others	5,343,201	4,452,377
Sub-total	2,949,059,433	2,591,953,658
Credit Commitments	488,998,696	400,700,882
Maximum exposure	3,438,058,129	2,992,654,540

**(c) Financial assets analysed by credit quality**

As at 31 December 2022, the Group's financial asset risk stages are divided as follows:

	As at 31 December 2022							
	Carrying amount				Provision for impairment			
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	Stage Three	Total
Financial assets measured at amortized cost								
Cash and deposits with central bank	140,825,652	-	-	140,825,652	-	-	-	-
Deposits with banks and other financial institutions	44,199,401	-	-	44,199,401	(74,770)	-	-	(74,770)
Placements with banks and other financial institutions	70,293,401	-	-	70,293,401	(636,894)	-	-	(636,894)
Financial assets held under resale agreements	4,625,961	-	-	4,625,961	(6,333)	-	-	(6,333)
Loans and advances to customers	1,375,884,675	53,555,303	17,190,954	1,446,630,932	(32,268,638)	(9,312,436)	(13,100,603)	(54,681,677)
Financial investments measured at amortised cost	512,443,837	12,712,655	6,799,513	531,956,005	(6,095,710)	(3,951,176)	(4,267,824)	(14,314,710)
Total	2,148,272,927	66,267,958	23,990,467	2,238,531,352	(39,082,345)	(13,263,612)	(17,368,427)	(69,714,384)
Financial assets measured at FVOCI								
Loans and advances to customers	163,953,336	268,378	-	164,221,714	-	-	-	-
Financial investments measured at fair value through other comprehensive income	158,383,851	50,680	316,646	158,751,177	-	-	-	-
Total	322,337,187	319,058	316,646	322,972,891	-	-	-	-
Credit Commitments	480,456,541	11,692,970	34,401	492,183,912	(2,475,979)	(688,930)	(20,307)	(3,185,216)



	As at 31 December 2021							
	Carrying amount				Provision for impairment			
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	Stage Three	Total
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)	(6,174,541)	(12,668,269)	(46,581,404)
Financial investments measured at amortised cost	518,423,912	25,221,804	4,886,088	548,531,804	(8,024,268)	(6,330,502)	(2,570,663)	(16,925,433)
Total	1,991,906,175	62,896,215	23,674,781	2,078,477,171	(36,392,893)	(12,505,043)	(15,238,932)	(64,136,868)
Financial assets measured at FVOCI								
Loans and advances to customers	120,779,449	282,733	-	121,062,182	-	-	-	-
Financial investments measured at fair value through other comprehensive income	119,017,502	50,733	486,242	119,554,477	-	-	-	-
Total	239,796,951	333,466	486,242	240,616,659	-	-	-	-
Credit Commitments	393,298,340	9,030,729	251,412	402,580,481	(1,428,280)	(328,619)	(122,700)	(1,879,599)

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 2022, the balance of impaired financial assets which has adopted simplified method amounted RMB 1.365 billion, and the impairment provision amounted RMB 650 million (As at 31 December 2021, the balance of impaired financial assets which has adopted simplified method amounted RMB 1.29 billion, and the impairment provision amounted RMB 702 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 2022	31 December 2021
Grade A to AAA	109,991,928	95,049,608
Unrated	7,701,309	18,315,219
Carrying amount	117,693,237	113,364,827

(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 2022	31 December 2021
Grade A to AAA	575,943,962	469,295,806
Lower than A	10,642,972	14,581,095
Unrated	96,159,707	176,739,193
Carrying amount	682,746,641	660,616,094



## (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, 2022, 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 2022					
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	Total
Financial assets						
Cash and deposits with central bank	3,021,501	139,548,001	-	-	-	142,569,502
Deposits and placements with banks and other financial institutions	1,423,714	61,043,503	25,716,697	25,597,224	-	113,781,138
Financial assets held under resale agreements	1,812	4,617,816	-	-	-	4,619,628
Loans and advances to customers (Note a)	6,663,236	732,688,346	525,459,866	180,593,490	110,766,031	1,556,170,969
Investments (Note b)	235,131,916	60,663,644	143,027,312	372,728,350	242,636,556	1,054,187,778
Long-term receivables (Note c)	721,160	68,202,042	1,418,187	2,105,889	198,833	72,646,111
Other financial assets	7,052,181	-	-	-	-	7,052,181
Total financial assets	254,015,520	1,066,763,352	695,622,062	581,024,953	353,601,420	2,951,027,307
Financial liabilities						
Borrowings from central bank	2,422,425	24,998,417	159,254,000	-	-	186,674,842
Deposits and placements with banks and other financial institutions	1,783,544	123,404,780	172,943,001	-	-	298,131,325
Financial liabilities held for trading	9,072,932	-	-	-	-	9,072,932
Financial assets sold under repurchase agreements	69,260	89,830,122	3,377,697	-	-	93,277,079
Deposits from customers	33,531,109	828,692,704	380,828,615	415,625,224	-	1,658,677,652
Debt securities issued	1,427,411	84,161,365	322,430,309	50,288,494	19,997,618	478,305,197
Other financial liabilities	17,432,331	91,719	276,296	677,854	240,416	18,718,616
Total financial liabilities	65,739,012	1,151,179,107	1,039,109,918	466,591,572	20,238,034	2,742,857,643
Gap between assets and liabilities	188,276,508	(84,415,755)	(343,487,856)	114,433,381	333,363,386	208,169,664

	31 December 2021					
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	Total
Financial assets						
Cash and deposits with central bank	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
Total financial assets	182,595,317	935,865,639	642,422,817	553,367,584	279,433,493	2,593,684,850
Financial liabilities						
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 liabilities held for trading	254,093	-	-	-	-	254,093
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
Total financial liabilities	50,806,319	991,817,038	915,702,657	415,329,120	27,126,285	2,400,781,419
Gap between assets and liabilities	131,788,998	(55,951,399)	(273,279,840)	138,038,464	252,307,208	192,903,431

a. For loans and advances to customers, the category “Within three months” includes overdue amounts (net of provision for impairment losses) of RMB 6.949 billion as at 31 December 2022 (31 December 2021: The balance is RMB 7.916 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 RMB 1,374 million overdue (net of provision for impairment losses) as at 31 December 2022 (2021: RMB 1,575 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 RMB 249 million overdue (net of provision for impairment losses) as at 31 December 2022 (2021: RMB 359 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 2022	31 December 2021
Change in interest rate (basis points)		
+200	2,236,989	3,608,524
-200	(3,047,426)	(4,016,702)

	Sensitivity of equity	
	31 December 2022	31 December 2021
Change in interest rate (basis points)		
+200	(6,623,373)	(5,049,614)
-200	7,192,224	5,553,722

This sensitivity analysis is based on a static interest rate risk profile of the assets and liabilities. The analysis measures only the impact of changes in interest rates within a year, as reflected by effect on annualised net interest income and equity from the repricing of the Group's assets and liabilities within a year. The analysis is based on the following assumptions:

- changes in business after balance sheet date is not taken into account, the analysis is based on the static gap at the balance sheet date;
- all assets and liabilities that reprice or are due within one year will reprice or are due at the beginning of the respective periods;
- the interest rates of deposits with central bank and demand deposits from customers remain unchanged;
- there is a parallel shift in the yield curve due to change in interest rates;
- there are no other changes to the assets or liabilities portfolio; and
- other variables (including foreign exchange rates) remain unchanged; and
- impact from interest rate movement on customers' activities, market prices and off-balance sheet items are not considered.

Based on the above assumptions, the actual changes of the Group's net interest income and equity may be different from the results of this sensitivity analysis due to fluctuations in interest rate.



## (b) Foreign currency risk

Foreign currency risk is the likelihood of a loss that may arise from adverse movements in the market currency rate. The Group's business transactions are mainly denominated in RMB. Some transactions involve US dollars, Euros or HKDs, as well as a few other currencies. The Group's exchange rate risk comprises risk arising from foreign currency exposures originated from daily treasury businesses and loans and advances to customers, deposits from customers held by the Group and transactions of currency derivative instruments which are not denominated in RMB. The Group's foreign currency risk mainly arises from mismatch of assets and liabilities denominated in foreign currency and currency derivative instruments.

The Group manages the exchange rate risk mainly by imposing limits on the transactions. Moreover, the Group manages its exchange rate risk through transactions and balances and matching foreign currency financial assets with liabilities in the same currency, and manages its foreign currency assets and liabilities portfolio and structured position using derivative instruments. The Group also conducted sensitivity analysis on foreign currency risk on a regular basis.

### (i) Foreign currency risk exposure

The Group's exchange rate exposures at the balance sheet date are as follows:

#### The Group

	31 December 2022			
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Financial assets				
Cash and deposits with central bank	138,459,743	4,092,524	17,235	142,569,502
Deposits and placements with banks and other financial institutions	100,960,250	6,399,880	6,421,008	113,781,138
Financial assets held under resale agreements	4,619,628	-	-	4,619,628
Loans and advances to customers	1,542,922,595	11,581,159	1,667,215	1,556,170,969
Investments (Note a)	987,394,951	60,931,181	5,861,646	1,054,187,778
Long-term receivables	72,646,111	-	-	72,646,111
Other financial assets	6,105,363	788,440	158,378	7,052,181
Total financial assets	2,853,108,641	83,793,184	14,125,482	2,951,027,307
Financial liabilities				
Borrowings from central bank	186,674,842	-	-	186,674,842
Deposits and placements with banks and other financial institutions	276,284,917	21,846,408	-	298,131,325
Financial liabilities held for trading	9,072,932	-	-	9,072,932
Financial assets sold under repurchase agreements	86,183,536	7,093,543	-	93,277,079
Deposits from customers	1,596,251,935	58,382,938	4,042,779	1,658,677,652
Debt securities issued	478,305,197	-	-	478,305,197
Other financial liabilities	17,787,265	415,675	515,676	18,718,616
Total financial liabilities	2,650,560,624	87,738,564	4,558,455	2,742,857,643
Net position	202,548,017	(3,945,380)	9,567,027	208,169,664
Credit commitments	454,468,176	26,874,781	7,655,739	488,998,696
Derivative financial instruments (Note b)	(2,958,322)	10,571,286	(7,708,593)	(95,629)

	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
Total financial assets	2,498,653,425	78,982,071	16,049,354	2,593,684,850
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
Total financial liabilities	2,316,107,354	75,096,201	9,577,864	2,400,781,419
Net position	182,546,071	3,885,870	6,471,490	192,903,431
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

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 2022	31 December 2021
Change in foreign currency exchange rate		
Appreciation against RMB by 5%	318,163	94,212
Depreciation against RMB by 5%	(318,163)	(94,212)

The sensitivity analysis is based on the following assumptions:

- changes in business after balance sheet date is not taken into account, the analysis is based on the static gap at the balance sheet date;
- 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);
- 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 2022							Total
	Indefinite	Overdue/ repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets								
Cash and deposits with central bank	122,499,883	20,069,619	-	-	-	-	-	142,569,502
Deposits and placements with banks and other financial institutions	-	30,535,637	12,315,681	18,779,396	26,082,471	26,067,953	-	113,781,138
Financial assets held under resale agreements	-	-	4,619,628	-	-	-	-	4,619,628
Loans and advances to customers	-	6,949,178	194,473,550	240,451,881	548,399,483	307,816,746	258,080,131	1,556,170,969
Investments (Note i)	226,474,043	1,565,818	9,648,692	32,972,152	145,243,628	388,697,823	249,585,622	1,054,187,778
Long-term receivables	-	249,428	3,035,597	5,704,428	22,436,283	39,783,159	1,437,216	72,646,111
Others financial assets	-	5,272,835	390,559	247,196	370,983	770,608	-	7,052,181
Total financial assets	348,973,926	64,642,515	224,483,707	298,155,053	742,532,848	763,136,289	509,102,969	2,951,027,307
Financial liabilities								
Borrowings from central bank	-	-	15,587,381	10,467,188	160,620,273	-	-	186,674,842
Deposits and placements with banks and other financial institutions	-	42,089,657	35,704,364	46,233,353	174,103,951	-	-	298,131,325
Financial liabilities held for trading	9,032,456	40,476	-	-	-	-	-	9,072,932
Financial assets sold under repurchase agreements	-	-	84,539,124	5,340,364	3,397,591	-	-	93,277,079
Deposits from customers	-	495,881,367	192,559,811	146,999,435	389,780,000	433,457,039	-	1,658,677,652
Debt securities issued	-	-	22,961,293	41,486,013	323,212,110	70,648,163	19,997,618	478,305,197
Other financial liabilities	-	7,372,585	537,904	1,915,196	6,837,107	1,490,354	565,470	18,718,616
Total financial liabilities	9,032,456	545,384,085	351,889,877	252,441,549	1,057,951,032	505,595,556	20,563,088	2,742,857,643
Net position	339,941,470	(480,741,570)	(127,406,170)	45,713,504	(315,418,184)	257,540,733	488,539,881	208,169,664
Notional amount of derivative financial instruments	-	-	81,979,199	116,642,307	159,045,075	37,139,964	-	394,806,545

	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	More than 5 years	
Financial assets								
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	233,758,804	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	208,060,695	918,249,369
Long-term receivables	-	295,214	2,174,267	4,770,658	17,655,458	37,813,339	895,717	63,604,653
Others financial assets	-	4,202,611	551,443	454,685	533,575	778,146	-	6,520,460
Total financial assets	274,160,357	65,159,101	225,521,029	260,762,342	661,327,525	664,039,280	442,715,216	2,593,684,850
Financial liabilities								
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	7,001,294	1,478,812,360
Debt securities issued	-	-	5,683,110	59,739,192	312,411,155	34,929,760	19,997,734	432,760,951
Other financial liabilities	-	6,069,060	615,804	877,149	3,513,008	5,697,564	452,958	17,225,543
Total financial liabilities	-	560,518,352	219,024,895	226,860,015	931,360,862	435,565,309	27,451,986	2,400,781,419
Net position	274,160,357	(495,359,251)	6,496,134	33,902,327	(270,033,337)	228,473,971	415,263,230	192,903,431
Notional amount of derivative financial instruments	-	-	137,871,170	146,021,814	185,832,612	41,053,486	-	510,779,082

(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 2022								
	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	186,674,842	189,121,968	-	-	15,177,105	10,508,420	163,436,443	-	-
Deposits and placements from banks and other financial institutions	298,131,325	302,444,102	-	42,089,657	36,346,303	47,312,997	176,695,145	-	-
Financial liabilities held for trading	9,072,932	9,072,932	9,032,456	40,476	-	-	-	-	-
Financial assets sold under repurchase agreements	93,277,079	93,433,079	-	-	84,559,895	5,374,303	3,498,881	-	-
Deposits from customers	1,658,677,652	1,673,468,829	-	495,881,367	193,285,732	147,504,813	394,047,893	442,749,024	-
Debt securities issued	478,305,197	494,945,293	-	-	22,980,000	41,856,430	329,149,000	79,287,863	21,672,000
Other financial liabilities	16,914,007	17,020,607	-	7,372,585	353,555	1,467,145	6,364,776	875,279	587,267
Total non-derivative liabilities	2,741,053,034	2,779,506,810	9,032,456	545,384,085	352,702,590	254,024,108	1,073,192,138	522,912,166	22,259,267
Derivative financial instruments									
Derivative financial instruments settled on gross basis of which		(109,937)	-	-	22,579	(37,956)	(117,957)	23,397	-
- Total inflow		54,319,685	-	-	15,225,181	10,602,643	20,699,953	7,791,908	-
- Total outflow		(54,429,622)	-	-	(15,202,602)	(10,640,599)	(20,817,910)	(7,768,511)	-
Derivative financial instruments settled on net basis		14,308	-	-	180,932	(168,417)	(1,915)	3,708	-
Total derivative financial instruments		(95,629)	-	-	203,511	(206,373)	(119,872)	27,105	-
Credit commitments		492,183,912	-	53,011,845	83,247,897	85,738,850	197,703,729	57,679,379	14,802,212
	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
Total non-derivative liabilities	2,398,963,011	2,441,361,162	-	560,518,352	219,151,822	227,898,352	946,820,505	455,626,423	31,345,708
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)	-
Total derivative financial instruments		301,011	-	-	39,860	109,184	52,904	99,063	-
Credit commitments		402,580,481	-	41,157,206	58,696,882	86,383,929	170,351,965	34,800,770	11,189,729



#### (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 2022, 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 2022			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Assets				
Derivative financial assets	-	1,705,761	3,219	1,708,980
Loans and advance	-	150,673,552	13,548,162	164,221,714
Financial investments measured at FVTPL				
- Fund investments	119,214,495	76,665,625	-	195,880,120
- Debt instruments	-	113,677,522	-	113,677,522
- Wealth management product investments	29,137	595,188	22,400,073	23,024,398
- Asset management and trust fund	-	-	10,814,947	10,814,947
- Asset-backed securities	-	4,531,313	-	4,531,313
- Equity investments	238,952	-	99,204	338,156
- Other investments	-	29,304,826	-	29,304,826
Financial investments measured at FVOCI				
- Debt instruments	-	152,167,348	316,646	152,483,994
- Asset-backed securities	-	6,267,183	-	6,267,183
Financial investments designated at FVOCI				
- Equity investments	-	-	224,024	224,024
Total assets measured at fair value on a recurring basis	119,482,584	535,588,318	47,406,275	702,477,177
Liabilities				
Derivative financial liabilities	-	1,804,609	-	1,804,609
Financial liabilities held for trading	3,998,718	5,074,214	-	9,072,932
Total liabilities measured at fair value on a recurring basis	3,998,718	6,878,823	-	10,877,541
	31 December 2021			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
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				
- Debt instruments	73,383,038	70,845,579	-	144,228,617
- Fund investments	-	75,026,466	-	75,026,466
- Wealth management 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	-	118,331,170	486,242	118,817,412
- Asset-backed securities	-	737,065	-	737,065
- Other investments	-	-	-	-
Financial investments designated at FVOCI	-	-	216,938	216,938
- Equity investments	-	2,045,734	22,349	2,068,083
Total assets measured at fair value on a recurring basis	73,740,641	407,399,882	28,632,740	509,773,263
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	254,093	1,818,408	-	2,072,501

**(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 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. The fair value of discounted bills is determined by discounted cash flow model, key parameters applied in discounted cash flow model involved relevant yield curve. The relevant yield curve adopted observable input values reflecting market conditions in the process of forming quotations.

**(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:

	<i>Fair value at 31 December 2022</i>	<i>Valuations technique</i>	<i>Unobservable inputs</i>	<i>Range/value</i>
Net worth Wealth management products	22,400,073	Refer to trading market laws	Not Applicable	Not Applicable
Bill discounting	13,548,162	Discounted cash flow method	Risk-adjusted discount rate	[0.44%, 1.15%]
Active Asset management plan and trust fund	7,104,715	Refer to trading market laws	Not Applicable	Not Applicable
Fixed term Asset management plan and trust fund	3,710,232	Discounted cash flow method	Risk-adjusted discount rate	[4.30%, 5.94%]
Unlisted equity investments	323,228	Guideline listed Company Method	Liquidity discount	20%
Debt instruments	316,646	Cost Method	Risk-adjusted discount rate	Not Applicable
Over-the-counter total return swap	3,219	Discounted cash flow method	Risk-adjusted discount rate	[1.70%, 2.10%]

	<i>Fair value at 31 December 2021</i>	<i>Valuations technique</i>	<i>Unobservable inputs</i>	<i>Range/value</i>
Wealth management products	21,615,845	Refer to trading market laws	Not Applicable	Not Applicable
Expected Return-Based Wealth Management Products	4,837,035	Discounted cash flow method	Risk-adjusted discount rate	4.9%
Fixed term Asset management plan and trust fund	986,353	Discounted cash flow method	Risk-adjusted discount rate	[4.40%, 5.94%]
Debt instruments	486,242	Cost Method	Not Applicable	Not Applicable
Bill discounting	359,542	Discounted cash flow method	Liquidity discount	[0.48%, 2.20%]
Unlisted equity investments	325,374	Guideline listed Company Method	Risk-adjusted discount rate	20%
Over-the-counter total return swap	22,349	Discounted cash flow method	Risk-adjusted discount rate	[0.70%, 2.11%]

Valuation of the Group's expected return wealth management products, asset management plan and trust plan, bill discounting, and Over-the-counter total return 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 December 31, 2022 and December 31, 2021, replacing the original unobservable inputs in the model with other reasonable non-observable inputs has no significant impact on fair value measurement results.

The above assumptions and methodologies provide a uniform basis for calculating the fair value of the Group's assets and liabilities, however, as other institutions may use different methods and assumptions, the fair values disclosed by financial institutions may not be fully comparable.

Reconciliation of the opening and closing balance for assets of level 3 fair value on a recurring basis is as follows:

#### The Group

#### 2022

	As at January 2022	Total gains and losses during the year		Additions and settlements		As at December 2022	For asset held and liabilities at the end of the year, unrealized gains or losses recognised in profit or loss
		Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
Assets							
Derivative financial assets							
- Interest rate derivative instruments	22,349	(3,713)	-	-	(15,417)	3,219	(3,713)
Loans and advance							
- Bill Discounting	359,542	91,782	15,888	19,447,575	(6,366,625)	13,548,162	-
Financial investments measured at FVTPL							
- Wealth management product investments	26,452,880	683,625	-	84,629,200	(89,365,632)	22,400,073	56,124
- Asset management and trust fund	986,353	860,828	-	72,038,567	(63,070,801)	10,814,947	2,947
- Equity investments	108,436	(7,431)	-	-	(1,801)	99,204	(9,231)
Other financial investments measured at amortised cost							
- Debt investment	486,242	-	-	-	(169,596)	316,646	-
Financial investments designated at FVOCI							
- Equity investments	216,938	-	7,086	-	-	224,024	-
Total	28,632,740	1,625,091	22,974	176,115,342	(158,989,872)	47,406,275	46,127

#### 2021

	As at January 2021	Total gains and losses during the year		Additions and settlements		As at December 2021	For asset held and liabilities at the end of the year, unrealized gains or losses recognised in profit or loss
		Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
Assets							
Derivative financial assets							
- Interest rate derivative instruments	21,947	9,320	-	-	(8,918)	22,349	9,320
Loans and advance							
- Bill Discounting	1,238,604	11,300	896	406,832	(1,298,090)	359,542	-
Financial investments measured at FVTPL							
- Wealth management 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	-
Other financial investments measured at amortised cost							
- Debt investment	137,887	-	348,355	-	-	486,242	-
Financial investments designated at FVOCI							
- Equity investments	194,970	-	21,968	-	-	216,938	-
Total	52,293,409	1,888,158	371,219	318,646,433	(344,566,479)	28,632,740	389,783

Details of the above gains or losses charged to profit or loss recognised by the Group in 2022 and 2021 are as follows:

	2022	2021
Realised gains or losses recognised in profit or loss during the year		
- Interest income	91,782	11,300
- investment income	1,487,182	1,487,075
Unrealised gains or losses recognised in profit or loss during the year		
- Net losses on changes in fair value	46,127	389,783
Gains or losses recognised in other comprehensive income		
- Changes in fair value of loans and advances to customers measured at FVOCI	15,888	896
- Changes in fair value of financial investments designated at FVOCI	7,086	21,968

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 total return 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 2022 and 31 December 2021.

	31 December 2022			
	Level 2	Level 3	Fair value	Carrying amount
Financial assets				
Financial investments measured at amortised cost	447,749,587	75,963,713	523,713,300	517,641,295
Financial liabilities				
Debt securities issued	479,300,126	-	479,300,126	478,305,197
	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

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 2022	31 December 2021
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" )		5.88%	5.63%
Wuxi Construction and Development Investment Co., Ltd.		4.81%	4.81%
Jiangsu Broadcasting Corporation		3.06%	3.05%
Suzhou International Development Group Co., Ltd.		2.38%	2.38%
Yangzhou Modern Financial Investment Group Co., Ltd.		0.52%	0.49%

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.

### (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:

	Jiangsu Trust and its subsidiaries	Phoenix Group and its subsidiaries	Huatai Securities and its subsidiaries	Company of the key management personnel (Note i) (excluding the above shareholders)	Others	Total	Percentage of associated transaction amount /balances
Significant transactions amount in 2022:							
Interest income	15,414	-	22,358	388,507	10,644	436,923	0.38%
Interest expense	(2,875)	(80,785)	(10,605)	(258,830)	(6,007)	(359,102)	0.57%
Fee and commission income	111	74	1	3,379	10	3,575	0.05%
Fee and commission expense	-	-	(1)	-	-	(1)	0.01%
Investment income	-	-	-	14,599	-	14,599	0.14%
Net gains on changes of fair value	-	-	(4,826)	(25,542)	-	(30,368)	(20.45%)
General and administrative expenses	-	(956)	-	(14,991)	-	(15,947)	0.09%
Issuance expenses paid	-	-	(548)	-	-	(548)	Not applicable
The balances of transactions with related parties as at 31 December 2022							
Deposits with banks and other financial institutions	-	-	-	1,602,684	-	1,602,684	3.63%
Placement with banks and other financial institutes	300,107	-	500,143	2,303,129	-	3,103,379	4.41%
Derivative financial assets	-	-	-	2,018	-	2,018	0.12%
Financial assets held under resale agreements	-	-	-	250,216	-	250,216	5.41%
Loans and advances to customers	10,013	-	-	10,988,899	247,985	11,246,897	0.70%
Financial investments measured at fair value through profit or loss	-	-	-	2,993,787	-	2,993,787	0.79%
Financial investments measured at amortised cost	342,053	-	-	664,607	-	1,006,660	0.19%
Financial investments measured at fair value through other	-	-	230,406	1,574,184	-	1,804,590	1.14%
Deposits from banks and other financial institutions	(8,985)	(8)	(1,709,239)	(7,296,039)	-	(9,014,271)	4.60%
Borrowings from banks and other financial institutions	-	-	-	(1,009,778)	-	(1,009,778)	0.99%
Derivative financial liabilities	-	-	-	(8,408)	-	(8,408)	0.47%
Deposits from customers	(3,540)	(1,117,440)	(146,762)	(6,198,467)	(430,815)	(7,897,024)	0.48%

	<i>Jiangsul Trust and its subsidiaries</i>	<i>Phoenix Group and its subsidiaries</i>	<i>Huatai Securities and its subsidiaries</i>	<i>Company of the key management personnel (Note i) (excluding the above shareholders)</i>	<i>Others</i>	<i>Total</i>	<i>Percentage of associated transaction amount /balances</i>
Significant off-balance sheet items as at 31 December 2022							
Credit card commitments	-	-	-	-	93,151	93,151	0.22%
Bank acceptances	22,115	13,629	-	14,324	-	50,068	0.02%
Letter of guarantee	-	-	-	4,554,085	-	4,554,085	10.28%
Letters of credit	147,840	-	-	295,463	-	443,303	0.71%
Entrusted loans	-	-	-	174,000	-	174,000	0.35%
Credit line	822,128	13,629	730,549	23,638,694	341,136	25,546,136	Not applicable

	<i>Jiangsul Trust and its subsidiaries</i>	<i>Phoenix Group and its subsidiaries</i>	<i>Huatai Securities and its subsidiaries</i>	<i>Company of the key management personnel (Note i) (excluding the above shareholders)</i>	<i>Others</i>	<i>Total</i>	<i>Percentage of associated transaction amount /balances</i>
Significant transactions amount in 2021:							
Interest income	31,110	3,169	21,178	294,632	10,099	360,188	0.34%
Interest expense	(6,969)	(52,590)	(7,945)	(292,603)	(5,714)	(365,821)	0.62%
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

	<i>Jiangsul Trust and its subsidiaries</i>	<i>Phoenix Group and its subsidiaries</i>	<i>Huatai Securities and its subsidiaries</i>	<i>Company of the key management personnel (Note i) (excluding the above shareholders)</i>	<i>Others</i>	<i>Total</i>	<i>Percentage of associated transaction amount /balances</i>
The balances of transactions with related parties as at 31 December 2021:							
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%
Derivative financial assets	-	-	-	2,828	-	2,828	0.14%
Financial assets held under resale agreements	-	-	600,247	100,022	-	700,269	8.69%
Loans and advances to customers	-	70,101	-	8,385,571	229,668	8,685,340	0.62%
Financial investments measured at fair value through profit or loss	-	-	126,541	1,742,372	-	1,868,913	0.70%
Financial investments measured at amortised cost	606,392	-	-	243,951	-	850,343	0.16%
Financial investments measured at fair value through other	-	-	-	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	-	(300,383)	-	-	-	(300,383)	0.42%
Derivative financial liabilities	-	-	-	(11,378)	-	(11,378)	0.63%
Deposits from customers	(202)	(1,786,235)	(22,539)	(5,146,947)	(269,682)	(7,225,605)	0.49%



	Jiangsul Trust and its subsidiaries	Phoenix Group and its subsidiaries	Huatai Securities and its subsidiaries	Company of the key management personnel (Note i) (excluding the above shareholders)	Others	Total	Percentage of associated transaction amount /balances
Significant off-balance sheet items as at 31 December 2021:							
	-	-	-	1,094,700	-	1,094,700	3.48%
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

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:

	2022	2021
Payment for remuneration of key management personnel	27,798	25,018

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 2022 and 2021.

### (4) Transactions with subsidiaries

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

	2022	2021
Interest income	357,019	220,837
Interest expense	(8,457)	(3,790)
Fee and commission income	5,835	3
Other operating incomes	4,119	4,119
Investment income	108	290
Net gains/losses from changes in fair value	13	197

Significant balances with subsidiaries during the reporting period:

	31 December 2022	31 December 2021
Deposits with banks and other financial institutions	105,279	175,217
Placements with banks and other financial institutions	13,770,452	11,140,379
Loans and advances to customers	456,337	-
Financial investments measured at fair value through profit or loss	-	10,204
Debt investments	305,760	308,520
Other assets	1,608	22,850
Deposits from banks and other financial institutions	(1,511,315)	(842,907)
Deposits from customers	(1,329)	-



The main off-balance sheet items between the Bank and its subsidiaries at the end of the reporting period are as follows:

	31 December 2022	31 December 2021
Letters of credit	2,060,000	-

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 2022, there was no significant related party transactions between the Bank and related parties (2021: Nil).

The significant related party transaction refers to a single transaction conducted between the Bank and a related party accounts for more than 1% of the net capital of the Bank, or the total balance with the related party accounts for more than 5% of the Bank's net capital after the transaction.

### 13. Capital management

The Group's capital management includes capital adequacy ratio management, capital financing management and economic capital management, of which the primary focus is on capital adequacy ratio management. The capital adequacy ratio of commercial banks should meet the Regulation Governing Capital of Commercial Banks (Provisional). The Group calculates the capital adequacy ratio in accordance with guidelines issued by the former CBRC. The capital of the Group is divided into core tier one capital, other tier one capital and tier two capital.

Capital adequacy ratio management is the core of the capital management of the Group. The capital adequacy ratio reflects the soundness of the Group's operations and risk resisting capabilities. The main objective in capital adequacy ratio management is to set an optimal capital adequacy ratio that meets the regulatory requirements by benchmarking against the capital adequacy ratio level of leading global banks with reference to the Group's business environment and conditions. The Group considers its strategic development plans, business expansion plans and risk variable trends when conducting scenario analysis and stress testing and executing other measures to forecast, plan and manage its capital adequacy ratio.

#### Capital allocation

The Group determines the allocation of its capital to businesses or activities with the objective of maximising the return on risk-adjusted capital. The Group's policies in respect of capital management and allocation are reviewed regularly by the board of directors.

The amount of capital allocated to each business or activity is primarily determined based on regulatory requirements. However, in certain cases, regulatory requirements may not accurately address the varying degree of risks associated with different activities. In such cases, capital may be adjusted to an appropriate level to reflect the risk profiles. The Planning and Finance Department is responsible for the entire capital allocation process.

The adequacy ratio of core tier one capital, the adequacy ratio of tier one capital and the capital adequacy ratio calculated in accordance with Administrative Measures on Capital of Commercial Banks (For Trial Implementation) and other related laws and regulations are as follows:



### The Group

	31 December 2022	31 December 2021
Adequacy ratio of core tier one capital	8.79%	8.78%
Adequacy ratio of tier one capital	10.87%	11.07%
Capital adequacy ratio	13.07%	13.38%
Constituent parts of capital		
Core tier one capital:		
- Share capital	14,769,657	14,769,629
- Capital reserve which may be included	27,699,781	27,699,613
- Surplus reserve	26,519,192	22,786,262
- General risk reserve	42,027,725	37,215,107
- Retained earnings	53,859,863	44,727,274
- The portion of minority shareholders' capital which may be included	3,612,667	2,922,221
- Others	3,781,754	5,054,435
Total core tier one capital	172,270,639	155,174,541
Adjustments:		
- Other intangible assets excluding right to use land (deferred tax liabilities deducted)	(75,027)	(63,154)
- Deductible amount in deferred tax assets that rely on future profitability	(423,213)	-
Total adjustments	(498,240)	(63,154)
Net core tier one capital	171,772,399	155,111,387
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	481,689	389,630
Total other tier one capital	40,456,447	40,364,388
Net tier one capital	212,228,846	195,475,775
Tier two capital:		
- Tier two capital instruments and their premium	20,000,000	20,000,000
- Extra loan impairment provision	22,044,107	20,190,562
- The portion of minority shareholders' capital which may be included	963,378	779,259
Net tier two capital	43,007,485	40,969,821
Net capital	255,236,331	236,445,596
Total risk weighted assets	1,953,237,519	1,766,603,079

## 14. Subsequent events

The profit appropriation plan for the year ended 31 December 2022 was approved by the Bank's Board of Directors on 25-04-2023 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	2022	2021
Gains on disposal of non-current assets		69,266	128,972
Government grants		568,228	336,872
Other losses meeting the definition of non-recurring gain or loss		(45,184)	67,574
Net non-recurring gain	(i)	592,310	533,418
Tax impact on the above items		(159,952)	(130,023)
Total		432,358	403,395
Including:			
Non-recurring gain or loss attributable to shareholders of the Bank		428,537	400,183
Non-recurring gain or loss attributable to non-controlling interests		3,821	3,212

(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	
	2022	2021	2022	2021	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Bank	14.79	12.60	1.60	1.21	1.36	1.05
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	14.52	12.32	1.57	1.18	1.34	1.03

##### (1) Calculation of earnings per share

###### (a) Basic earnings per share

For details of calculation of basic earnings per share, refer to Note 5(40).

###### (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

	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Bank	23,585,993	17,894,365
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(428,537)	(400,183)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	23,157,456	17,494,182
Weighted average issued ordinary shares (in thousands)	14,769,642	14,769,617
Basic earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.57	1.18

### (c) Diluted earnings per share

For details of calculation of diluted earnings per share, refer to Note 5(40).

### (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

	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	24,440,003	18,712,792
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(428,537)	(400,183)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss (diluted)	24,011,466	18,312,609
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	17,909,224	17,759,050
Diluted earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.34	1.03

## (2) Calculation of return on weighted average equity

### (a) Return on weighted average equity

The return on weighted average equity of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank by the weighted average consolidated equity attributable to ordinary shareholders of the Bank.:

### The Group

	Note	2022	2021
Consolidated net profit attributable to shareholders of the Bank		23,585,993	17,894,365
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	(i)	159,470,503	141,980,804
Return on weighted average equity		14.79%	12.60%

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

	2022	2021
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the beginning of the year	152,252,320	135,275,120
Effect of consolidated comprehensive income attributable to ordinary shareholders of the Bank	11,156,668	9,428,121
Other effect of attributable to ordinary shareholders of the Bank	(3,938,485)	(2,722,437)
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the end of the year	159,470,503	141,980,804

**(b) Return on weighted average equity deducted by non-recurring gain or loss**

The return on weighted average equity deducted by non-recurring gain or loss of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gain or loss by the weighted average consolidated equity attributable to ordinary shareholders of the Bank.

*The Group*

	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	23,157,456	17,494,182
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	159,470,503	141,980,804
Return on weighted average equity deducted by non-recurring gain or loss	14.52%	12.32%

**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)).



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