



江苏银行

BANK OF JIANGSU

融 你 我 融 无 限

“融
你
我 融
无限”



BANK OF JIANGSU CO., LTD.
Annual Report 2014



江苏银行
BANK OF JIANGSU

融 你 我 融 无 限



Important Notice

I. Board of Directors, Board of Supervisors as well as directors, supervisors and senior management executives of the Company warrant that there are no false representations or misleading statements contained in this report and there is no great omission, and severally and jointly take responsibility for authenticity, accuracy and completeness of the information contained in this report.

II. This report was been reviewed and approved in the tenth meeting of the Third Board of Directors on March 26, 2015.

III. Except as otherwise noted, financial data and indexes set forth in this annual report are consolidated financial data of Bank of Jiangsu, Co., Ltd. and its holding subsidiary, Jiangsu Danyang Baode Rural Bank Co., Ltd.

IV. Annual financial report of the Company was audited by BDO China Shu Lun Pan Certified Accountants LLP, and the auditor issued an unqualified opinion.

XIA Ping, Chairman of Board of Directors, ZHU Qilong, leading accountant, and LUO Feng, director of accounting department, warrant the authenticity, accuracy and integrity of financial report in this annual report.



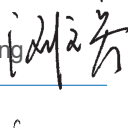
Signatures of Directors:


XIA Ping 

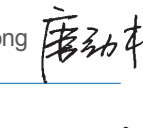
ZHU Dashu 

ZHU Qilong 

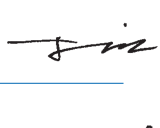
JIANG Kai 

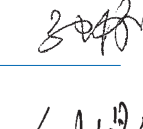
WANG Weihong 

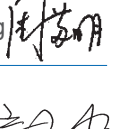
JIANG Jian 

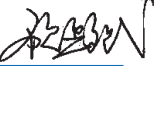
TANG Jingsong 

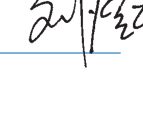
SHEN Bin 

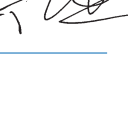
DU Wenyi 

ZHANG Qu 

ZHOU Suming 

GU Yingbin 

LIU Yuhui 

YAN Yan 



Message from the Chairman

2014 was a year with complex and changing international environment and "new normal" Chinese economy. Under wise leading of Jiangsu Provincial Party Committee and Provincial Government, supervision of supervision department, support of all shareholders and all sectors of the society, the Bank of Jiangsu made great business performance by promoting strategy transformation, reform and innovation. By the end of the report period, the total assets had reached RMB1,038.3 billion, an increase of 36%; total deposits had reached RMB681.3 billion, an increase of 14.2%; and the total loan had reached RMB488.5 billion, an increase of 18.7%. In the whole year, the Bank of Jiangsu realized RMB8,699 million of total net profit after tax, a year-on-year increase of 6.1%, and had major supervision indexes be maintained at a good level. Among top 1,000 banks selected by The Banker, a UK magazine, in the world, the Company ranked the 153rd in 2014, increased by 26 over the previous year; besides, the Company had business scale ranking the 18th in domestic banks in China and the 3rd in city commercial banks. Moreover, the Bank was successively granted the titles of "The City Commercial Bank with the Highest Brand Value in China in 2014", "The City Commercial Bank with the Best Wealth Management in 2014", "The Most Influential Regional Bank in 2014", etc.

In 2014, the Board of Directors of the Bank kept focusing on market changes and insisted in adhering to the values of "market view, benchmarking view, benefit view, period view and team view" and observing the transformation policies of "characteristic development, inherent growth and being innovation-driven". With the "nail spirit" and by adjusting structure, building characteristic image and controlling risk, members of the Board of Directors worked scrupulously to fulfill duties and made timely, prudent and scientific decisions on important issues of the Bank, ensuring sound development of all businesses.

We seized the market opportunity to issue the Tier II capital debenture, laying solid capital foundation for the bank development. Under approval of China Banking Regulatory Commission, the Bank prepared to establish financial leasing company, which represented the start of comprehensive bank operation. Keeping pace with Internet finance development, non-store banking and Internet investment and financial businesses were launched and showed rapid development.

The past year witnessed severe challenges encountered by the banking industry in risk management. The Board of Directors attached great importance in risk prevention and control, approved many risk management policies and strengthened supervision and inspection in risk management. The Bank developed and implemented multiple risk management system and made great efforts in realizing full coverage of risk management. Continuous efforts were made in deepening risk management system reform and improving risk management system. Through comprehensive planning and frame design, soundness and systematicness of internal control system are ensured.

The Bank positively fulfilled the social responsibilities and was dedicated to promoting harmonious and sustainable development of economy, society and environment. Loan granted to small and micro businesses continued to rank the first among the same industry in Jiangsu and "Jiangsu loan for science and technology" supporting scientific and technological businesses occupied more than 90% market share. Moreover, the financing project for energy conservation and emission reduction implemented with IFC and energy efficiency loan sharing project of the World Bank in Jiangsu both won the honor of "Project with the highest social and economic performances".

The Board of Directors earnestly implemented the national policies and supervision requirements, vigorously promoted the corporation governance and building, and further amended and improved the Articles of Association and other institutional systems. Furthermore, the Bank further strengthened strategic management and control, made the new five-year development plan, and determined four strategies of "specialization, intellectualization, integration and internationalization". New Board of Directors and Board of Supervisors are elected in accordance with laws and regulations.

In 2015, the international and domestic environments are still complex and changing. The world economy is slowly recovering, while the domestic economy is undergoing strategic adjustment in development mode and structure. Adhering to the objective of being a first-class commercial bank, the Bank of Jiangsu will adapt to all changes and the deepened national reform and opening-up, enhance the development confidence, keep the force in strategic development, highlight characteristics, strengthen risk control and promote strategic transformation, thereby to require trust and support of the shareholders and all sectors of the society with good performance.

Chairman of the Board of Directors of Bank of Jiangsu



Table of Contents

	08 / Company Profile
	10 / Accounting Data and Business Data Summary
	14 / Management Discussion and Analysis
	35 / Shareholders and Share Capital
	38 / Directors, Supervisors, Senior Management Executives and Employees
	48 / Corporate Governance Structure and Mechanism



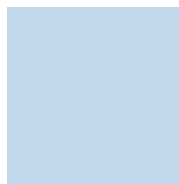
 **57 /** General Meeting of Shareholders

 **59 /** Report of the Board of Directors

 **66 /** Report of the Board of Supervisors

 **72 /** Significant Issues

 **76 /** Financial Report and Documents for Reference





@上银行 www.jsbchina.cn
www.Jsbchina.Cn

江苏银行网上银行
安全, 更安心!

网上理财, 您可安心享受!
江苏银行网上银行, 为您打造可靠的网上金融服务平台, 账户管理、转账汇款、网上支付.....功能强大, 你可自由畅享。

客服热线: 95319 www.jsbchina.cn

▶ Registered name in Chinese: 江苏银行股份有限公司

Registered name in English: BANK OF JIANGSU CO., LTD.(i.e., "Bank of Jiangsu", hereinafter referred to as "the Company" or "our Company")

▶ Legal representative: XIA Ping

▶ Secretary of the Board of Directors: ZHU Qilong

Telephone number of the Board of Directors Office: 025-58587122

Fax number of the Board of Directors Office: 025-58588273

▶ Registered address and office address: No. 55, Hongwu North Road, Nanjing, Jiangsu, China.

Post Code: 210005

▶ Other related information

First registration date: January 22, 2007

First registration address: No. 55, Hongwu North Road, Nanjing, Jiangsu, China.

First registration query index: Website of General Administration for Industry and Commerce of People's Republic of China (www.saic.gov.cn)

Corporate Business License Serial Number: 320000000022189

Tax Registration No.: S.G.S.Z.Z. No. 320000796544598

S.D.S.D.Z. No. 320002796544598

Internet website (Information disclosure website): <http://www.jsbchina.cn>

Email: dshbgs@jsbchina.cn

Preparation place of the Annual Report: The Company's Office of Board of Directors

Auditing Firm: BDO China Shu Lun Pan Certified Accountants LLP

Office address: 4/F, New Huangpu Financial Plaza, No. 61, Nanjing East Road, Huangpu District, Shanghai

Other information: The report is prepared in both Chinese and English; in case of any ambiguity between the Chinese and English versions, the former shall prevail.



**更懂你的
手机银行**

新界面 新内容 心生活

二维码

FREE

手续费全免

❤ 扁平开放菜单，极致体验 ❤ 特色最爱功能，个性定制 ❤ 生活优惠活动，丰富多彩

客服热线：95319 www.jsbchina.cn

I. Major accounting data and financial indexes in reporting period

Unit: RMB1,000

Item	2014	2013	2012
Assets and liabilities			
Total assets	1,038,309,050	763,652,173	650,328,811
Loan and advance issued	488,511,845	411,690,610	352,962,693
Including: Corporate loan and advance	356,950,074	318,957,667	288,115,068
Personal loan and advance	73,896,378	60,038,479	40,287,869
Discount	57,665,393	32,694,464	24,559,756
Loan loss reserves	13,148,296	10,617,343	9,402,705
Total lending funds	8,595,168	6,505,595	13,897,973
Total liabilities	982,243,964	715,757,045	616,059,940
Deposit taking	681,297,329	596,553,924	532,719,530
Including: Corporate deposit	403,231,280	365,990,961	316,668,879
Personal deposit	134,542,734	123,808,106	101,187,397
Total inter-bank lending	2,243,325	6,695,748	16,597,927
Shareholders' equity (excluding minority shareholders' equity)	55,935,208	47,763,497	34,151,101
Profits and losses			
Business income	25,325,842	22,325,709	19,842,450
Business profit	11,375,594	10,879,846	9,542,334
Net interest income	22,338,619	19,817,785	17,644,832
Net income in fees and commissions	2,802,284	2,382,976	1,708,024
Investment income	34,012	22,105	377,419
Net amount of non-business income and expense	39,042	162,380	103,218
Total profit	11,414,636	11,042,226	9,645,552
Net profit	8,699,124	8,199,363	7,048,474
Net profit net of non-recurring profits and losses	8,659,567	8,058,094	6,951,604
Cash flow			
Net cash flows from operating activities	175,461,820	47,970,742	59,510,620
Net increase in cash and cash equivalents	20,578,365	29,230,074	19,097,333
Value per share (RMB/share)			
Basic earnings per share (EPS)	0.84	0.86	0.77
Basic earnings per share net of non-recurring profits and losses (RMB)	0.83	0.85	0.76
Total equity attributable to shareholders of the Bank Per share	5.38	4.60	3.75
Net cash flows per share from operating activities	16.89	5.03	6.54
Net cash flows per share	1.98	3.07	2.10
Profitability (%)			
Return on total assets	0.97	1.16	1.21
Net assets income rate	16.74	19.96	22.71
Net assets income rate net of non-recurring gains and losses	16.66	19.61	22.40
Weighted average net assets income rate	16.76	21.69	22.72
Weighted average net assets income rate net of non-recurring gains and losses	16.71	21.36	22.44

Non-recurring profits and losses and amounts

Unit: RMB1,000

Item	2014	2013	2012
Profits and losses in disposing illiquid assets, including the write-off of allotted asset impairment reserves	22,567	109,020	42,230
Government subsidy included in current profit and loss, excluding that closely related to normal operation business of the Company, complying with national policies and being enjoyed continuously according to certain standard quota.	25,892	53,396	62,783
Non-business income and expense other than above items	-9,417	-36	-1,795
Minus: Influence number of income tax	13,662	34,972	15,349
Influence number of non-recurring profit and loss attributable to the parent company	25,380	127,408	87,869

II. Supplementary financial index as at the end of the reporting period

Unit: %

Items	Statistical caliber	Benchmark	2014	2013	2012
Liquidity ratio	RMB		50.99	40.19	49.97
	Foreign currency		60.49	59.29	106.23
	RMB and foreign currency	≥25	51.34	40.77	51.49
Loan-to-deposit ratio	RMB	≤75	72.81	69.15	65.72
	Foreign currency	≤85	45.67	69.72	66.85
	RMB and foreign currency	≤75	71.30	69.01	66.26
Proportion of borrowed funds	Borrowing funds proportion	≤4	0.33	1.12	3.12
	Lending funds proportion	≤8	1.26	1.09	2.61
Proportion of non-performing loan		≤5	1.30	1.15	1.01
Loan concentration ratio of the largest single borrower		≤10	2.19	2.65	2.35
Loan concentration ratio of the largest 10 borrowers		≤50	15.44	16.64	16.26
Provision coverage ratio		≥150	207.00	224.57	263.73
Revenue-cost ratio		≤35	29.57	32.29	33.41

III. Provision of loan loss reserve in reporting period

Unit: RMB1,000

Item	2014	2013	2012
Balance at the beginning of the period	10,617,343	9,402,705	7,410,489
Provision in current period	4,525,677	2,645,289	2,282,326
Writing-off and disposal in current period	-1,938,776	-1,330,349	-258,315
Turning back	-55,948	-100,302	-31,795
Balance at end of the period	13,148,296	10,617,343	9,402,705

VI. Capital composition and capital adequacy ratio

1. As per requirements of Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) enacted by China Banking Regulatory Commission on January 1, 2013, commercial bank shall have core tier one capital adequacy ratio no less than 7.5%, tier one capital adequacy ratio no less than 8.5% and capital adequacy ratio no less than 10.5%. The following information is disclosed by the Company according to relevant provisions:

Unit: RMB1,000

Item	2014	2013
Net core tier one capital	55,966,339	47,840,524
Net tier one capital	55,968,208	47,841,666
Tier two capital	21,811,429	10,751,277
Net capital	77,779,637	58,592,943
Risk-weighted asset	635,386,113	502,251,417
Core tier one capital adequacy ratio	8.81%	9.53%
Tier one capital adequacy ratio	8.81%	9.53%
Capital adequacy ratio	12.24%	11.67%

2. The Company disclosed the capital composition and capital adequacy ratio from 2012 to 2014 according to Measures for the Management of Capital Adequacy Ratios of Commercial Banks (No. 2 Order of CBRC in 2004) issued by China Banking Regulatory Commission and other relevant regulations as well as the Notice (Decision about Modifying "Measures for the Management of Capital Adequacy Ratios of Commercial Banks") issued by China Banking Regulatory Commission on July 3, 2007. Refer to the following for details:

Unit: RMB1,000

Item	December 31, 2014	December 31, 2013	December 31, 2012
Net core capital	55,961,103	47,877,815	34,251,342
Supplementary capital	24,653,773	13,569,906	15,033,701
Net capital	80,591,977	61,430,199	49,267,731
Weighted risk asset and market risk asset adjustment	569,665,756	456,891,477	403,942,287
Core capital adequacy ratio	9.82%	10.48%	8.48%
Capital adequacy ratio	14.15%	13.45%	12.20%

一手轻松活儿。



手机银行

账户查询 转账汇款 资产管理 信用卡

通知存款 转账汇款
黄金投资 手机股市
基金投资 自助缴费
信用卡

提示：
1. 请认真阅读 Open Mobile 用户手册。
2. 本行手机银行系统维护期间“暂停”服务，敬请谅解。
3. 请妥善保管手机银行密码，严防他人冒用。
4. 本行手机银行系统维护期间，本行手机银行系统暂停使用。
5. 本行手机银行系统维护期间，本行手机银行系统暂停使用。
6. 本行手机银行系统维护期间，本行手机银行系统暂停使用。

客服热线：95319 www.jsbchina.cn

I. Major Business Scope

Taking public deposit; issuing short-term, medium-term and long-term loans; handling domestic settlement; 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, enterprise bonds; inter-bank borrowing; providing service and guarantee for letter of credit; collection, payment and insurance service as an agent, financial planning for the customers, securities investment fund sales as an agent, precious metal sales as an agent, clearing and custody service for collective fund trust plan as an agent; safe deposit box service; entrusted deposit and loan service; bank card business; foreign exchange deposit; foreign exchange loans; foreign exchange remittance; foreign currency exchange; foreign exchange settlement, foreign exchange future settlement as an agent; international settlement; self and valet foreign exchange trading; inter-banking foreign exchange lending; trading and acting trading foreign currency securities other than stocks; credit investigation, consulting, witness services; online banking; other businesses approved by China's banking regulator and related departments.

II. Macro-environment Changes and Influences

In 2014, the micro economy was in an overall good situation. However, the domestic environment was still complex and showed many unstabilizing factors. Internationally, the world economy still underwent the deepened adjustment period after the international financial crisis. As the global economic growing slowly, the developed economic entities showed development dichotomy, while emerging economics slowed down in development. Domestically, with three periods being superimposed, increasing economic downturn became an obvious contradiction through the year. Economic development showed a new normal situation with characteristics of medium-and-high-speed growth, structural adjustment and power conversion. The growth rate declined from 10% to 7% approximately, the economic development was changing from extensive growing mode focusing on scale and speed to intensive growing mode emphasizing on quality and efficiency, and the economic development power was changing from traditional growth points to new growth points. With regard to economic operation, this year's GDP increased by 7.4%, which was within a reasonable range. From the perspective of structural adjustment, the economic structure was changing in a positive manner, economic growth showed new quality improvements, and the reform was further promoted. In Jiangsu, the economic operation was overall stable and maintained in expected reasonable range with economic structure being continuously optimized, quality and efficiency being improved, reform and opening-up policy being further promoted, and development force being further enhanced. In the whole year, the gross regional domestic product exceeded RMB651 billion, a year-on-year increase of 8.7%. Under complex economic situation, China's banking industry developed in a steady manner, while new breakthrough was made in introducing private capital into the industry. The first 5 private banks had get approval and made preparation. While effectively promoting steady and rapid development of national economy, we also controlled the systemic and regional risks under the bottom line.

The rapidly changing external situation exerted far-reaching influences on business operation of commercial bank; such influences were mainly reflected in "four forces", i.e., financial reform policy changes forced the

bank to improve response capacity, economic structure adjustment forced the bank to improve risk control ability, changes in financial activities forced the bank to improve innovation capability and market competition forced the bank to improve characteristic development ability. Positively facing challenges coming with "four forces", the Company thoroughly implemented all decisions and deployments of Jiangsu Provincial Party Committee and Provincial Government and made steady progress in realizing three core tasks (i.e., making improvement in stability by focusing on strategic transformation, creating superiorities by focusing on reform and innovation, and improving governance level by focusing on listing pursuit) based on requirements of People's Bank of China and the supervision as well as overall requirement of seeking improvement in stability. The development force and vitality were enhanced through reform and innovation. While speeding up the pace in solidifying foundation, the Company made great efforts in promoting structural adjustment, characteristics building, risk management and control, reform and innovation, thereby to seize the opportunities and face challenges through new mechanism, new products and new services. By continuously enhancing core competitiveness of the whole Bank and withstanding difficulties and challenges in economic downturn period, the Company had accomplished three core tasks and operation objectives determined in the beginning of the year.

III. Business Performance Review

(I) Overall Business Performance of the Company

In 2014, under the background of new normal condition of micro economy, new changes in financial policy and new situation of market competition, by adhering to the values of "market view, benchmarking view, benefit view, period view and team view" and observing the transformation policies of "characteristic development, inherent growth and being innovation-driven", the Company further promoted the strategic transformation and made prominent performance with the "nail spirit" and through adjusting structure, building characteristic image and controlling risk. As a result, the business operation presented a favorable situation with improvement being made in stability and breakthrough being made in key area.

1. Steadily enhanced comprehensive strength. As at the end of the report period, total assets of the Company had reached RMB1038.3 billion, a year-on-year increase of 36%; total deposit had reached RMB681.3 billion, a year-on-year increase of 14.2%; total loan had reached RMB488.5 billion, a year-on-year increase of 18.7%; the net profit had reached RMB8,699 million, a year-on-year increase of 6.1%. The capital adequacy ratio was 12.24%, increased by 0.57 percent point over the beginning of the year. Moreover, the liquidity ratio, lever ratio and other supervision indexes were all superior to the supervision requirements.

2. Adjustment and optimization in business structure. The interbank assets and bond investment accounted for 31.2% and 8.8% of the total assets, increased by 8.9 and 1.4 percent points respectively. Proportion of credit assets in total assets reduced to less than 50%. The contribution of initiative liability to deposit enhanced, and the increment proportion was as high as 53.3%, increased by 48.1 percent points over the previous year. Financial services gradually became the main business with finance product balance exceeding RMB100 billion to RMB101.8 billion, increased by 1.4 times over the previous year.

3. Enhanced effects of characteristic superiorities. With respect small and micro enterprise business, the objectives of "having growth rate no less than that of all the loans and increase no less than the previous year" had been realized for 6 successively years. The largest share was occupied in small and micro loan market (i.e., full-aperture and single-customer loan below RMB 5 million) among the same industry in Jiangsu. The Company took the leading in finance of science and technology, and "Jiangsu loan for science and technology" occupied more than 90% market share. Green credit loan was increased by nearly RMB 7 billion, an increase of nearly 1 time, and with growth ranking the first in the same industry in Jiangsu. Consumer finance increased by RMB9.07 billion, increased by 3 times. The international settlement reached USD79.5 billion, ranking the first among similar banks.

4. Accelerated development of innovative business. The on-line non-store bank had customers exceeding 500,000, causing enormous response from the market. The qualifications in principal underwriter of non-financial corporate debt financing tool (Class B), fund custody, interbank deposit receipt and market maker were obtained. The Company issued RMB2.14 billion of initial-period credit asset securitization products, and RMB1 billion of project benefit note, which were the first in Jiangsu Province and the second in China. The Company also participated in issuing Jiangsu's first "new-three-board" private equity fund. Under approval, the Company prepared to establish the financial leasing company, which represented the start of comprehensive bank operation.

5. Continuous improvement in social image. As a province-owned corporation, the Company fulfilled the social responsibility and further supported development of people's livelihood. Agriculture-related loans in Jiangsu exceeded RMB100 billion and reached RMB103.3 billion, a year-on-year increase of 15.8%. County-level loan amounted to RMB114.2 billion, exceeding RMB10 billion for the fifth year. In supporting improvement of people's housing conditions, personal consumption as well as business and employment of the vulnerable groups, the Company issued more than 2,000 loans for the laid-off and unemployed workers. The Company was granted the titles of "The Most Influential Regional Bank in 2014", "The City Commercial Bank with the Best Wealth Management in 2014" and the prize of "Innovative On-line Financial Product"; moreover, there were 8 branches being rated as one of the Top 1,000 demonstration units with civilized and first-rate services.

(II) Business Performance Analysis

1. Comparison and analysis on major data in income statement

(1) Net profit

In 2014, the Company realized RMB8,699 million of net profit, increased by 6.10% than the previous year. The following table presents major profits and losses items of the Company and influence of such changes on profits before tax in 2014.

Unit: RMB1 million

Item	2014	2013	Increase/ decrease	Variation (%)
Net interest income	22,338.62	19,817.79	2,520.83	12.72
Net fee and commission income	2,802.28	2,382.98	419.31	17.60
Other net income	184.94	124.95	59.99	48.01
Business and management expense	7,488.42	7,208.64	279.78	3.88
Business tax and surcharges	1,787.16	1,522.43	264.73	17.39
Provision for assets impairment reserve	4,671.57	2,711.97	1,959.60	72.26
Other business costs	3.10	2.82	0.28	9.85
Net amount of non-business revenue and expenditure	39.04	162.38	-123.34	-75.96
Total profits	11,414.64	11,042.23	372.41	3.37
Income tax	2,715.51	2,842.86	-127.35	-4.48
Net profits	8,699.12	8,199.36	499.76	6.10

(2) Business income

In 2014, the Company accumulatively realized RMB25,326 million of business income with each item shown as follows:

Unit: RMB1 million

Item	2014		2013		Increase/decrease	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Range (%)
Net interest income	22,338.62	88.20	19,817.79	88.77	2,520.83	12.72
Fee and commission income	2,802.28	11.06	2,382.98	10.67	419.30	17.60
Investment income	34.01	0.13	22.11	0.10	11.90	53.82
Income from changes in fair value	77.04	0.30	-27.21	-0.12	104.24	-383.15
Foreign exchange gain	58.20	0.23	109.27	0.49	-51.07	-46.73
Other business income	15.69	0.06	20.78	0.09	-5.09	-24.49
Total	25,325.84	100.00	22,325.71	100.00	3,000.13	13.44

(3) Net interest income

Interest income and expenditure were respectively increased by 28.93% and 46.85%; wherein, the interest income had a growing rate of 12.72%, as shown in the following table:

Unit: RMB1 million

Item	2014	2013	Increase / decrease	Range (%)
Loans and advances	28,679.35	24,733.42	3,945.93	15.95
Bond investment	8,236.52	2,758.26	5,478.26	198.61
Deposit in Central Bank	1,803.62	1,704.03	99.59	5.84
Deposit or lending in inter-bank and other financial institution	4,901.11	4,140.82	760.29	18.36
Other inter-bank income	5,058.31	4,418.10	640.21	14.49
Total interest income	48,678.90	37,754.62	10,924.28	28.93
Interest expenditure	26,340.28	17,936.83	8,403.45	46.85
Net interest income	22,338.62	19,817.79	2,520.83	12.72

(4) Net income in handling charge and commission

In 2014, the Company totally realized RMB2,802 million of net income in handling charge and commission, increased by 17.60% than the year of 2013 as follows:

Unit: RMB1 million

Item	2014	2013	Increase / decrease	Range (%)
Settlement and clearing fee	340.84	284.73	56.11	19.71
Agency service fee	1,053.66	703.76	349.90	49.72
Credit commitment fee and commission	494.84	515.55	-20.72	-4.02
Bank card fee	250.86	188.39	62.47	33.16
Consultancy and advisory fee	265.35	268.27	-2.91	-1.09
Trusteeship and other entrusted business commissions	444.84	452.41	-7.56	-1.67
Others	55.20	46.28	8.92	19.27
Fee and commission income	2,905.59	2,459.38	446.21	18.14
Fee and commission expenditure	103.30	76.40	26.90	35.21
Net fee and commission income	2,802.28	2,382.98	419.31	17.60

(5) Other net income

In 2014, the Company totally realized RMB185 million of other net income, accounting for 0.73% in net business income, increased by RMB 60 million than 2013 with a increasing rate of 48.01%. Major composition and variations are shown as follows:

Unit: RMB1 million

Item	2014	2013	Increase / decrease	Range (%)
Investment income	34.01	22.11	11.90	53.82
Income from changes in fair value	77.04	-27.21	104.24	-
Foreign exchange gain	58.20	109.27	-51.07	-46.73
Other business income	15.69	20.78	-5.09	-24.49
Total	184.94	124.95	59.99	48.01

(6) Business and management expenses

Unit: RMB1 million

Item	2014	2013	Increase / decrease	Range (%)
Employees' salary	4,386.46	4,191.61	194.84	4.65
Business expense	2,089.85	2,126.88	-37.03	-1.74
Rental expense	356.91	332.20	24.71	7.44
Depreciation of fixed assets	433.44	361.43	72.01	19.92
Low-value consumption goods	10.58	11.50	-0.91	-7.94
Amortization of intangible assets	51.41	38.64	12.76	33.03
Branch decoration expense and amortization of long-term deferred expenses	101.37	85.35	16.01	18.76
Taxes and charges	58.42	61.03	-2.61	-4.27
Total business and management expense	7,488.42	7,208.64	279.78	3.88

(7) Income tax

Actual income tax rate of the Company in 2014 was 23.79%, while the income tax expense was RMB2,716 million.

2. Comparison and analysis on major data in balance sheet

(1) Assets

a. Overall condition of assets

As at December 31, 2014, total assets of the company has reached RMB 1,038,309 million, increased by 35.97% than that at the end of last year. Total assets of the company are composed as follows:

Item	Unit: RMB1 million			
	2014		2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Net amount of loans and advances	475,363.55	45.78	401,073.27	52.52
Total loans	488,511.85	47.05	411,690.61	53.91
Minus: Loan impairment reserves	13,148.30	1.27	10,617.34	1.39
Investment	261,495.09	25.18	82,671.24	10.83
Cash and deposit in Central Bank	132,054.55	12.72	126,019.42	16.50
Deposit in inter-bank or other financial institution	92,550.45	8.91	70,429.33	9.22
Inter-bank lending, buying and sale financial assets	58,529.09	5.64	69,346.05	9.08
Interest receivable	6,017.74	0.58	3,422.39	0.45
Fixed assets	4,929.16	0.47	4,585.09	0.60
Intangible assets	727.15	0.07	723.38	0.09
Investment real estate, deferred income tax assets	2,561.09	0.25	2,001.64	0.26
Other assets	4,081.19	0.39	3,380.36	0.44
Total assets	1,038,309.05	100.00	763,652.17	100.00

Note: Other assets as shown in above table include derivative financial assets.

b. Loans and advances

As at December 31, 2014, total amount of loans and advances had reached RMB488,512 million, a year-on-year increase of 18.66%. Notes discounted were RMB57,665 million, a year-on-year increase of 76.38%. The following table shows the loans and advances classified by product types.

Item	Unit: RMB1 million			
	2014		2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Enterprise loan	356,950.07	73.07	318,957.67	77.48
Notes discounted	57,665.39	11.80	32,694.46	7.94
Retail loan	73,896.38	15.13	60,038.48	14.58
Total loans and advances	488,511.85	100.00	411,690.61	100.00

The retail loan was RMB73,896 million, a year-on-year increase of 23.08% and accounting for 15.13% in total loans and advances. The following table presents the retail loans classified by product types:

Unit: RMB1 million

Item	2014		2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Housing mortgage loan	47,248.35	63.94	45,479.77	75.75
Credit card receivables	5,115.16	6.92	2,280.81	3.80
Others	21,532.86	29.14	12,277.90	20.45
Total retail loans	73,896.38	100.00	60,038.48	100.00

c. Credit assets risk

I. Five-grade loan classification

Unit: RMB1 million

Item	December 31, 2014		December 31, 2013		December 31, 2012	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Normal loans	47,150,141	96.52	39,787,969	96.65	33,921,261	96.10
Special-mentioned loans	1,065,871	2.18	908,816	2.21	1,018,488	2.89
Subtotal	48,216,012	98.70	40,696,785	98.85	34,939,749	98.99
Substandard loans	142,193	0.29	268,581	0.65	226,137	0.64
Doubtful loans	391,373	0.80	163,831	0.40	118,098	0.33
Loss loans	101,607	0.21	39,864	0.10	12,286	0.03
Subtotal	635,173	1.30	472,276	1.15	356,521	1.01
Total loan	48,851,184	100.0	41,169,061	100.0	35,296,270	100.0

II. Loans classified by types and loans of top-5 industries

Enterprise loans of the Company were mainly issued to manufacturing industry, whole sale and retail industry, lease and commercial service industry, real estate industry, and water conservancy, environment and public utilities management industry; loans issued to above five industries amounted to RMB338,765 million.

Unit: RMB1 million

Industry	December 31, 2014		December 31, 2013	
	Total loan	Proportion (%)	Total loan	Proportion (%)
Company loan	356,950.07	73.07	318,957.67	77.48
Including: manufacturing industry	124,892.76	25.52	113,588.27	27.53
Whole sale and retail	102,633.48	20.96	86,911.77	21.07
Lease and commercial service	40,010.92	8.17	30,069.88	7.29
Real estate	38,899.37	7.94	37,220.83	9.03
Water conservancy, environment and public utilities management	32,328.18	6.60	19,834.69	4.81
Total of above top five industries	338,764.72	69.19	287,625.44	69.73
Notes discounted	57,665.39	11.80	32,694.46	7.94
Retail loan	73,896.38	15.13	60,038.48	14.58
Total customer loans	488,511.85	100.00	411,690.61	100.00

III. Loans classified by warranty type

Unit: RMB1 million

Item	2014		2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Mortgage loan	194,812.21	39.88	157,159.12	38.17
Pledge loan	84,176.79	17.23	55,244.65	13.42
Including: notes discounted	57,665.39	11.80	32,694.46	7.94
Loan on guarantee	177,792.05	36.39	178,749.12	43.42
Loan on credit	31,730.79	6.50	20,537.72	4.99
Total customer loans	488,511.85	100.00	411,690.61	100.00

IV. Top-10 clients and loan concentration

Unit: RMB1 million

No.	Borrower	Amount	Proportion in total net capital (%)	Proportion in total loan (%)	Five-grade classification
1	Client A	1,700.00	2.19	0.35	Normal
2	Client B	1,700.00	2.19	0.35	Normal
3	Client C	1,312.57	1.69	0.27	Normal
4	Client D	1,188.37	1.53	0.24	Normal
5	Client E	1,100.00	1.41	0.23	Normal
6	Client F	1,050.00	1.35	0.21	Normal
7	Client G	1,026.56	1.32	0.21	Normal
8	Client H	1,025.00	1.32	0.21	Normal
9	Client I	1,000.00	1.29	0.20	Normal
10	Client J	906.00	1.15	0.19	Normal
	Total	12,008.49	15.44	2.46	

V. Disposal measures of non-performing assets

For non-performing loan disposal and management, the Company took the following measures: first, carrying out strict management on non-performing loans and greatly promoting the non-performing loan recovery and disposal of remaining debt assets; second, promoting institutional improvement in a steady manner and standardizing non-performing asset disposal of the Company; third, carrying out the checking of non-performing asset risk and realizing the whole cover of the new model of post-loan inspection; forth, implementing the attacking battle for clearing up debts in a cooperative way and carrying out the normalization management; fifth, carrying out the write-off of bad debts and asset packing transfer strictly in accordance with related laws and regulations.

d. Bonds held

Unit: RMB1 million

Bond type	2014	2013	Increase/ decrease	Range (%)
Government bonds	30,576.78	8,474.78	22,102.00	260.80
Financial bonds	34,703.59	27,544.35	7,159.24	25.99
Other bonds	196,316.61	46,605.78	149,710.83	321.23
Total	261,596.97	82,624.91	178,972.06	216.61

e. Fixed assets

Unit: RMB1 million

Item	2014	2013	Increase / decrease	Range (%)
Fixed assets	5,729.70	5,045.87	683.83	13.55
Accumulated depreciation	2,398.66	2,012.12	386.53	19.21
Fixed assets depreciation reserves	4.78	4.78	0.00	-
Net value of fixed assets	3,326.26	3,028.96	297.30	9.82

(2) Liabilities

As at December 31, 2014, total liabilities of the Company had reached RMB982,244 million, increased by 37.23% than the end of previous year. Total customer's deposit reached RMB681,297 million, a year-on-year increase of 14.21% and accounting for 69.36% of total liabilities of the Company. The following table presents composition of the Company's total liabilities.

Unit: RMB1 million

Item	2014		2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Borrowings from the Central Bank	5,050.00	0.51	100.00	0.01
Deposit taking	681,297.33	69.36	596,553.92	83.35
Inter-bank and other financial institutions deposit	205,319.54	20.90	64,264.69	8.98
Interbank borrowing	2,243.33	0.23	6,695.75	0.94
Selling out and repurchasing financial assets	40,845.46	4.16	28,532.84	3.99
The employee salary payable	3,276.04	0.33	3,204.64	0.45
Tax payable	1,090.72	0.11	1,369.74	0.19
Interest payable	11,478.08	1.17	7,299.05	1.02
Bonds payable	28,978.79	2.95	5,000.00	0.70
Estimated liabilities	2.08	0.00	51.39	0.01
Deferred income tax liabilities	0.00	0.00	0.00	0.00
Other liabilities	2,662.60	0.27	2,685.03	0.38
Total liabilities	982,243.96	100.00	715,757.05	100.00

Note: Other assets include derivative financial liabilities.

As at December 31, 2014, the company's deposit balance was RMB681,297 million, including RMB403,231 million of corporate deposit, accounting for 59.19%, and RMB134,543 million of retail deposit, accounting for 19.75%. The fixed-term deposit was RMB305,136 million, accounting for 44.79% of total deposit, increased by 0.53 percent point than the end of previous year. Wherein, corporate fixed-term deposit accounted for 49.45% of corporate deposit, increased by 2.13 percent points than the end of last year, while retail fixed-term deposit accounted for 78.58% of retail deposit, increased by 0.11 percent point than the end of previous year.

Item	Unit: RMB1 million			
	2014		2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Corporate deposit subtotal	403,231.28	59.19	365,990.96	61.35
Current deposit	203,816.77	29.92	192,774.74	32.31
Fixed-term deposit	199,414.51	29.27	173,216.22	29.04
Retail deposit subtotal	134,542.73	19.75	123,808.11	20.75
Current deposit	28,821.29	4.23	26,658.47	4.47
Fixed-term deposit	105,721.44	15.52	97,149.63	16.29
Other deposit	143,523.32	21.07	106,754.86	17.90
Total	681,297.33	100.00	596,553.92	100.00

(3) Changes in shareholders' equity

								Unit: RMB1 million	
Item	Shareholders' equity attributable to the parent company							Minority stockholders' interest	Total stockholders' interest
	Share capital	Capital reserve	Other comprehensive income	Surplus reserves	General risk preparation	Undistributed profit	Total		
Opening balance	10,390.00	10,097.37	-275.053	5,601.89	8,442.84	13,506.45	47,763.50	131.63	47,895.13
Increase in current period			317.964	1,686.56	3,335.05	8,684.95	14,024.52	14.18	14,038.70
Decrease in current period						-5,852.81	-5,852.81	-15.93	-5,868.74
Closing balance	10,390.00	10,097.37	42.911	7,288.45	11,777.89	16,338.59	55,935.21	129.88	56,065.09

(III) Main Measures in 2014

Under the pressure of economic downturn and slow growth of bank business, the Company implemented new five-year strategic development plan to promote reform and innovation, accelerate all businesses development and enhance core competitiveness; and steady growth was realized in the business and benefits. Main measures taken are as follows:

1. **Strengthen pre-adjustment and fine adjustment and actively adapt to the situation to realize business improvement in stability.** The Company seized the opportunity to develop interbank business and promote rapid growth of total assets in the same pace. More efforts were made in developing guaranteed financial service and structural deposit business and enhancing deposit deviation management, thereby to realize steady deposit growth. The Company also implemented the policy of "issuing some of the actual loans to customers who firstly apply loans" to promote actual loans and special services. The discount scale was reasonably manipulated to ensure balanced growth of loan. Moreover, by exploiting potentialities and providing support, coordinated development of all regions was promoted.

2. **Strengthen characteristic service creation, create core technology and further enhance the superiority effect.** The Company promoted transformation of characteristic business growth force and mode to enhance superiority effect. Efforts were also made in promoting bulk marketing of small and micro finance product, building standardized module and launching customer rating system for small and micro business. By accelerating building of exclusive scientific and technological finance system, full coverage of the whole bank was realized. The force in product marketing of consumption loans like "Goods trading with cards" and installment with credit cards was strengthened, while the business structure of personal loans was also optimized. Great efforts were made in promoting risk sharing projects for energy efficiency loans and accelerating green financial business development. The Company took the leading in launching 5 new services including cross-board two-way Renminbi capital pool service and cross-board payment guaranteeing service; moreover, rapid growth was maintained in international settlement and foreign exchange settlement and sale.

3. **Through strengthening the concept of innovation-driven and making breakthroughs in multiple areas, new businesses showed obvious growth.** The Company seized the opportunities of the age of Internet and the age of general capital management to promote non-store bank and coordination between online and actual businesses and to expand and occupy high-quality assets. Focusing on structural financing, bond underwriting and assets management, effort was made in enlarging the business scale of investment banking. Seizing the opportunity of improving business system and forced by new products and new business qualifications, the Company accelerated development interbank and financial market businesses.

4. **By strengthening market incentives and improving institutional system, the force and vitality were effectively stimulated.** The Company implemented reform in capital, financial, consumption financial and credit card business and deepened institutional reform in credit conferring examination and approval, so as to improve the professional business operation capacity. By enhancing leading function of the head office and branches in marketing, the role of "two engines" in marketing was fully played. The Company improved customer manager assessment mechanism, implemented business accountability measure, launched "responsibility system" and promoted the performance assessment system, so as to further enhance development force and vitality of the whole bank.

5. **By means of strengthening risk management and implementing the principle of governing the bank strictly, the whole bank developed in a steady manner.** The risk management system reform was deepened, while market, liquidity, interbank, financial and other risk management systems were improved. With importance

being attached to management control in key areas, 72 special inspection projects and 513 audit projects were carried out. Insisting on the principle of governing the bank strictly, accountability system was further strengthened. While clearing up debts, the Company took many measures in accelerating disposal of non-performing assets. The risk early-warning system for corporate customers was built, and progresses were made in timely monitoring of application big data and risk prevention and control. Besides, by standardizing basic management in outsourcing service, science and technology, seal, confidentiality and emergency treatment, duly handling multiple reputation risks and ensuring the security, safe operation of the company was realized.

6. By strengthening customer experience and improving service quality, the development basis was effectively enhanced. To promote intellectual bank building, 80 important technological systems were put into operation and the IT application system was basically perfected. Standardized marketing process was promoted in the branches, while financial center building was speeded up. Average efficiency of the branches was further improved. Through further improving customer experience, promoting smart lobby construction and developing mobile business operation, building of the concentrated operation, online customer service and shared intelligence knowledge systems was completed.

7. Through enhancing the talent concept and creating favorable atmosphere, the team building was overall enhanced. The Company optimized officer configuration, implemented the principle of "temporary post by the superiors and allocating officer to the subordinate level" and built the backup talent team. Various professional and technological trainings were organized. The Company held "July 1" Party lecture to enhance party organization construction at the basic level. Continuous efforts were made in construction of the Party conduct and of an honest and clean bank, and the illegal and delinquent people were strictly punished. Through institutional improvement, cultural leading, supervision and inspection, work efficiency and performance were continuously improved across the bank.

IV. Future Development Prospect

(I) Requirements on business development in 2015

The Company should seize the opportunity and adapt to challenges under the new normal situation of economic development, stick to the overall requirement of making improvements in stability. Focusing on improving quality and efficiency, the Company should further implement reform and innovation, promote strategic transformation, enhance anticipation, make timely adjustment, stabilize growth, control risk, create characteristic and speed up the pace in building the first-rate "special, intelligent, comprehensive and international" commercial bank.

(II) Main measures in 2015

1. Seize the development opportunities under new normal situation and promote steady business growth. The Company will strive to seize the regional development opportunities to accelerate business growth in key regions. Besides, efforts will be made in enhancing customer development, controlling the commanding height of high-quality customer, promoting marketing upgrading and aggregating the market expanding advantages.

2. Further implement special development strategy and build a special bank. The Company will continue focusing on bulk development of small and micro financial businesses, promote scientific and technological financial business, strengthen later-mover advantage of consumption finance, build new green financial brand and solidify leading position of international business among city commercial banks.

3. Expand innovative businesses and drive overall competitiveness improvement. The Company will give full play to promoting function of investment banking, interbank and financial market businesses, promote leading position of Internet finance by making breakthrough and create conditions to accelerate comprehensive operation.

4. Strengthen risk operation and control, and well prevent and control the risk. Setting 2015 as "the year of risk prevention", the Company will practically improve management and control on platform loan risk, real estate loan risk, excess production capacity risk, shadow banking business risk, liquidity risk, information technology risk, market risk and operation risk.

5. Further deepen institutional system reform and release vitality in operation. The Company will promote specialized operation through business system reform, carry out differentiate performance assessments on branches and further accelerate implementation of customer manager assessment mechanism.

6. Accelerate coordination of online and actual business and create new advantages in channel service. The Company will operate online business, carry out the secondary transformation of the branches and further improve community operation.

7. Strengthen corporate governance and overall improve internal management level. The Company will focus on weaknesses in corporate governance, practically improve asset and liability management, enhance comprehensive cost management and insist on economical and intensive use of the capital.

8. Strength party building and team cultural development, and continuously enhance the organizational guarantee level. The Company will further strengthen the Party building and spare no efforts in construction of the Party conduct and of an honest and clean bank. Moreover, more efforts will be made in building the management talent team and the professional talent team as well as developing and expanding the core values of "integrated innovation, pragmatic responsibility and lean for growth".

V. Risk management

(I) Overview of Risk Management

1. Overall goal of risk management

Goal of the Company in risk management is striving to realize benefit maximization of the shareholders while controlling the risk within acceptable range under the precondition of satisfying requirements of supervision departments, depositors and other stakeholders on stable development of the Company.

2. Construction goals and basic principles of risk management

(1) Construction goals

As per related supervision guidance of China Banking Regulatory Commission and integrating advanced management experience from home and abroad and the practical situation, the Company will build an independent, intensive, professional and efficient risk management mode oriented to vertical risk control, intensive management, professional personnel and efficient process, so as to strengthen linkage and interaction of front ground, middle ground and background. Relevance of all risks will be taken into consideration, so as to make reasonable plan on risk exposure scale and structure and realize harmony and balance of capital strength, risk scale and bank value. Moreover, the Company is going to develop identification, measurement, monitoring and control technologies covering credit risk, market risk, operation risk, liquidity risk and legal compliance risk, thereby to satisfy all supervision requirements on risk management, make risk management capacity be the core competitiveness of the Company and guarantee strategy implementation and business development.

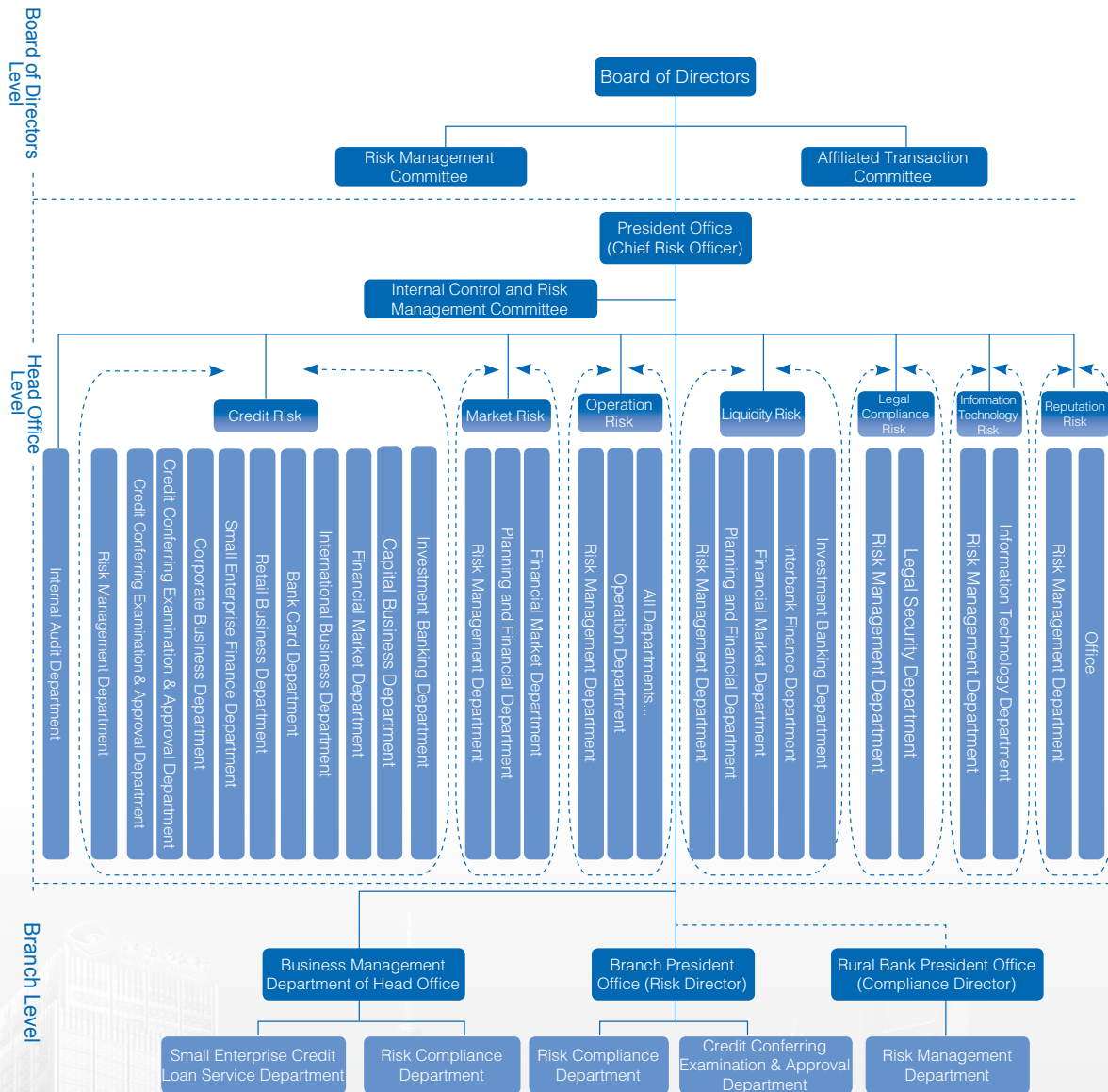
(2) Basic principles

Business development and risk management shall comply with independence principle, unity principle, matching principle of benefit and risk, principle of balanced internal balancing and efficiency, risk diversification principle, quantitative and qualitative principles and dynamic adaptability adjustment principle, so as to ensure consistency of risk management strategies and business development strategies, overall linkage and interaction of front ground, middle ground and background, as well as uniformity and consistency in implementation of risk policies.

3. Risk management measures

(1) Setting up risk management strategies focusing on risk preference. The company determined the risk preference of "rationality, steadiness and prudence", thereby to ensure balance between risk and profit. As for the operational level, the Company transformed the overall capital remand into risk limitation systems classified by regions, lines, industries and products; integrating accesses standards and requirements of internal and external customers, risk preference of the head bank was transformed into specific risk decision basis. With credit risk, market risk, operation risk, liquidity risk and compliance risk as the major objects of risk management, the Company incorporated reputation risk, law risk and information technology risk into integrated risk management. Focusing on risk preference and supported by risk measuring technologies, the Company realized the balance between risk management and business development with economic capital distribution as major management tool, internal control mechanism as major management measure and risk capital return rate as major evaluation standard, relying on risk management information system and through integrating risk management strategies and business development strategies, risk management process and business development process as well as risk management assessment and operation performance assessment; effective coverage of losses was realized through capital constraint, complying with all supervision requirements.

(2) Establishing stable risk management organization. Overall risk management organization is constituted of the Board of Directors, risk management committee of the Board of Directors, internal control and risk management committee of senior management and operation layers, all risk management departments and internal audit departments of the Company.



(3) **Building specialized and centralized risk management framework.** The Company deepened the overall risk management system reform and set chief risk officers and risk supervisors in the head office and branches, while the risk supervisor carried out two assessment standards and vertical management. Specialized, concentrated and independent credit conferring approval system was established, and the credit conferring service management mechanism was improved. Unified risk management policies were formulated, covering 9 areas including credit risk, operation risk, market risk and liquidity risk. The differentiate examination and approval system, dynamic risk limit management system, normalized risk report system and multi-dimension risk evaluation system were optimized.

(4) **Developing applied technologies to realize risk management goals.** The company accelerated the development of risk measuring tools, promoted construction of internal evaluation system of credit risk and established the customer credit rating system based on probability of default. The internal control, compliance and operation risk management system was introduced, which integrated system, process and operation risk tools and realized close-loop full process management on internal control, compliance and operation risk. The customer risk early-warning system is launched, which applied the big data concept, integrated internal and external information and realized forward-looking full process management on credit conferring risk. The Company also built affiliated trade, interbank credit conferring management, credit risk data mart, financial analysis, image platform and credit investigation preposition systems, and initiated concentrated optimization and upgrading of credit management system.

(5) **Cultivating advanced risk management culture.** The Company gradually cultivated and perfected the risk management culture for the purposes of capital constraint, risk and profit balance, promoting health business development and realizing the maximum value for the shareholders; advocated by the Board of Director and senior management layers, the risk management culture had been sustained throughout the whole process of all risk management. Moreover, through risk education, risk management ideas as pursuing uniformity, balance, independence, rationality, stability and prudence had enjoyed popular support.

(6) **Building risk management team.** Subject to the requirement of risk management strategies building, the Company carried out training and education on executive abilities and ethical conduct by levels, specialties and positions, allocated risk management talents according to supervision requirements and built a risk management team with good integrity, risk business experience and advanced ideas and professional skills.

(II) Main risks in business operation and the countermeasures

Within the report period, the Company made continuous efforts in the following aspects: deepening risk management system reform, improving overall risk management system, highlighting risk management and control in key areas, creating core risk management and control technologies, clearing up debts, strengthening compliance and operation risk management and enhancing fundamental risk management; as a result, the assets quality was overall maintained stable and risk management indexes were well controlled. Risks encountered by the Company mainly included: credit risk, market risk, operation risk, liquidity risk, compliance risk and reputation risk. The countermeasures taken by the Company are as follows:

1. Credit risk management

Making the annual plan for constructing long-term quality mechanism for the credit assets, building the system of estimating and tracking loan principle and interest before due, supervising the clearing up of non-performing loans, leading key big-amount clearing and receiving projects, conversation among the first responsible person and risk supervisors of branches, and holding regular meeting concerning credit assets quality; making guidance for annual credit direction, carrying out early warning and investigation on sensitive risks, organizing credit risk inspection, improving credit management system, deciding methods for managing indirect credit line and management after loan of credit conferring services issuing to the corporate, formulating implementation rules concerning credit asset risk classification, impairment evaluation, risk early warning and internal control of credit conferring services. Enhancing management on old loan repayment with new loan and making differentiate requirements. Strengthening asset quality assessment and improving incentive system. At the end of 2014, non-performing loan in the whole bank (calculated in accordance with the standards of the Company) amounted to RMB6,352 million, an increase of RMB1,629 million over the previous year; and the non-performing loan ratio was 1.30%, increased by 0.15 percent point over the previous year, indicating an overall stability.

2. Operation risk management

Improving operation risk management system, defining responsibilities of the directors, supervisors, officers, organizations, departments and employees and determining the management process; cleaning up and inspecting over 3,200 systems across the Company, and formulating 160 operation instructions covering 12 divisions; building conference consultation mechanism, improving institutional management level; formulating "10-forbidden" accountability standards, carrying out special inspection on employees' behaviors, and strengthening employees' behaviors management; carrying out annual compliance inspection and quarterly risk inspection, building linkage mechanism inside the company, timely remedying the problems, and strengthening offending point and accountability management. At the end of 2014, according to the internal and external problem statistics, the compliance problems accounted for 98% of all the problems, while general problems accounted for 97%; about 96% of the problems were remedied.

3. Market risk management

Establishing market risk quota management system, optimizing and upgrading market risk management system and making periodical analysis reports on market risks; improving fundamental systems of market risk management, differentiating trading accounts and banking account, strengthening revaluation on market value of trading products and carrying out periodical pressure test on market risk; further enhancing authority management, graded examination and approval and market value supervision; enhancing investigation on market trend, studying situations in monetary, bonds and foreign exchange markets periodically as well as supervision on interest rate risk of banking account; moreover, by integrating and analyzing national policies, macro-economy, market segment, market linkage and other factors, changing trends in financial market are

estimated, so as to timely adjust trading strategies and allocate asset portfolio in advance. At the end of 2014, all indexes of Renminbi business, foreign exchange business and derivative products were controlled within predetermined quota limits.

4. Liquidity risk management

Strengthening integrative position management of Renminbi and foreign currencies, optimizing liquidity management operation mechanism and early warning mechanism, stressing on daily liquidity risk prevision to prevent "payment and liquidity" risks and ensure orderly business operation and liquidity safety across the bank. Accurately calculating fund position, maintaining reasonable provision level, ensure to pay off the reserves against deposit for Renminbi and foreign currencies, and ensuring safety and smoothness of fund payment; establishing and perfecting liquidity quota system and early warning system, dynamically monitoring liquidity index condition, timely getting known about cash flow, centralizing management of bond trading, bill business and financing products, reasonably regulating term structure of credit assets, striving to improve fund application effectiveness, and intensively regulate liquidity risk; making periodical analysis report and pressure test on liquidity, accurately estimating financial policies and monetary market trends, timely adjusting operation strategies and launching emergency mechanism; striving to improve perceptiveness and foreseeability of liquidity risk management. At the end of 2014, indexes such as liquidity coverage, loan-to-deposit ratio and liquidity ratio all satisfied the supervision standards and were controlled in predetermined quota limits.

5. Information technology risk management

Information technology work was carried out focusing on "one core, four frameworks and one circle": with framework as the core, information technology application framework, safety framework, data framework and fundamental technology framework were build, publicize and implemented. Great efforts were made in the following aspects: new system building, existing system optimization, information safety management and control, IT business continuity management; moreover, focusing on system construction, the Company made significant improvements in the science and technology capability. For IT risk management, the following measures were also taken: promoting technology work transformation of the branches, defining responsibility of the head office and branches on science and technology after transformation, overall improving technology integration of the whole bank; supporting strategic business segments such as Internet finance and overall capital management, attaching importance to data management and large data application; implementing the supervision requirements, strengthening institutional improvement and internal control management, enhancing safety technology protection, normalizing operation and maintenance management, ensuring IT business continuity, and further improving integrated management on information technology. Information risks of the whole bank were reduced stably. In 2014, information systems of the Company operated safely and smoothly and the information technology risks were well controlled. There was no serious information technology risk event.

6. Compliance risk management

Carrying out operation and management activities strictly in accordance with the laws, regulations and rules, setting compliance ideas as initiative compliance and creating value compliantly in the whole bank, implementing honest professional integrity and value in the Company, integrating compliance culture into the whole process of enterprise cultural construction; consummating the compliance risk management system adapted to business scope, organization structure and business scale of the Company. Perfecting internal control system related to compliance risk management, enhancing rules, regulations and product process management, and striving to prevent compliance risk from the source. Attaching importance to compliance training and education, carrying out continuous compliance supervision and risk evaluation, supervising and urging compliant operation of all lines, institutions and positions; strengthening compliance performance assessment on operation and management personnel according to the value of advocating compliance and punishing violation. Enhancing the efforts in compliance accountability, strictly confirming and ascertaining responsibilities in illegal behaviors and taking effective corrective measures to timely improve operation and management process and revise related policies, procedures and operation instruction.

7. Reputation risk management

Establishing and improving reputation risk management mechanism, optimizing reputation risk management methods, strengthening efforts in investigating and eliminating potential reputation risk, further improving reputation risk management capacity and level, building a finance brand image of intelligence and responsibility. The Company also made emergency plan for reputation risk events and defined work process and carrying out public sentiment management, so as to avoid reputation loss. Other measures include: formulating reputation risk management manual, popularizing knowledge about reputation risk management in the company to enhance reputation risk prevention consciousness of all the staff. In 2014, reputation risk of the Company was generally maintained stable, and there's no serious reputation risk event.

信鲜出炉求关注



江苏银行微信是集借记卡、信用卡业务、活动产品资讯订阅为一体的全客群综合服务平台。通过关注江苏银行官方微信，不但能进行银行卡业务查询、公共信息查询，更可获取最新优惠活动信息。精彩无限，邀您关注！



Shareholders and Share Capital

I. Share Capital

As at December 31, 2014, Bank of Jiangsu Co., Ltd. had had RMB10.39 billion of paid-in capital; wherein, the number of corporate share holders was 973, holding 9,952,110,698 shares (RMB), accounting for 95.79%, while the number of individual share holder was 23,524, holding 437,889,302 shares (RMB), accounting for 4.21%. As at December 31, 2014, pledged shares accounted for 22.90% of the total shares; wherein, shares pledged by one major shareholder accounted for 61.26% of all its held shares; and there were 4 share pledging transactions were involved in judiciary freeze.

II. Top-ten Shareholders

No.	Shareholders	Number of	Proportion
1	Jiangsu International Trust Corporation Limited	910000000.00	8.76%
2	Jiangsu Phoenix Publishing & Media Group Co., Ltd.	890000000.00	8.57%
3	Huatai Securities Co., Ltd.	640000000.00	6.16%
4	Wuxi Construction & Development Investment Company	557015540.00	5.36%
5	Jiangsu Shagang Group Co., Ltd.	350000000.00	3.37%
6	China Orient Asset Management Corporation	301300000.00	2.90%
7	Suzhou International Development Group Co., Ltd.	275560771.00	2.65%
8	Jiangsu Huaxicun Co., Ltd.	248809215.00	2.39%
9	Jiangsu Radio and Television Group Co., Ltd.	240086140.00	2.31%
10	Nantong State-owned Assets Investment Holdings Co., Ltd.	222448644.00	2.14%

III. Shareholders Holding More Than 5% Shares

(I) Jiangsu International Trust Corporation Limited

As at December 31, 2014, Jiangsu International Trust Corporation Limited (hereinafter referred to as "Jiangsu International Trust") has held 8.76% shares of the company, becoming the first majority shareholder. Established in 1981, Jiangsu International Trust is a large-scale financial institution established under approval of Jiangsu People's Government, People's Bank and China Banking Regulatory Commission and completed re-registration in August 2002. Jiangsu Guoxin Investment Group Limited holds holding power of Jiangsu International Trust. Since establishment, through insisting on prudent operation and its own business, compliant operation, steady growth of economic benefit and practically protecting interest of the beneficiaries, Jiangsu International Trust has become a trust company with high quality of assets, standard management, compliant operation, transparent information and strong risk control capability.

(II) Jiangsu Phoenix Publishing & Media Group Co., Ltd.

As at December 31, 2014, Jiangsu Phoenix Publishing & Media Group Co., Ltd. (hereinafter referred to as "Phoenix Media") has held 8.57% shares of the company. Established in 2001 and with overall economic scale and strength both ranking the first in press and publishing industry, Phoenix Group has had the largest

scale and strongest strength in publication industry. The Group has three listed companies, i.e., Phoenix Media, Phoenix Share and Shanghai FPL; wherein, Phoenix Media is the only culture media company listed in Shanghai Stock Exchange 180 index and Shanghai and Shenzhen 300 index. The Group has been rated as "Top 30 cultural enterprises in China" for 6 successive years and ranked the 23rd in Top 50 publication enterprise in the World in 2013. The Group has had public publication taking the leading in Chinese publication industry and had obtained the most national publishing awards in China; in education publication field, the Group has become the No. 2 publisher of primary and secondary textbooks; furthermore, comprehensive publication capacity and capacity growth both rank the first in China.

(III) Huatai Securities Co., Ltd.

As at December 31, 2014, Huatai Securities Co., Ltd. has held 6.16% shares of the company. With Jiangsu Security Company as the predecessor, Huatai Securities was established in April 1991 and is a comprehensive securities trader firstly approved by China Securities Regulatory Commission and also one of securities traders firstly obtaining innovation pilot qualifications in China; it is rated as Class A Grade AA securities trader in the newest securities traders classification and supervision rating. In February 2010, Huatai Securities was successfully listed in Shanghai Stock Exchange. Moreover, it is the holding company and joint stock company of many financial enterprises, including Huatai United Securities Co., Ltd., Huatai Great Wall Futures Co., Ltd., Jiangsu Equity Exchange Co., Ltd., China South Asset Management Co., Ltd., Huatai-PineBridge Investments Co., Ltd. and GP Capital Co., Ltd. In addition, it has solely funded Huatai Finance Holding (Hong Kong) Limited, Huatai Zijin Investment LLC., Huatai Innovation Investment Company and Huatai Securities (Shanghai) Assets Management Co., Ltd., becoming a securities holdings group involved in securities, funds, futures and investment. At present, Huatai Securities administrates over 230 securities business outlets in 30 provinces, cities or municipalities.

(IV) Wuxi Construction & Development Investment Company

As at December 31, 2014, Wuxi Construction & Development Investment Company (hereinafter referred to as "Wuxi Construction & Development") has held 5.36% shares of the company. Wuxi Construction & Development was established in April 1991 with Wuxi Investment Development Corporation as this predecessor, which was reorganized into Wuxi Construction & Development under approval of Wuxi People's Government, while the contributor was Wuxi State-owned Asset Management Commission in August 2005. In September 2012, the Company was restructured as a wholly state-owned company and renamed to Wuxi Construction & Development Investment Company. Current business scope includes engineering contracting, project construction, foreign investment, house lease, parking management and advertising space operation, etc. By December 2014, Wuxi Construction & Development has had 5 holding companies and 8 joint stock companies with scope of investment covering water affairs, rail transit, airport and other field segments of public utilities.



I. Directors, supervisors and senior management executives

(I) Directors

Mr. XIA Ping, born in August 1963, a member of the Communist Party of China, is the secretary of the Party Committee and Chairman of the Board. Graduated from Nanjing University of Science and Technology with a Master's Degree in Management Science and Engineering and as a senior economist, XIA Ping once served as vice general manager of International Business Department of Nanjing Branch, China Construction Bank, president of Luhe Sub-branch, president of the first sub-branch, general manager assistant, vice general manager, vice president and party committee member and general manager of business department in Jiangsu Branch, president and party committee secretary of Suzhou Branch, China Construction Bank, and president and deputy secretary of Bank of Nanjing.

Mr. ZHU Dashu, born in August 1961, a member of the Communist Party of China and senior economist, is a director, the vice president. Graduated from Department of Geophysics in Peking University with Bachelor of Science degree and School of Economics and Management in Xi'an Jiaotong University with Master and Doctoral degrees in system engineering, Mr. ZHU Dashu once served as the deputy section chief of Jiangsu Government Economic Research Center, project manager of China International Center for Economic and Technical Exchanges of Ministry of Foreign Trade and Economic Cooperation, deputy director of Credit Operations Department, Section II and Comprehensive Business Section of Bank of China, director of Company Business Department, Section II of Bank of China, assistant general manager, vice general manager, deputy general manager (in charge of presiding work) and general manager of Bank of China in Canada.

Mr. ZHU Qilong, born in February 1964, a member of the Communist Party of China, is a director, the vice-president and secretary of the board of directors. He has obtained the lawyer qualification and has senior professional title major in economics. He graduated from Anhui Normal University major in Chinese and obtained the Bachelor of Arts and also from Nanjing University major in economic law and obtained the Bachelor of Law. Then he studied in Nanjing Agricultural University as a postgraduate major in finance and obtained the master's degree in economics. Mr. ZHU Qilong once served as the chief of the law section of office of People's Bank of China, Jiangsu branch, deputy director of the office and also director of legal affairs office of People's Bank of China, Nanjing branch, deputy director of the office (at the director level) of People's Bank of China, Nanjing branch, director of supervision division of City Commercial Bank of Jiangsu Banking Regulatory Bureau, Jiangsu Office and assistant of the president of Bank of Jiangsu.

Mr. JIANG Kai, born in November 1962, a member of the Communist Party of China, is the director of the company. He graduated from Computer Science Department and Department of Economics in Nanjing University and obtained bachelor's degrees with a double major. He has senior professional title major in economics. Mr. JIANG Kai once served as the investment management department director and general planning manager of Jiangsu International Trust Co., Ltd., deputy manager and manager of energy and communications investment department of Jiangsu Investment Management Co., Ltd., Vice General Manager (in charging of presiding work) and General Manager of Jiangsu International Trust Co., Ltd. and HR Manager

of Jiangsu Guoxin Investment Group Limited. He is now Vice General Manager, party committee member and HR Manager of Jiangsu Guoxin Investment Group Limited.

Mr. WANG Weihong, born in February 1961, a member of Communist Party of China, is the director of the company. He graduated from the School of Government of Nanjing University with the Doctor's Degree and has a lawyer certificate. Mr. WANG Weihong once served as principal staff member at legal advisory office, deputy director and director at legal department, as well as deputy secretary general and office director of Jiangsu Federation of Trade Unions. He is now a member of the party committee and secretary of Commission for Discipline Inspection of Jiangsu Phoenix Publishing & Media Group Co., Ltd., Vice President of Jiangsu Phoenix Industry and Investment Co., Ltd., chairman of the Board of Supervisors of Jiangsu Phoenix Publishing & Media Corporation Limited, President of Shanghai Fapulu New Material Co., Ltd., President of Jiangsu Xinguanglian Technology Co., Ltd. and visiting professor of Nanjing University and Hunan University.

Mr. JIANG Jian, born in November 1966, a member of the Communist Party of China, is the director of the company and graduated from Nanjing Agricultural University with Master's degree majoring in economic management. JIANG Jian once served as director of training and education section of Human Resources Department of Huatai Securities, vice manager of stock department of Huatai Securities Investment Bank, vice general manager of section I, vice general manager of investment bank and general manager of distribution department of investment bank, general manager of asset management department of Huatai Securities; investment bank business supervisor, General Manager of Nanjing Head Office of investment bank business, President assistant and Shanghai Head Officer Manager, Secretary of the Board of Directors, President assistant and Customer Service manager of Huatai Securities. At present, JIANG Jian holds the positions of vice president, secretary of the Board of Directors and party committee member of Huatai Securities; director of Huatai United Securities Co., Ltd., director of China Southern Asset Management Co., Ltd., chairman of Jiangsu Equity Exchange Center, President of Jiangsu Equity Exchange Center, director of Huatai Zijin Investment Co., Ltd. and director of Huatai Ruitong Investment Management Co., Ltd.

Mr. TANG Jingsong, born in August 1969, a member of the Communist Party of China, is the director of the company. He graduated from Finance and Economics School of Soochow University major in accounting and has senior professional title major in accounting. With 22 years of experience in economics, Mr. TANG Jingsong once served as the director of Economic Construction, Section II of Wuxi Finance Bureau and director of Wuxi Financial Investment Evaluation Center and now is the chairman of the board and general manager of Wuxi Construction & Development Investment Company and director of Wuxi Government Investment Review & Management Office.

Mr. SHEN Bin, born in September 1979 and graduated from Staffordshire University with Master's Degree in Economics, is an economist and also the director of the company. Mr. SHEN Bin once served as the standing executive director, executive vice president and chief accountant of board of directors of Jiangsu Shagang Group. He is now the standing executive director, secretary of the party committee an executive vice president of Shagang Group, director of Jiangsu Shagang Group Co., Ltd., director of Changjiang Runfa Machinery Co., Ltd. and director of Bank of Suzhou Co., Ltd.

Mr. DU Wenyi, born in February 1963, a member of the Communist Party of China, is a director. Holding a bachelor's degree, he is a senior economist. Mr. Du once served as deputy director and director of Financial Planning Office of Jiangsu Institute of Communications Planning and Designing, deputy director of Financial Audit Department of Jiangsu Communications Holding Co., Ltd., director, depute financial audit director and director of Jiangsu Communications Industry Group Co., Ltd., Vice General Manager of Jiangsu Expressway Company Limited and director of Financial Audit Department of Jiangsu Communications Holding Co., Ltd. He is now deputy chief accountant and financial director of Jiangsu Communications Holding Co., Ltd. and President of Jiangsu Communications Holding Group Finance Co., Ltd.

Mr. ZHANG Qu, born in June 1947, a member of the Communist Party of China, is the independent director. He has postgraduate and doctor degree major in economics. Mr. ZHANG Qu once served as the president of Zhejiang branch and Guangdong branch of Industrial & Commercial Bank of China, vice president of Industrial & Commercial Bank of China and chairman of Supervisory Board of ICBC Credit Suisse Asset Management Co., Ltd.

Ms. ZHOU Suming, born in December 1949, a member of the Communist Party of China, is the independent director. She graduated from Department of Economics of Nanjing University major in economic management and then obtained the postgraduate degree in Party School of the Central Committee. As a senior professional title major in economics, she is the member of the standing committee of Jiangsu CPPCC (Chinese People's Political Consultative Conference) and associate director of Committee for Economic Affairs.

Mr. GU Yingbin, born in March 1963, a member of the Communist Party of China, is an independent director. He obtained the bachelor's degree in Southwest University of Political Science & Law major in law and senior professional title major in law affairs. Mr. GU Yingbin once served as the director and lawyer of Jiangsu Jinxinda Law Office as well as director and lawyer of Beijing Jianyuan Law Office, Nantong branch. Now he is the senior partner of Beijing Dacheng Law Offices and director of Beijing Dacheng (Nantong) Law Offices.

Mr. LIU Yuhui, born in 1970, is an independent director. He graduated from Graduate School of Chinese Academy of Social Sciences with a Doctor's Degree in quantitative economics. He once served as the chief economist of Huatai Securities Co., Ltd. and is now director of key financial laboratory of Chinese Academy of Social Sciences, chief economist of GF Securities Co., Ltd. and professor and doctoral supervisor in Chinese Academy of Social Science and Nankai University.

Mr. YAN Yan, born in December 1972, a member of the Communist Party of China, is an independent director. He holds doctor's degrees in management and laws and is a post-doctor in business manager. With lawyer's certificate, he is a non-practicing member of Chinese Institute of Certified Public Accountants. Mr. YAN once served as principal staff member of Science and Technology Department, and is now a professor of Shanghai National Accounting Institute.

(II) Supervisors

Mr. LIU Changji, born in May 1955, a member of the Communist Party of China, is the chief supervisor. As a senior economist, he has once served as the section chief of foreign exchange management department of People's Bank of China, Nantong branch, vice-president of People's Bank of China, Nantong branch, Haimen sub-branch, office director of People's Bank of China, Nantong branch, vice-president of People's Bank of China, Nantong branch, chairman, president and secretary of the party leadership group of Nantong City Commercial Bank and chief supervisor, vice president and executive director of Bank of Jiangsu.

Ms. ZUO Hong, born in December 1952, a member of the Communist Party of China, is an external supervisor. With a Master's Degree, she is a senior accountant. She was once an officer of Nanjing Finance Bureau, a officer of Nanjing Taxation Bureau, a officer, deputy director and director of Nanjing Planning Committee, deputy director and director of general office of Nanjing Securities and Exchange Commission, General Manager of Nanjing Investment Company, a specially assigned director of China Securities Regulatory Commission in Nanjing, Director General of Jiangsu Office of China Securities Regulatory Commission, vice chairman of Jiangsu Accounting Society and vice chairman of Jiangsu Finance Society.

Mr. DU Baoqi, born in May 1950, a member of the Communist Party of China, is an external supervisor. With a Bachelor's Degree, he is a senior economist. He once served as director of Foreign Economic Relations and Trade Commission of Weifang, Shandong Province, member of the party group and mayor's assistant of Weifang Municipal Government, President of Shandong Branch of Industrial and Commercial Bank of China, and Director General of Nanjing Branch of Internal Auditing Bureau of ICBC.

Mr. YU Jiaqin, born in March 1958, a member of the Communist Party of China, is a supervisor. With Master's Degree, he is an economist. He has once served as deputy director of Business Department of Jiangsu Branch, deputy director of credit loan department of Jinling Branch, deputy director of credit loan department of Nanjing Branch of Bank of China, manager of Bank of China (Hong Kong) Limited, director of credit loan department, president assistant of Nanjing Branch, president of Nanjing Chengbei (under administration) Sub-branch of Bank of China; manager of assets appraisal department of Nanjing Office, senior manager, senior manager of Assets Management Section II, vice general manager and discipline inspection commission secretary of China Orient Asset Management Corporation. At present, he is general manager of Nanjing Office of China Orient Asset Management Corporation; president of Nanjing Xinbang Science and Technology Small Loan Co., Ltd. and director of Shanghai Meishan Steel Co., Ltd.

Ms. AN Ran, born in October 1972, a member of the Communist Party of China, is a supervisor. With Master's Degree, she is a senior accountant and CPA. She once serviced as an officer of Financial Department of Jiangsu Bureau of Radio and Television and deputy director of Financial Assets Department of Jiangsu Broadcasting Corporation (Group). She is now the director of Financial Assets Department of Jiangsu Broadcasting Corporation (Group).

Ms. YUAN Weijing, born in July 1963, a member of the Communist Party of China, is a supervisor. With Bachelor's Degree, she is a senior accountant. She once served as a officer of Corporate Finance Department of Suzhou Bureau of Finance and General Manager of Suzhou Yingcai Investment Group Co., Ltd. and now

is the director, member of the party committee and chief accountant of Suzhou International Development Group Co., Ltd. and director of Suzhou Trust Co., Ltd., Soochow Securities, Co., Ltd., Suzhou International Development Venture Capital Holding Co., Ltd. and Suzhou Guofa Small & Medium Enterprises Guarantee Investment Co., Ltd.

Mr. WU Dianjun, born in November 1969, a member of the Communist Party of China, is a supervisor. With both Master's Degree and Doctor's Degree, he is a senior economist. He once served as the person in charge of General Affairs Department of International Business Division of Lianyungang Branch of the Agricultural Bank of China, office director of Lianyungang Branch of Agricultural Development Bank, deputy office director (in charge of presiding work) of Jiangsu Branch of Agricultural Development Bank and deputy office director of Bank of Jiangsu. He is now the office director, Party Committee office director and propaganda director of Bank of Jiangsu.

Mr. LUO Feng, born in June 1972, a member of the Communist Party of China, is the supervisor. He is a master, obtained a master's degree, professional title major in audit and CPA (certified public accountant). Mr. LUO Feng once served as the principal staff member and deputy director of Financial Audit Section of the Office of Special Commissioner of National Audit Office in Nanjing and now is the general manager of Internal Audit Department of Bank of Jiangsu.

(III) Senior management executives other than directors and supervisors

Mr. JI Ming, born in July 1962, a member of the Communist Party of China, is the secretary of Committee for Discipline Inspection, vice president and General Manager of Business Management Department of the Head office. He has senior professional title major in economics and also obtained the lawyer qualification. He graduated from Department of Geology, Nanjing University, majoring in hydrogeology and engineering geology and obtained the B.S. degree and also from Department of Law, Nanjing University, majoring in law and obtained the Bachelor of Law. Mr. JI Ming once served as the section-level secretary of Party-masses Department of Nanjing Municipal Committee Policy Research Office, section-level organizer of City and County Cadres Section and Office of Jiangsu Provincial Committee Organization Department, inspector at the deputy-director level and associate director of the Office of Jiangsu Provincial Committee Organization Department, deputy director of Cadres Section I and director of Youth Cadres Division of Jiangsu Provincial Committee Organization Department as well as vice supervisor and deputy secretary of the party committee of Bank of Jiangsu.

Ms. GU Xian, born in September 1963, a member of the Communist Party of China, is the assistant president. She graduated from Peking University with major in ideological and political education and obtained the Bachelor of Law. She has senior professional title major in economics. Ms. GU Xian once served as the deputy director and director of Retail Business Department of Bank of China, Jiangsu branch, general manager of Bank Card Department of Bank of China, Jiangsu branch and general manager of Retail Business Department of Bank of Jiangsu.

Mr. WANG Yi, born in February 1965, a member of the Communist Party of China, is the technical products director. He obtained a bachelor's degree in Nanjing University major in computer software and then a

master's degree in Sino-Dutch International Business Center of Nanjing University, majoring in business administration. He has senior professional title major in engineering. Mr. WANG Yi once served as the deputy director of Information & Technology Division of Bank of China, Jiangsu branch, general manager of E-Banking Department of Bank of China, Jiangsu branch, general manager of Information & Technology Department of Bank of Jiangsu and general manager of Information & Technology Department (concurrently).

Mr. ZHANG Rongsen, born in October 1968, a member of the Communist Party of China, is a member of the party committee, president and party committee secretary of Beijing Branch. Graduated from Renmin University of China with a doctoral degree in economics and majoring in economic history, ZHANG Rongsen has ever serve as vice president of Beijing Shouti Sub-branch of China Minsheng Bank, president of Beijing Hangtianqiao Sub-branch, president and Fund Department general manager of Beijing Branch of Guangdong Development Bank, president and party committee secretary of Beijing Branch, Bank of Jiangsu.

Mr. ZHAO Hui, born in June 1965, a member of the Communist Party of China, is the chief operating officer and general manger of Operation Department. Graduated from Party School of the CPC Central Committee with major in laws and as a senior MBA (Master of Business Administration) from Nanjing University of Science and Technology and also has senior professional title major in economics. Mr. ZHAO Hui has once served as the deputy director of Receiving & Paying and Liquidation Division of Bank of China, Jiangsu branch, deputy director, deputy director (only in charge of presiding work) and director of Liquidation Division of Bank of China, Jiangsu branch, general manager of Operation Department of Bank of China, Jiangsu branch, president of Bank of China, Suqian branch and general manager of Operation Department of Bank of Jiangsu.

Mr. LI Min, born in February 1963, a member of the Communist Party of China, is the president assistant, and president and party committee secretary of Shenzhen branch. He obtained the bachelor's degree of Shenzhen University major in international finance. He has professional title major in economics. Mr. LI Min once served as the vice president and president of Shenzhen Development Bank, Shanghai branch, president assistant of Shenzhen Development Bank and president of Shenzhen Development Bank, Beijing branch, standing vice manager of Shenzhen Management Department of Shenzhen Development Bank, standing vice president of Shenzhen Development Bank, Shenzhen branch, president and party committee secretary of Bank of Jiangsu, Shenzhen branch.

II. Remunerations and shareholding of directors, supervisors and senior management executives in the company during the reporting period

(I) Remuneration determining process and basis of the directors, supervisors and senior management executives

Remunerations of directors, supervisors and senior management executives were assessed and paid in accordance with Methods of Management on Remunerations of Senior Management Executives of Bank of Jiangsu, Methods of Remuneration Assessment of Bank of Jiangsu (Trial), Methods of Assessment and Management on Senior Management Executives of Bank of Jiangsu and Methods of Management on

Remunerations of Independent Directors and External Supervisors Remuneration in Bank of Jiangsu.

(II) Basic Information

Name	Position	Gender	Age	Remuneration before tax during the report period (Unit: RMB)	Shares holding
XIA Ping	President and Secretary of the Party Committee	Male	51	1,937,500	0
ZHU Dashu	Director and Vice President	Male	53	1,781,300	0
ZHU Qilong	Director, Vice President and Secretary of Board of Directors	Male	50	1,750,000	0
JIANG Kai	Director	Male	52	-	0
WANG Weihong	Director	Male	53	-	0
JIANG Jian	Director	Male	48	-	0
TANG Jingsong	Director	Male	45	-	6635
SHEN Bin	Director	Male	35	-	0
DU Wenyi	Director	Male	51	-	0
ZHANG Qu	Independent Director	Male	67	200,000	0
ZHOU Suming	Independent Director	Female	65	200,000	0
GU Yingbin	Independent Director	Male	51	200,000	0
LIU Yuhui	Independent Director	Male	44	150,000	0
YAN Yan	Independent Director	Male	42	15.00	0
LIU Changji	Chief Supervisor	Male	59	1,812,500	194964
ZUO Hong	External Supervisor	Female	62	-	0
DU Baoqi	External Supervisor	Male	64	135,000	0
YU Jiaqin	Supervisor	Male	56	-	0
AN Ran	Supervisor	Female	42	-	0
YUAN Weijing	Supervisor	Female	51	-	0
WU Dianjun	Supervisor	Male	45	1,239,900	0
LUO Feng	Supervisor	Male	42	1,362,500	0
JI Ming	Secretary of Committee for Disciplinary Inspection, Vice President and General Manager of Business Management Department of the Head Office	Male	52	1,781,300	0
GU Xian	President Assistant	Female	51	1,500,000	0
WANG Yi	Technical Products Director	Male	49	1,437,500	0
ZHANG Rongsen	Member of the Party Committee of the Head Office and President of Beijing Branch	Male	46	2,303,400	0
ZHAO Hui	Chief Operation Officer and General Manager of Operation Department	Male	49	1,437,500	0
LI Min	President Assistant and President of Shenzhen Branch	Male	51	1,945,000	0

Note: Complying with supervisions regulations of China Banking Regulatory Commission and the Company, deferred annual remuneration was paid to executive director, employee supervisor and senior management officers. In 2014, a total of RMB9,808,500 was paid to directors, supervisors and senior management officers, and the deferred remuneration has not been paid. The Company will make assessment to determine whether to pay such part and the payment standards.

III. Dismissal and appointment of directors, supervisors and senior management executives during the reporting period

On March 31, 2014, the Company held the first extraordinary general meeting in 2014 and elected members of the Third Board of Directors: XIA Ping, HU Changzheng, ZHU Dashu, ZHU Qilong, JIANG Kai, WANG Weihong, JIANG Jian, TANG Jingsong, SHEN Bin and DU Wenyi were elected as directors; ZHANG Qu, ZHU Suming, GU Yingbin, LIU Yuhui and YAN Yan were elected as independent directors. YANG Yingchun and YUAN Weijing no longer hold the positions of directors, while JI Huaguang and ZHONG Wei are no longer independent directors.

On March 31, 2014, the Third Board of Directors held the first meeting and elected XIA Ping as the Chairman; moreover, HU Changzheng was assigned as the President, ZHU Dashu, JI Ming and ZHU Qilong were assigned as Vice President, GU Xian and LI Min were assigned as President Assistant, WANG Yi was assigned as Technical Products Director, ZHAO Hui was assigned as the Chief Operation Officer and ZHU Qilong was assigned as Secretary of the Board of Directors.

On May 27, 2014, as per Approval of Jiangsu Banking Supervisory Bureau on Qualification of Three Candidates (including YAN Yan) (S.Y.J.F.[2014] No. 178), YAN Yan was approved to hold the post of independent director, WANG Weihong was approved to hold the post of director and DU Wenyi was approved to hold the post of director of Bank of Jiangsu.

On June 23, 2014, as per Approval of Jiangsu Banking Supervisory Bureau on Qualification of LIU Yuhui (S.Y.J.F.[2014] No. 211), LIU Yuhui was approved to hold the post of independent director of Bank of Jiangsu.

On July 11, 2014, as per The Notice Concerning Position Adjustment of HU Changzheng and WANG Mingjin (S.W. [2014] No. 365) of the Party Committee of Jiangsu Province, HU Changzheng was approved to take the post of director of Jiangsu Rural Credit Union and relieved of the post of President of Bank of Jiangsu Co., Ltd.

On July 25, 2014, as per The Notice Concerning Dismissal of HU Changzheng (S.W. [2014] No. 410) of the Party Committee of Jiangsu Province, HU Changzheng was dismissed from the post of deputy secretary of the Party Committee of Bank of Jiangsu Co., Ltd.

On August 8, 2014, HU Changzheng submitted the resignation application to the Board of Director and resigned the positions of directors and president of the Company.

On March 12, 2014, in employees' meeting, LIU Changji, WU Dianjun and LUO Feng were elected as employee supervisors of the Third Board of Supervisors, while GU Xinmin and ZHAO Jie no longer held the posts of employee supervisor.

On March 31, 2014, the Company held the first extraordinary general meeting in 2014 and elected members of the Third Board of Supervisors: YU Jiaqin, AN Ran and YUAN Weijing were elected as shareholder supervisors, while ZUO Hong and DU Baoqi were elected as external supervisors. XU Dayou, CAI Yuliang and GE Weiqin no longer held the posts of supervisors, while ZHENG Jian and YI Renping were no longer external supervisors of the Company.

On March 31, 2014, on the first meeting of the Third Board of Supervisors, LIU Changji was elected as the Chief Supervisor.

IV. Employees

At the end of the reporting period, the company had a total of 13733 employees, among which, on-the-job employees were 13312, accounting for 96.93% of all the employees and early retirees (including employees taking long sick leave) were 421, accounting for 3.07%. Among the all the employees, 1131 have doctors' or masters' degrees, accounting for 8.24%; 11378 have college degrees or bachelors' degrees, accounting for 82.85%; 1224 employees were graduated from technical secondary schools, accounting for 8.91%; and 850 employees were dispatched to the company, accounting for 6.19%.



**使用微信支付就绑定
江苏银行卡**

江苏银行，全国首家同时支持借记卡、信用卡绑定微信支付的城市商业银行。
滴滴打车、微信红包、Q币充值...
让您体验不一样的掌上生活。

借记卡 信用卡 都可绑定

手机银行: m.jsbchina.cn
短信服务号码: 106980096098

轻松一扫 服务即到

I. Corporate Governance

The Company has always been dedicated to building a company governance system of integrity, fairness, transparency and responsibility according to supervisory standards and been striving to improve governance structure, mechanism and efficiency. In 2014, strictly adhering to supervisory rules, the Company adjusted business structure, further enhanced internal control, prevented and controlled various risks, made efforts to improve disclosure quality, took social responsibility, promoted brand building, further optimized member structure of the Board of Directors, enhanced business coordination of the Board of Directors, improved information delivery channel between the Board of Directors and different management layers, perfected resolution execution and feedback mechanism of the Board of Directors, and further standardized the company governance, so that prominent improvement was made in governance of the Company.

(I) Shareholders and general meeting of the shareholders

In the reporting period, as per relevant laws, regulations, Articles of Association, rules of procedure of shareholders meeting, the Company further standardized convening, holding, deliberation and voting procedures of shareholders' meeting, so as to ensure rights to know, participate and vote of the shareholders and make sure all shareholders can enjoy equal position and fully exercise their rights.

In 2014, the Company held the first extraordinary general meeting of 2014 and annual general meeting of shareholders of 2013, which all complied with relevant legal procedures, ensuring the shareholders could participate in and exercise right in the meetings.

(II) Directors and Board of Shareholders

Composition, director qualification and appointment procedures of the Board of Directors all complied with Articles of Association, laws and regulations. All members of the Board of Shareholders performed their duties in an honest, diligent, professional and efficient manner and executed decision-making function of the Board of Directors and undertaken the responsibilities in commercial bank operation and management strictly according to relevant regulations and governance procedures of the Company, which facilitated building of good and honest enterprise culture and social image. The directors carefully reviewed and read conference materials and fully grasped the information before holding the board meeting and seriously reviewed and discussed undetermined matters, gave independent, professional and objective opinions, made independent judgment and decision. In 2014, Board of Directors held a total of 10 meetings, including 3 being held by the Second Board of Directors (1 communication meeting and 2 on-site meetings) and 7 being held by the Third Board of Directors (4 communication meetings and 3 on-site meetings). In these meetings, 66 proposals were discussed and approved. The directors made careful preparation and actively spoke in the meetings. The details about meeting attendance of company directors were given in the following table:

Name	Times of attendance	Personal attendance	Delegated attendance	Absence
XIA Ping	10	10	0	0
ZHU Dashu	10	10	0	0
ZHU Qilong	10	10	0	0
JIANG Kai	10	10	0	0
WANG Weihong*	7	6	1	0
JIANG Jian	10	10	0	0
TANG Jingsong	10	10	0	0
SHEN Bin	10	10	2	0
DU Wenyi*	7	6	1	0
ZHANG Qu	10	10	1	0
ZHOU Suming	10	10	0	0
GU Yingbin	10	10	0	0
LIU Yuhui*	7	5	2	0
YAN Yan*	7	7	0	0

Note: "*" indicates that the corresponding directors are new ones in the Third Board of Directors.

Some directors who failed to attend meetings personally due to public affairs, personal health conditions and other reasons authorized other directors of the same kind in written form in accordance with the relevant laws and regulations, which guaranteed the effectiveness of board meetings and efficiency of decision making. When the board of directors was not in session, directors paid attention to and knew the operation and management conditions of the company through the delivery of company information and put forward suggestions and opinions through the office of board of directors, meetings of special committee of board of directors and other forms.

Special committee of the board of directors was consisted of strategic committee, audit committee, affiliated transactions control committee, risk management committee and nomination and remuneration committee. The strategic committee members included Mr. XIA Ping, Mr. ZHANG Qu (independent director), Mr. LIU Yuhui (independent director) and Mr. JIANG Kai; XIA Ping was the chairman. The audit committee members included Mr. YAN Yan (independent director), Ms. ZHOU Suming (independent director), Mr. GU Yingbin (independent director), Mr. DU Wenyi and Mr. ZHU Qilong; YAN Yan was the chairman. The affiliated transactions control committee members included Mr. GU Yingbin, Ms. ZHOU Suming (independent director) and Mr. ZHU Dashu; GU Yingbin was the chairman. The risk management committee members included Mr. ZHU Dashu, Mr. YAN Yan (independent director), Ms. ZHOU Suming (independent director) and Mr. JIANG Jian. The nomination and remuneration committee members included Mr. ZHANG Qu (independent director), Mr. LIU Yuhui (independent director) and Mr. ZHU QILONG; ZHANG Qu was the chairman.

(III) Supervisors and Board of Supervisors

The composition and qualification of supervisors and selection and appointment procedures of the board of supervisors were all in accordance with the Articles of Association, laws and regulations. There were supervision committee and nomination committee under the board of supervisors. Members of the supervision committee included Mr. DU Baoqi (external supervisor), Mr. YU Jiaqin, Ms. AN Ran and Mr. LUO Feng; DU Baoqi was the chairman. Members of the nomination committee included Ms. ZUO Hong (external supervisor), Ms. YUAN Weijing and Mr. WU Dianjun; ZUO Hong was the chairman. All supervisors earnestly played the supervisory role of the board of supervisors towards the work fulfillment and due diligence of senior management and members of the board of directors, financial activities, authenticity of operating results, risk prevention and internal control development, conscientiously performed their duties stipulated by the "Articles of Association" and played due role in improving the corporate governance level and promoting standardized operation and scientific development of the company. In 2014, the board of supervisors held a total of 8 meetings, discussing and approving 33 proposals. All supervisors were diligent and responsible, and actively spoke in the meetings. The details about meeting attendance of company supervisors are given in the following table:

Name	Times of attendance	Personal attendance	Delegated attendance	Absence
LIU Changji	5	5	0	0
ZUO Hong*	3	2	1	0
DU Baoqi*	3	2	1	0
YU Jiaqin	5	3	2	0
AN Ran*	3	3	0	0
YUAN Weijing*	3	3	0	0
WU Dianjun*	3	3	0	0
LUO Feng	5	5	0	0

Note: "*" indicates that the corresponding supervisors are new ones in the Third Board of Supervisors.

(IV) Senior management executives

Led by the Board of Directors, management executives of the Company worked corporately to make achievements, positively reacted to market changes, continuously enhanced and improved corporate governance, accelerated transformation in business structure and profit model, controlled operation risks, improved capital efficiency and return on investment, built favorable enterprise brand and social image, withstood the challenges brought by complicated and changeable external situations and increased unfavorable factors, and effectively accomplished the business targets made by the Board of Directors.

(V) Information disclosure and transparency

The company disclosed the information strictly in accordance with the relevant laws & regulations, conscientiously did a good job in information disclosure of the annual report and other regular reports, enhanced the validity and compliance of external disclosure, enlarged the content of regular reports, abided by time limit provisions and confidential discipline of information disclosure and comprehensively and accurately reflected the company's operating and management information. During the reporting period, the work of information disclosure met true, accurate, timely and complete requirements, which ensured that all shareholders had equal access to the information.

II. Performance of Independent Directors and External Supervisors

The third Board of Directors of the company had 5 independent directors whose specialty widely covered economy, accounting and finance and they enjoyed high social prestige and reputation. In 2014, with a sense of responsibility towards all shareholders, the independent directors who were diligent and responsible safeguarded the whole interests of the company and the legitimate rights and interests of small and middle shareholders and played a positive role in objective and scientific decision making of the board of directors. The independent directors established the routine working system, often went to the company and did office work on-sit, carried out research and investigation at the branches, exchanged information with management personnel, grasped business situation in time and put forward valuable opinions and suggestions. The chairmen of the nomination and remuneration committee, audit committee and affiliated transactions control committee were respectively Mr. ZHANG Qu, Mr. YAN Yan and Mr. GU Yingbin who were all independent directors and all other independent directors served as members of each special committee. In the work of special committee, every independent director fully made use of professional knowledge and skills, actively offered advices and suggestions, discussed and researched motions in depth and made independent opinions on important matters. They played an important role in improving the decision-making efficiency of board of directors. Ms. ZUO Hong and Mr. DU Baoqi, external supervisors of the company, were chairmen of supervision committee and nomination committee, respectively. These two external supervisors who were diligent and responsible, adhered to independent, prudent and objective principles, attended the meetings of the board of supervisors and board meetings on time, conscientiously reviewed and discussed each subject, utilized their accounting, auditing and other expertise and actively offered advices and suggestions. They convened and presided over meetings of the special committee in accordance with their respective responsibilities, assisted the board of supervisors to make scientific decisions as well as fulfilled and carried out supervision and evaluation work. They played their roles in legal performance of duties of the board of supervisors. In the reporting period, no independent director ever had any objection to proposals or other affairs of the Board of Directors.

III. Decision-making System

The general meeting of shareholders is the highest authority institution of the company. The board of directors performed the decision-making management and the board of supervisors exercised supervisory functions. The president who was employed by the board of directors took complete charge of daily operation and management of the company. The company took its head offices as its legal persons only and all its branches were dependent accounting units. The operation and management activities of its branches were carried out under the authorization of the head office and branches were responsible for the head office.

IV. Independent Operation of the Company

The company had no dominant shareholder or actual controller. Its business, personnel, assets, institutions and finance were completely independent from each other on the basis of the provisions of Company Law and Commercial Banking Law. As an independent legal entity which operated independently and assumed sole responsibility for its own profits or losses, the company had entirely independent and complete business and independent operation capability. The board of directors, board of supervisors and internal institutions of the company all operated independently.

V. Performance Assessment and Incentive of Senior Management Executives

Board of Directors and the nomination and remuneration committees of the Board of Directors were responsible for the performance assessment and incentive of senior management executives. The board of directors did rewards and punishments towards senior management executives strictly in accordance with performance assessment procedures and adhered to principle of rewarding the good and punishing the bad. The board of directors would base the post appointment, wage level adjustment and annual salary distribution of senior management executives on performance assessment results.

VI. Establishment and Improving of Internal Control System

(I) Basic composition of internal control system

The company established an internal control system which included five elements, namely, internal control environment, risk identification and assessment, internal control measures, supervision evaluation and correction as well as information exchange and feedback in accordance with "Commercial Banking Law of the People's Republic of China", "Commercial Bank's Internal Control Guidelines", "Fundamental Norms of Corporate Internal Control" and other laws and regulations together with the New Basel Agreement and relevant contents of "'COSO Mode' of Overall Framework of Internal Control" and constantly endeavored in the improvement and promotion of the internal control. The company established a governance framework with the general meeting of shareholders, board of directors, board of supervisors and senior management as its main body and formed a governance mechanism, by which company institution each performed its own functions, assumed own responsibilities and balanced each other. The governance mechanism of "three

meetings and one level" (three meetings meant general meeting of shareholders, board of directors and board of supervisors and one level meant senior management level) was improved gradually. The internal control management framework consisted of internal control decision making level, construction execution level and supervision and evaluation level. The company established "three lines of defense" of internal control, including line management department, risk management department, internal audit and inspection and supervision department, and formed an internal control management framework which was under the charge of principal persons of banks at all levels and all functional departments and was participated in by all the staff.

(II) Basic condition of internal control

The Company attached great importance to establishment of the internal control system and made continuous efforts to improve it. In 2014, adhering to the enterprise cultural concept with core values of "integrated innovation, pragmatism and continuous growth" and guided by the ideology of internal control first, the Company made practical improvements in risk prevention, enhanced system construction and implementation and further strengthened internal control and risk event prevention, which ensured that no major accident and case occurred and created favorable internal and external environment for sound and rapid development of all businesses of the Company.

First, further rationalizing internal control system and strengthening risk management and internal control. The Company has been devoted to building internal control system with favorable internal control environment as the platform, reasonable organization structure and the base, sufficient information communication as the link and efficient internal control process and the main line, integrating all the positions and promoting healthy and sustainable development of the bank through independent, all-round and effective audit supervision. In this year, through deepening reform in risk management system and improving risk management organization structures of the head office and branches, a comprehensive risk management system was established.

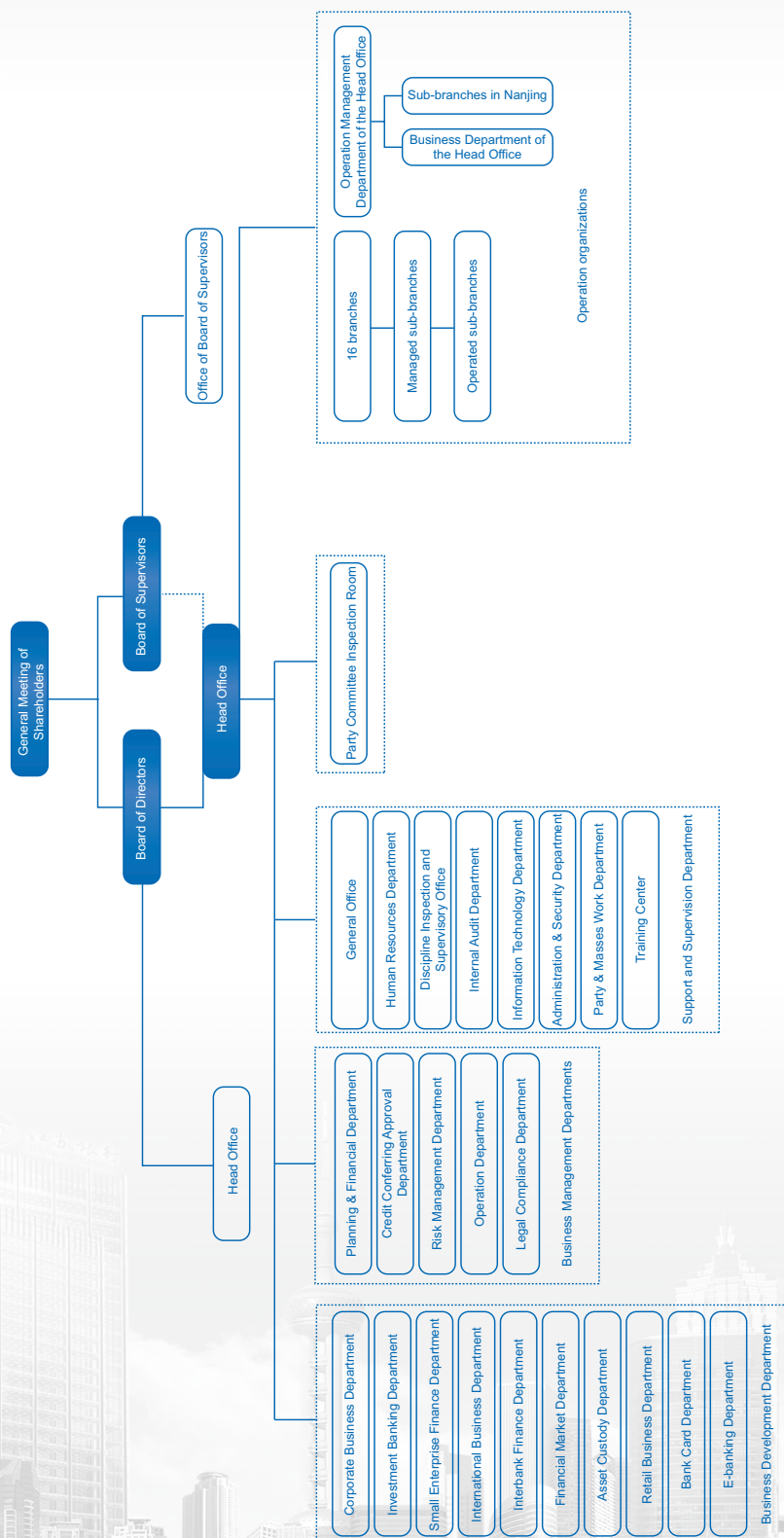
Second, comprehensively implementing the Long-term mechanism for internal control and event prevention in 2014. Complying with the supervision requirements and needs of strengthening internal control and management, the Company improved the management system, focused on event prevention in key areas, strengthened the efforts in employee's behavior management, supervision and inspection, enhanced the ability in early-warning and control of IT system risk, defined measures in six aspects like reward and punishment mechanism, and stimulated establishment of long-term mechanism for internal control and event prevention across the bank.

Third, further enhancing construction of "three lines of defense". Especially the self error correction and risk self-examination ability of the first line of defense was improved obviously. Inspection and supervision were enhanced on implementation of rules and regulations in all business lines; moreover, internal audit department actively fulfilled its audit and supervision duties.

Guided by the board of directors and special committee, the management of the company put risk prevention

and prudent management as the starting point, gradually established and improved a series of system, procedures and methods of risk prevention and formed a comprehensive, prudent, effective, independent and appropriate internal control system. The internal control measures covered all main business areas and the execution of internal control was basically effective, which played an effective role in maintaining the constant and stable development of all businesses of the company and preventing financial risks. The branches at all levels conscientiously fulfilled the management responsibilities within the scope, refined system and process and strengthened the implementation of system and measures in accordance with the requirements of the head office and actual situation of company business development and ensured that all control measures played constant and effective roles. Through strengthening system implementation and inspection and rectification, the internal control system of the company was improved constantly and the effectiveness of enforcement of internal control system was improved continuously. Since its establishment, the company had no major risk events occurred, constantly created value for its shareholders, provided its customers with high-quality service as well as effectively guaranteed and secured the legitimate rights and interests of customers. The possible risks caused by general defects discovered in self-examination were brought under control, which did not constitute substantial or major consequence towards the quality of business activities and achievement of financial reporting aim of the company.

VII. Organizational Chart of Bank of Jiangsu



直销银行
快乐很简单

转账汇款
手续费全免

安全有保障

智能化理财
收益更多

横空出世的全新银行
纯线上、全天候服务的银行





客服热线: 95319 www.jsbchina.cn

General Meetings of Shareholders

In 2014, the Company held 2 general meetings of shareholders (1 annual meeting and 1 extraordinary general meeting), discussing and approving 23 proposals.

The first extraordinary shareholders' meeting of 2014 was convened by the Board of Directors and held on-site in Nanjing on March 31, 2014. Presided over by XIA Ping, Chairman of the Board of Directors, the shareholders' meeting was attended by a total of 28 shareholders and representatives, representing 53.24% of total share capital of the Company, which complied with provisions of the Company Law, other laws and regulations and Articles of Association of the Company. In the meeting, 10 proposals were discussed and approved through voting by open ballot: proposal concerning Annual Report of the Board of Directors of Bank of Jiangsu in 2013, proposal concerning Annual Report of the Board of Supervisors of Bank of Jiangsu in 2013, proposal on amending Articles of Association of Bank of Jiangsu Co., Ltd., proposal on amending Articles of Association of Bank of Jiangsu after listing (draft), proposal on extending validity period of the resolution about IPO of Renminbi ordinary shares (A shares) in China and listing, proposal on a three-year share price stabilizing plan of Bank of Jiangsu Co., Ltd. after IPO of Renminbi ordinary shares (A shares) in China and listing, proposal about shareholders return plan in three years after listing of Bank of Jiangsu Co., Ltd., proposal on renewing employment contract with the accounting firm, proposal on electing the Third Board of Directors of Bank of Jiangsu, and proposal on electing the Third Board of Supervisor of Bank of Jiangsu.

The annual general meeting of shareholders of 2013 was convened by the Board of Directors and held on site in Nanjing on April 21, 2014, presided over by XIA Ping, Chairman of the Board of Directors, the meeting was attended by 22 shareholders and representatives, representing 51.7% of total share capital of the Company, which complied with provisions of the Company Law, other laws and regulations and Articles of Association of the Company. In the meeting, 13 proposals were discussed and approved through voting by open ballot: proposal concerning profit distribution preplan of Bank of Jiangsu in 2013, proposal concerning financial settlement in 2013 and financial budget in 2014 of Bank of Jiangsu, proposal concerning report on related-party transaction of Bank of Jiangsu in 2013, proposal concerning methods of related-party transaction management of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedure of general meeting of shareholders of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedure of general meeting of shareholders applying to Bank of Jiangsu Co., Ltd. after listing (draft), proposal on amending rules of procedure of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedures of Board of Directors applying to Bank of Jiangsu Co., Ltd. after listing (draft), proposal on amending rules of procedure of Board of Supervisors of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedures of Board of Supervisors applying to Bank of Jiangsu Co., Ltd. after listing (draft), proposal on amending work regulations of independent directors of Bank of Jiangsu Co., Ltd., proposal on amending work regulations of external supervisors of Bank of Jiangsu Co., Ltd., and proposal on amending share capital management methods of Bank of Jiangsu (trial).



融享生活
个人消费金融综合服务方案
享生活 乐无限

江苏银行“融享生活”个人消费金融综合服务方案
专为实现您的汽车、家装、婚庆、旅游、留学等生活梦想，提供消费贷款服务。

I. Management discussion and analysis (see Chapter 3)

II. Meetings of board of directors and special committees in 2014

In 2014, Board of Directors held a total of 10 meetings, including 3 being held by the Second Board of Directors (1 communication meeting and 2 on-site meetings) and 7 being held by the Third Board of Directors (4 communication meetings and 3 on-site meetings). In these meetings, 66 proposals were discussed and approved.

On January 3, 2014, the Second Board of Directors held its 26th meeting (communication meeting). In the meeting, 2 proposals were discussed and approved: proposal concerning development plan in 2014 and proposal about adjusting internal organization function of the head office.

On January 22, 2014, the Second Board of Directors held its 27th meeting. In the meeting, 2 proposals were discussed and approved: proposal about establishing financial leasing company by the Company of Jiangsu and proposal on amending Articles of Association of Bank of Jiangsu Co., Ltd.

On March 14, 2014, the Second Board of Directors held its 28th meeting. In the meeting, 15 proposals were discussed and approved: proposal concerning annual report of the Board of Directors of Bank of Jiangsu in 2013, proposal concerning annual report of the president of Bank of Jiangsu in 2013, proposal concerning self-evaluation reports of the Board of Directors and the directors of Bank of Jiangsu in 2013, proposal about extending validity period of the resolution about IPO of Renminbi ordinary shares (A shares) in China and listing, proposal on share price stabilizing plan of Bank of Jiangsu Co., Ltd. three years after IPO of Renminbi ordinary shares (A shares) in China and listing, proposal concerning future dividend and return plan (2014-2016) for the shareholders of Bank of Jiangsu, proposal on amending Articles of Association applying to Bank of Jiangsu Co., Ltd. after listing (draft), proposal on carrying out credit assets securitization business of Bank of Jiangsu, proposal concerning internal organization adjustment plan of Bank of Jiangsu, proposal concerning risk management policies of Bank of Jiangsu, proposal concerning comprehensive risk management report of Bank of Jiangsu in 2013, proposal risk limitation of Bank of Jiangsu, proposal concerning 2013 annual assessment and the remuneration suggestions for senior management executives of Bank of Jiangsu, proposal about nominating director candidates of the Third Board of Directors of Bank of Jiangsu, and proposal on holding the first extraordinary meeting of shareholders of Bank of Jiangsu Co., Ltd. in 2014.

On March 31, 2014, the Third Board of Directors held its 1st meeting. In the meeting, 18 proposals were discussed and approved: proposal on electing chairman of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on president appointment of Bank of Jiangsu Co., Ltd., proposal on vice president, president assistant and supervisor appointment of Bank of Jiangsu Co., Ltd., proposal on board secretary appointment of Bank of Jiangsu Co., Ltd., proposal on establishing special committee of the Third Board of Directors of Bank of Jiangsu, proposal on amending rules of procedure of general meeting of shareholders of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedure of general meeting of shareholders applying to Bank of Jiangsu Co., Ltd. after listing (draft), proposal on amending rules of procedure of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedures of Board of Directors applying to Bank

of Jiangsu Co., Ltd. after listing (draft), proposal on amending rules of procedure of Board of Supervisors of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedures of Board of Supervisors applying to Bank of Jiangsu Co., Ltd. after listing (draft), proposal on amending work regulations of independent directors of Bank of Jiangsu Co., Ltd., proposal concerning annual report on related-party transaction of Bank of Jiangsu in 2013, proposal concerning annual financial auditing report of Bank of Jiangsu in 2013, proposal concerning profit distribution preplan of Bank of Jiangsu in 2013, proposal concerning financial settlement in 2013 and financial budget of Bank of Jiangsu in 2014, proposal concerning annual report of Bank of Jiangsu in 2013, and proposal about holding general meeting of shareholders of Bank of Jiangsu Co., Ltd. in 2013.

On April 23, 2014, the Third Board of Directors held its 2nd meeting (communication meeting). In the meeting, the proposal about establishing assets custody department of Bank of Jiangsu Co., Ltd. was discussed and approved.

On June 3, 2014, the Third Board of Directors held its 2nd meeting (communication meeting). In the meeting, the proposal concerning president's report of Bank of Jiangsu of the first quarter in 2014 was discussed and approved.

On September 22, 2014, the Third Board of Directors held its 4th meeting. In the meeting, 16 proposals were discussed and approved: proposal concerning operation management report of Bank of Jiangsu in the first half of year 2014, proposal on amending work rules of strategic committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on amending work rules of audit committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on amending work rules of related-party transactions management committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on amending work rules of risk management committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal on amending work rules of nomination and remuneration committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal concerning work procedures on annual report of audit committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal concerning equity management affairs reporting methods (trial) of Bank of Jiangsu Co., Ltd., proposal concerning compliance risk management policies of Bank of Jiangsu Co., Ltd., proposal concerning event prevention management policies of Bank of Jiangsu Co., Ltd., proposal concerning outsourcing scope of Bank of Jiangsu Co., Ltd., proposal concerning major related-party transaction of Bank of Jiangsu Co., Ltd. and Jiangsu Guoxin Investment Group Limited, proposal concerning self assessment report on internal control of Bank of Jiangsu in the first half year of 2014, proposal concerning financial audit plan of Bank of Jiangsu in the first half year of 2014, proposal concerning strategic development plan (2014-2018) of Bank of Jiangsu, and proposal concerning capital management project plan of Bank of Jiangsu.

On September 30, 2014, the Third Board of Directors held its 5th meeting (communication meeting). In the meeting, the proposal concerning changes in accounting policies of Bank of Jiangsu was discussed and approved.

On November 26, 2014, the Third Board of Directors held its 6th meeting. In the meeting, 9 proposals were discussed and approved: proposal concerning operation management report of Bank of Jiangsu in the third

quarter in 2014, proposal on extending validity period of the resolution about IPO of Renminbi ordinary shares (A shares) in China and listing, proposal on renewing employment contract with the accounting firm of Bank of Jiangsu Co., Ltd., proposal on amending basic accounting system of Bank of Jiangsu Co., Ltd., proposal on fair value estimation management methods for financial instruments of Bank of Jiangsu (trial), proposal on amending methods for performance assessment on directors of Bank of Jiangsu Co., Ltd., proposal on adding members to audit committee of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal on cash dividend distribution in 2013 of Bank of Jiangsu Co., Ltd. and proposal concerning information technology work report of Bank of Jiangsu in 2014. Moreover, the Board of Directors reported comments, problems found and supervision suggestions of China Banking Regulatory Commission concerning special on-site inspection on corporate governance.

On December 2, 2014, the Third Board of Directors held its 7th meeting (communication meeting). In the meeting, the proposal concerning major related-party transaction of Bank of Jiangsu and Wuxi Construction and Development Investment Co., Ltd.

In 2014, special committees of Board of Directors held a total of 19 meetings, including 2 held by strategic committee, 5 held by audit committee, 6 held by related-party transaction control committee, 3 held by risk management committee and 3 held by nomination and remuneration committee.

On September 3, 2014, strategic committee of the Third Board of Directors held its 1st meeting. In the meeting, the following proposals were discussed: proposal on amending work rules of strategic committee of the Board of Directors of Bank of Jiangsu Co., Ltd., proposal concerning strategic development plan (2014-2018) of Bank of Jiangsu Co., Ltd. and proposal concerning overall capital management plan of Bank of Jiangsu Co., Ltd.

On December 31, 2014, strategic committee of the Third Board of Directors held its 2nd meeting. In the meeting, the following proposals were discussed: proposal concerning strategic management methods of Bank of Jiangsu Co., Ltd. and proposal concerning divisional system reform on consumption finance and credit card business of Bank of Jiangsu.

On March 13, 2014, risk management committee of the Second Board of Directors held its 9th meeting. In the meeting, the following proposals were discussed: proposal concerning risk management policies of Bank of Jiangsu, proposal concerning overall risk management report of Bank of Jiangsu in 2013 and proposal concerning risk limitation of Bank of Jiangsu.

On August 29, 2014, risk management committee of the Third Board of Directors held its 1st meeting. In the meeting, the following proposals were discussed: proposal concerning compliance risk management policies of Bank of Jiangsu Co., Ltd., proposal concerning event prevention management policies of Bank of Jiangsu Co., Ltd., proposal concerning outsourcing scope of Bank of Jiangsu Co., Ltd. and proposal concerning overall risk management report of Bank of Jiangsu in the 2nd quarter of 2014.

On November 11, 2014, risk management committee of the Third Board of Directors held its 2nd meeting (communication meeting). In the meeting, overall risk management report of Bank of Jiangsu in the third quarter of 2014 was discussed.

On March 24, 2014, audit committee of the Second Board of Directors held its 10th meeting. In the meeting, the proposal concerning annual financial audit report of Bank of Jiangsu in 2013 was discussed; internal audit department reported its work summary in 2013 and work methodology in 2014.

On August 7, 2014, audit committee of the Third Board of Directors held its 1st meeting. In the meeting, the following issues were discussed: proposal on amending work rules of audit committee of Board of Directors, proposal on formulating work regulations on annual report of audit of Board of Directors and interim financial audit plans of Bank of Jiangsu in 2014; the committee also listened to audit work report of Bank of Jiangsu in 2013, audit work plan of Bank of Jiangsu in 2014, work summary of internal audit department in the first half year of 2014, financial due diligence investigation list and responses of Jiangsu Bank Audit Committee.

On September 16, 2014, audit committee of the Third Board of Directors held its 2nd meeting. In the meeting, the committee discussed the proposal concerning interim internal financial audit report of Bank of Jiangsu, proposal concerning self review report on internal control of Bank of Jiangsu Co., Ltd. in the first half year of 2014, report on internal construction inspection and management suggestions of Bank of Jiangsu in the first half year in 2014.

On September 29, 2014, audit committee of the Third Board of Directors held its 3rd meeting (communication meeting). In the meeting, the proposal concerning accounting policy changes of Bank of Jiangsu was discussed and approved.

On November 18, 2014, audit committee of the Third Board of Directors held its 4th meeting. In the meeting, the committee discussed the proposal on amending accounting system of Bank of Jiangsu Co., Ltd., proposal on fair value estimation management methods for financial instruments of Bank of Jiangsu (trial), report on new accounting rules implementation of Bank of Jiangsu and proposal concerning renewal of the accounting firm of Bank of Jiangsu.

On February 19, 2014, related-party transaction management committee of the Second Board of Directors held its 8th meeting (communication meeting). In the meeting, the report on major related-party transaction of the Company and Wuxi Construction and Development investment Co., Ltd. was discussed.

On March 24, 2014, related-party transaction management committee of the Second Board of Directors held its 9th meeting. In the meeting, the following proposals were discussed: proposal on amending methods for related-party transaction management of Bank of Jiangsu Co., Ltd. and proposal concerning annual related-party transaction report of Bank of Jiangsu in 2013.

On July 25, 2014, related-party management committee of the Third Board of Directors held its 1st meeting. In the meeting, the committee discussed and approved the proposal about determining scope of related party and affairs of related-party transaction of Bank of Jiangsu, and listened to systematic reports on related-party transaction.

On September 10, 2014, related-party transaction control committee of the Third Board of Directors held its 2nd meeting (communication meeting). In the meeting, the committees discussed and approved report on related-party transaction of Bank of Jiangsu in the first half year of 2014, proposal on amending work rules of

related-party transaction control committee of Board of Directors and proposal concerning the major related-party transaction of the Company and Jiangsu Guoxin Investment Group Limited.

On September 21, 2014, related-party transaction control committee of the Third Board of Directors held its 3rd meeting (communication meeting). In the meeting, the proposal concerning the major related-party transaction of the Company and Jiangsu Guoxin Investment Group Limited was discussed and approved.

On November 26, 2014, related-party transaction control committee of the Third Board of Directors held its 4th meeting. In the meeting, proposal concerning related-party transaction of Bank of Jiangsu in the third quarter of 2014 and the proposal concerning the major related-party transaction of the Company and Wuxi Construction and Development Investment Co., Ltd. were discussed and approved

On March 10, 2014, nomination and remuneration committee of the Second Board of Directors held its 11th meeting. In the meeting, the following proposals were discussed and approved: proposal on nominating director candidates of the Third Board of Directors of Bank of Jiangsu, proposal concerning self-evaluation reports of the Board of Directors and the directors of Bank of Jiangsu in 2013 and proposal concerning annual assessment and remuneration suggestions for senior management executives of Bank of Jiangsu.

On September 3, 2014, nomination and remuneration committee of the Third Board of Directors held its 1th meeting. In the meeting, the following proposals were discussed: proposal on amending work rules of nomination and remuneration committee of the Board of Directors, proposal concerning remuneration management report of Bank of Jiangsu in 2013 and proposal concerning special audit report on remuneration management of Bank of Jiangsu in 2013.

On November 26, 2014, nomination and remuneration committee of the Third Board of Directors held its 2nd meeting. In the meeting, the proposal on adding members to special committee of the Third Board of Directors of Bank of Jiangsu and the proposal on amending directors' performance assessment methods of Bank of Jiangsu.

III. Appointment & dismissal of accounting firm

As approved in the general meeting of shareholders, the Company decided to appoint BDO China Shu Lun Pan Certified Public Accountants LLP as its audit institution for company financial reports in 2014.

IV. Punishment imposed on the Company and its Board of Directors, Board of Supervisors and senior management executives

In the reporting period, no punishment was imposed to the Board of Directors or any of its directors, the Board of Supervisors or any of its supervisors, or senior management executives.

V. Profit Distribution Plan

(I) Profit distribution sequence in 2014

According to relevant regulations of Financial Rules for Financial Enterprises (Ministry of Finance Order No. 42) and Articles of Association of Bank of Jiangsu Co., Ltd., profit distribution sequence of the company in 2014 was as follows:

1. Legal surplus accumulation funds withdrawal
2. General risk provisions withdrawal
3. Discretionary surplus accumulation funds withdrawal
4. Dividends distribution

(II) Profit distribution plan

1. Statutory surplus reserve was withdrawn by 10% of net profit realized in current year, i.e., RMB868,620,000.
2. General risk reserve was withdrawn by 1.5% of increase in amount of risk assets, i.e., RMB3,330,240,000, according to Regulations on Creation and Management of Provisions by Financial Institutions (C.J. [2012] No. 20).
3. Discretionary surplus reserve was withdrawn by 10% of net profit realized in current year, i.e., RMB868,620,000.
4. Dividend in 2014 was distributed as cash dividend with payment ratio of 8%, i.e., RMB0.08/share, totally RMB831,200,000. In case the capital adequacy ratio after cash dividend distribution is lower than the supervision standards, the distribution will be postponed, which is subject to decision of the Board of Directors.

According to the plan above, annual profit distribution amount in 2014 was RMB5,898,680,000 and the balance was RMB2,787,490,000 which were retained in undistributed profit subjects.



以**薪**相贷 融享未来

月薪5000即可申请最高**30**万信用贷款

卡易贷

门槛**低** 利息**省** 无**担保**

循环**用** 借还**快** 自作**主**

您可以通过以下方式办理“卡易贷”业务

①拨打江苏银行客服热线 ②亲临江苏银行各网点

In 2014, led by the general meeting of shareholders and under support of the Board of Directors and senior management executives, the Board of Supervisors faithfully fulfilled the responsibilities as prescribed by related laws and regulations and the Articles of Association. The Board of Supervisor adapted to all requirements of new normal situation of economic development and pragmatically performed duties of supervision, promoting stable operation and healthy development of the Company and practically protected legal rights and interests of all shareholders and depositors. All the supervisors are diligent and responsible in performing their duties, strictly fulfilled the annual work plans and achieved all the work objectives.

I. Work of the Board of Supervisors in 2014

(I) Operating normatively and independently and carrying our meeting supervision in accordance with the laws.

In 2014, based on the annual work plan, the Second Board of Supervisors held the 16th and 17th meetings, the Third Board of Supervisors held 5 plenary meetings and the special committees held 3 meetings. In these meetings, 33 proposals, involving election of new Board of Directors, special audit report, regular operation report, strategic planning, financial settlement and budget plans and system construction, were discussed and approved. Members of the Board of Supervisors attended as nonvoting delegates to 5 on-site meetings of the Board of Directors and attended 2 general meetings of shareholders. Through the meetings, the Board of Supervisors got well informed about operation and management condition of the Company, performed the supervision duties, gave supervision and evaluation opinions, and timely reported such opinions to the Board of Directors and senior management executives.

(II) **Focusing on key emphasis in work and carrying our effective financial supervision.** Strictly complying with guidance on corporate governance of commercial bank and work instruction of the Board of Directors, the Board of Supervisors put emphasis on supervising important financial decision making and implementation of the Board of Directors and senior management executives. Besides auditing regular reports of the Company, profit distribution preplan in 2013, financial settlement in 2013 and financial budget in 2014, annual financial audit report in 2013 and capital management project plan of Bank of Jiangsu were all included in auditing list in the regular meetings; the Board of Supervisor also positively gave supervision opinions. The Board of Supervisors audited the proposal on employment contract with the accounting firm and provided independent auditing comments on compliance of external audit organization as well as independence and effectiveness of the audit work. To ensure smooth implementation of all the financial supervision work, the supervision committee organized special meetings to listen to report of related business departments on the credit asset transfer and related-party transaction management, strengthen communication with financial report auditing firm and stimulated compliant and high quality work of intermediary organizations.

(III) **Focusing on actual effect and strengthening internal risk control and supervision.** Striving to control risk under the limit, the Board of Supervisors carried out supervision and inspection on risk management and internal control of the Company and stimulated remediation. Through enhancing guidance on internal audit and organizing special audit on compliance of financial business, investment banking business and real estate loan management, the Board of Supervisors got well informed about the business conditions and provided supervision comments and suggestions. After inspecting and listening to the internal audit report, the Board of

Supervisors got comprehensive information about the internal audit and proposed requirements on proceeding audit work. Strictly complying with regulations of the Articles of Association, audit was carried out on dismissed directors of the Third Board of Directors. After auditing overall risk management report and self evaluation report on internal control in the first half year of 2014, the Board of Supervisors provided suggestions on further improving risk management and internal control.

(IV) Formulating strict evaluation procedure and normalizing performance supervision. Strictly adhering to Methods of performance evaluation on supervisors of Bank of Jiangsu Co., Ltd. and Methods for the Board of Supervisors to evaluate performance of directors of Bank of Jiangsu Co., Ltd., annual performance evaluation was carried out on the directors and supervisors. The nomination and remuneration committee worked meticulously to organize self evaluation and mutual evaluation, carefully rated all the directors and supervisors, and submitted the results to the plenary meeting for discussion. Based on the supervision requirements, the evaluation results were timely reported to the general meeting of shareholders and supervision organization. According to work guidance for board of supervisors of commercial bank, scientificness, reasonableness and effectiveness of the development strategy determined by Board of Directors were evaluated, and actual implementation was supervised.

(V) Enhancing work basis and further improving institutional system. In 2014, integrating the supervision opinions, the Board of Supervisors comprehensively improved all the systems. By amending Work rules of nomination committee of the Board of Supervisors of Bank of Jiangsu and Work rules of supervision committee of the Board of Supervisors of Bank of Jiangsu, work procedures of the special committees were further normalized, clearly defining duties of each committee. By amending Work rules of external supervisors of Bank of Jiangsu Co., Ltd., election standards and nomination procedures of external supervisors were clarified and defined, and the incentive and constraint mechanism was improved. Based on the supervision requirements and work needs, Methods for the Board of Supervisors to evaluate performance of directors of Bank of Jiangsu Co., Ltd. was formulated, which improved the performance evaluation system.

(VI) Improving performance capacity and attaching great importance to study and training. Continuous learning and communication activities were carried out to improve professional quality. The Board of Supervisors participated in corporate governance training organized by Jiangsu Banking Regulatory Bureau and special business training on small and micro business credit conferring risk management and control to study advanced experience of similar banks and broaden the way of thinking in work. The Board of Supervisors communicated with the visiting Board of Supervisors of Bank of Lanzhou to discuss the ways to implement corporate governance guidance and work guidance of Board of Supervisors. By performing all the duties, the Board of Supervisors fully exerted its function.

The year of 2015 is critical for overall deepening reform and comprehensive implementation of the five-year strategic planning. Focusing on development strategies and key emphasis in work, the Board of Supervisors will further enhance study on supervision policies, improve work mechanism, strengthen supervision duty performance, promote further improvements in corporate governance and sustainable business development, and practically protect legal rights and interests of all shareholders and other stakeholders.

II. Meetings of the Board of Supervisors in 2014

The following meetings were held by the Board of Directors in 2014:

On January 22, 2014, the Second Board of Supervisors held its 16th meeting in Nanjing. In the meeting, the following proposals were discussed and approved: proposal on amending Articles of Association of Bank of Jiangsu Co., Ltd. and proposal on amending rules of procedure of Board of Supervisors of Bank of Jiangsu Co., Ltd.

On March 14, 2014, the Second Board of Supervisors held its 17th meeting in Nanjing. In the meeting, the following reports and proposals were discussed and approved: annual report of the Board of Supervisors of Bank of Jiangsu in 2013, proposal about methods for evaluating performance of directors by the Board of Supervisors of Bank of Jiangsu, proposal concerning directors' performance evaluation results of Bank of Jiangsu in 2013, proposal concerning supervisors' performance evaluation report of Bank of Jiangsu in 2013, proposal about shareholders return plan in three years after listing of Bank of Jiangsu Co., Ltd. and proposal on nominating supervisor candidates of the Third Board of Supervisors of Bank of Jiangsu. Moreover, it was announced that LIU Changji and other people were elected as employee supervisors of the Third Board of Supervisors of Bank of Jiangsu Co., Ltd.

On March 31, 2014, the Third Board of Supervisors held its 1st meeting in Nanjing. In the meeting, the following proposals were discussed and approved: proposal on electing chairman of the third Board of Supervisors of Bank of Jiangsu, proposal about establishing special committees of the third Board of Supervisors, proposal concerning annual financial audit report of Bank of Jiangsu in 2013, proposal concerning profit distribution preplan of Bank of Jiangsu in 2013, proposal concerning financial settlement in 2013 and financial budget in 2014, proposal concerning annual report of Bank of Jiangsu in 2013, proposal concerning work system of external supervisors of Bank of Jiangsu and proposal concerning annual work plan of Bank of Jiangsu in 2014.

On September 22, 2014, the Third Board of Supervisors held its 2nd meeting in Nanjing. In the meeting, the following proposals were discussed and approved: proposal concerning report on directors resignation audit (Mr. JI Huaguang, Mr. ZHONG Wei, Mr. YANG Yingchun and Ms. YUAN Weijing) of Bank of Jiangsu, proposal on amending rules of procedures of nomination committee of Board of Supervisors of Bank of Jiangsu Co., Ltd., proposal on amending rules of procedures of supervision committee of Board of Supervisors of Bank of Jiangsu Co., Ltd., proposal about operation management report of Bank of Jiangsu in the first half year of 2014, proposal about internal audit work report of Bank of Jiangsu in the first half year of 2014, proposal about financial audit report of Bank of Jiangsu in the first half year of 2014, proposal about comprehensive risk management report of Bank of Jiangsu in the first half year of 2014, proposal about internal control self-inspection report of Bank of Jiangsu in the first half year of 2014, proposal concerning strategic development plan (2014 – 2018) of Bank of Jiangsu and proposal concerning capital management project plan of Bank of Jiangsu.

On November 26, 2014, the Third Board of Supervisors held its 3rd meeting in Nanjing. In the meeting, the following proposals were discussed and approved: proposal concerning operation management report of

Bank of Jiangsu in the third quarter of 2014, proposal on renewing employment contract with the accounting firm of Bank of Jiangsu Co., Ltd., proposal concerning special audit report on real estate credit conferring management of Bank of Jiangsu in 2014 and proposal about special audit report on compliance of investment banking and financial businesses of Bank of Jiangsu in 2014.

III. Opinions of the Board of Supervisors on Related Major Issues

The Board of Supervisors performed the supervision duties according to the laws. Besides supervision activities carried out as planned, the Board of Supervisors also listened to the special reports on related-party transaction, non-performing assets management and credit asset transfer in 2014 as well as presentation made by external audit organization on financial auditing, and supervised compliance and authenticity of major business activities and financial situation. Independent supervision opinions about the following affairs are shown as follows:

(I) Operation Compliance

With steady operation and standardized management, the Company implemented business activities in accordance with "Company Law", "Commercial Bank Law", "Articles of Association of Bank of Jiangsu Co., Ltd." and other laws, regulations and rules. The decision-making procedures of business were legitimate and the business performance was objective and true. The board of directors and senior management executives were conscientious and diligent. None of the board of directors and senior management executives was in violation of laws, regulations and articles of association as well as the interests of shareholders and the company when they assumed their responsibilities.

(II) Financial Report

The 2014 annual financial report of the company was audited by BDO China Shu Lun Pan Certified Public Accountants LLP which also gave a standard audit report with unqualified opinion. The financial report was authentic and objective, accurately reflecting financial conditions and operating results of the company.

(III) Capital raising, acquisition and assets sale

In the reporting period, the Company was approved to issue RMB12 billion of tier II capital debentures for replenishing tier II capital of the Company. The tier II capital debentures were issued in accordance with the laws, and no laws or rules violation was found.

In the reporting period, the Company was approved to issue RMB9 billion of special financial debentures for small and micro enterprises, and the capital raised was specially used for loan issued to small and micro enterprises. Special financial debentures for small and micro enterprises were issued in accordance with the laws, and no laws or rules violation was found.

In the reporting period, there's no major acquisition.

(IV) Related-party Transaction

The company carried out related-party transaction in accordance with the normal business procedures and regulations. No behavior damaging the rights and interests of shareholders and the company was found.

(V) Internal Control

The company attached great importance to internal control system and no material defects were found in internal control system or its implementation.

(VI) Information Disclosure

The company initiatively accepted social supervision and disclosed its annual reports to the public in accordance with the law. No false records, misleading statements or material omissions were found in information disclosed.

(VII) Execution of Resolutions of Shareholders' Meeting

The Board of Supervisors supervised execution of resolutions discussed and approved in the general meetings of shareholders during the reporting period and considered that the board of directors of the company conscientiously executed the resolutions of the general meetings of shareholders.

以**薪**相贷 融享未来

月薪**5000**即可申请
最高**30**万信用贷款

卡易贷

门槛低

无担保

循环用

利息省

借还快

自主

您可以通过以下方式办理“卡易贷”业务
① 拨打江苏银行客服热线 ② 亲临江苏银行各网点

I. Establishment, Withdrawal and Merging of Branches and Internal Organizations

Branches	Business address	TEL.	Number of sub-branches
Head Office of Bank of Jiangsu	No. 55, Hongwu North Road, Nanjing	025-58588111	23
Wuxi Branch, Bank of Jiangsu,	No. 8, Gongyun Road, Wuxi	0510-82326150	114
Suzhou Branch, Bank of Jiangsu,	No. 6, Sanxiang Road, Suzhou	0512-68636863	47
Nantong Branch, Bank of Jiangsu,	No. 300, South Street, Nantong	0513-85123031	41
Changzhou Branch, Bank of Jiangsu,	No. 500, Yanling Middle Road, Changzhou	0519-88101228	31
Huai'an Branch, Bank of Jiangsu,	No. 34, Huaihai North Road, Huai'an	0517-83915824	32
Xuzhou Branch, Bank of Jiangsu,	No. 81, Pengcheng Road, Xuzhou	0516-83100982	32
Yangzhou Branch, Bank of Jiangsu,	No. 525, Wenchang West Road, Yangzhou	0514-82931733	25
Zhenjiang Branch, Bank of Jiangsu,	No. 12, Guancheng Road, Zhenjiang	0511-84423206	37
Yancheng Branch, Bank of Jiangsu,	No. 269, Jiefang South Road, Yancheng	0515-66665801	34
Lianyungang Branch, Bank of Jiangsu,	No. 56, Hailian Middle Road, Lianyungang	0518-85510034	27
Suqian Branch, Bank of Jiangsu,	No. 17, Qinghai Lake Road, Suqian	0527-81001983	11
Taizhou Branch, Bank of Jiangsu,	No. 10, Dongjin East Road, Taizhou	0523-86223901	9
Shanghai Branch, Bank of Jiangsu,	East Direction, 1/F and Room 01-04, 7/F, Zhendan Building, No. 99, Fucheng Road, Pudong New Area, Shanghai	021-50639999	14
Shenzhen Branch, Bank of Jiangsu,	No. 4011, Shennan Avenue, Futian District, Shenzhen	0755-22660721	11
Beijing Branch, Bank of Jiangsu,	No. 1, Guangxi Jiayuan, Chaoyang District, Beijing	010-56986950	18
Hangzhou Branch, Bank of Jiangsu,	No. 38-42, Tianmu Mountain Road, West Lake District, Hangzhou	0571-88359888	6

In the reporting period, based on business development needs, the Company has established interbank finance department and assets custody department.

In 2014, 13 sub-branches were newly established, including 9 traditional sub-branches (Haimen Sanxing Sub-branch, special sub-branch for small and micro-enterprises in Xixi, Hangzhou, Beijing Wangjing Sub-branch, Hangzhou Yuhang Sub-branch, Beijing Yizhuang Sub-branch, Beijing Tongzhou Sub-branch, Shanghai Changning Sub-branch, Shenzhen Pingshan Sub-branch, special sub-branch for small and micro enterprises in Binjiang, Hangzhou), 2 community sub-branches (Sanjing Community Sub-branch in Changzhou and Henggang Community Sub-branch in Shenzhen) and 2 small and micro-business sub-braches (Yiwu

Shangcheng Small and Micro-business Sub-branch in Suqian and Chengzhong Small and Micro-business Sub-branch in Shuyang).

II. Newly Added Business Qualification and Organizations

In March 10, 2014, the Company received the Notice about carrying out class B major underwriting business of nonfinancial enterprise debt financing tools issued by China Association of Interbank Market Traders and was approved to carry out major underwriting business of nonfinancial enterprise debt financing tools in Jiangsu Province.

On June 23, 2014, the Company received the Approval on securities investment fund custody qualification of Bank of Jiangsu issued by China Securities Regulatory Commission and China Banking Regulatory Commission and was granted the corporate securities investment fund custody qualification.

On March 27, 2014, the Company received the Letter for reporting compliance assessment results of Bank of Jiangsu issued by the secretariat of self-discipline mechanism of market interest rate pricing and was listed as a fundamental member of the self-discipline mechanism. On May 19, 2014, the Company issued the first interbank deposits.

On May 15, 2014, China Foreign Exchange Trade System (i.e., National Interbank Lending Center) granted the Company the market trader qualification in interbank bond market.

On October 10, 2014, the Company received the Notice on delivery of the registration materials issued by Financial Market Department of People's bank of China. Materials submitted by the Company for carrying out gold leasing business were completed, and the Company officially launched gold leasing services through interbank agency.

On December 26, 2014, the Company received the Letter of Assessment on carrying out insurance fund custody business by commercial bank issued by Insurance funds investment supervision and management department of China Insurance Regulatory Commission. As assessed, the Company basically satisfied relevant requirements and has officially launched the insurance fund custody business.

On December 11, 2014, the Company received the Approval on Preparing to Establish Suyin Financial Leasing Co., Ltd. and was permitted to establish such financial leasing company in Nanjing, Jiangsu.

III. Major Litigations and Arbitration

There exist several legal and arbitration issues as the result of normal business carried out by the Company. Through consulting professional legal adviser, senior management executives of the Company do not think such legal or arbitration affairs will have adverse impact on business, financial situation or operation performance of the Company.

IV. Increase or decrease of registered capital, division or merger

In the reporting period, the Company did not increase or decrease registered capital, and there's no division or merger activity.

V. Major acquisition, merger, assets sale or consolidation

In the reporting period, the company had no major acquisitions or mergers, assets sale or absorption occurred.

VI. Significant Contracts and Performance

In the reporting period, the Company normally performed all the business contracts, and there's no major contract dispute.

VII. Related-party transaction

During the reporting period, the company granted the credit to all related parties in accordance with relevant provisions of the law and company loan conditions and approval procedures and the loan principal & interest were repaid normally. All capital businesses and bond purchase with related parties were carried out in accordance with general business principles and conducted under the conditions no better than similar transactions with non-related parties, and no negative impact was exerted on the company's operating results and financial conditions.



Financial Report and Documents for Reference

I. Financial Report

(I) Standard audit report with unqualified opinion issued by BDO China Shu Lun Pan Certified Public Accountants LLP regarding the 2014 annual financial report of the company.

(II) Financial statements.

(III) Note to financial statement.

II. Catalog of documents for reference

(I) Annual report signed by the chairman of the Board of Directors.

(II) Accounting statements signed and sealed by the legal representative, chief accountant and director of accounting firm.

(III) Original audit report sealed by the accounting firm, and signed and sealed by certified public accountant.

Board of Directors, Bank of Jiangsu Co., Ltd.

March 26, 2015

Auditors' Report

PCPAR [2015] No. 111544

To the shareholders of Bank of Jiangsu Co., Ltd.:

We have audited the accompanying consolidated financial statements and parent company financial statements which are prepared by Bank of Jiangsu Co., Ltd (herein after referred to as "the Bank") , which comprise: the consolidated balance sheet and the parent company balance sheet at 31 December 2014, the consolidated income statement and parent company income statement, the consolidated cash flow statement and parent company cash flow statement, the consolidated statement of changes in equity and the parent company statement of changes in equity and the related notes to the financial statements for the year then ended at 2014.

I. Management's responsibilities for the financial statements

Management of the Bank is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements; (2) designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

II. Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Those standards require that we comply with the Code of Ethics for Chinese Certified Public Accountants and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that we have obtained sufficient and appropriate evidence to provide a reasonable basis for our audit opinion.

III. Audit Opinion

In our opinion, the financial statements of the Bank present fairly, in all material respects, the consolidated and parent company's financial position of the Bank as at 31 December 2014, and their operating results and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.



Certified Public Accountant of China


Certified Public Accountant of China

Date: 26 March, 2015



This auditors' report and the accompanying notes to the financial statements are English translation of the Chinese auditors' report and financial statements. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Consolidated Balance Sheet

December 31, 2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

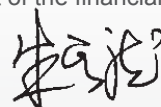
Items	Note	31 December 2014	31 December, 2013
Assets			
Cash and balances at the central bank	IX.1	132,054,546	126,019,421
Due from banks and other financial institutions	IX.2	92,550,450	70,429,333
Precious metal			
Loans and advances to banks	IX.3	8,595,168	6,505,595
Financial assets designated at fair value	IX.4	5,513,037	1,642,982
Derivative financial assets	IX.5	69,692	787
Reverse repurchase agreements and other similar secured lending	IX.6	49,933,917	62,840,457
Interest receivables	IX.7	6,017,740	3,422,388
Loans and advances to customers	IX.8	475,363,549	401,073,267
Available-for-sale financial assets	IX.9	8,825,871	10,781,616
Held-to-maturity investments	IX.10	74,844,513	40,020,539
Investment on receivables	IX.11	172,311,669	30,226,101
Long-term equity investment	IX.12		
Investment properties			
Property, plant and equipment	IX.13	4,929,161	4,585,090
Intangible assets	IX.14	727,151	723,384
Deferred tax assets	IX.15	2,561,085	2,001,636
Other assets	IX.16	4,011,501	3,379,577
Total assets		1,038,309,050	763,652,173

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Finance director:



Consolidated Balance Sheet (Continued)

December 31, 2014

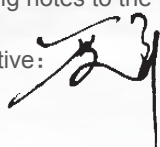
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

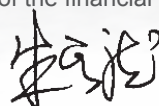
Items	Note	31 December 2014	31 December, 2013
Liabilities			
Borrowing from the central banks	IX.18	5,050,000	100,000
Due to banks and other financial institutions	IX.19	205,319,535	64,264,685
Loans and advances from banks	IX.20	2,243,325	6,695,748
Financial liabilities designated at fair value through profit and loss			
Derivative financial instruments		30,190	
Repurchase agreements and other similar secured borrowing	IX.21	40,845,461	28,532,835
Due to customers	IX.22	681,297,329	596,553,924
Employee benefit payables	IX.23	3,276,043	3,204,644
Tax and surcharge payables	IX.24	1,090,715	1,369,740
Interest payable	IX.25	11,478,079	7,299,053
Estimated liabilities	IX.26	2,081	51,385
Bond payable	IX.27	28,978,793	5,000,000
Deferred tax liabilities	IX.15		
Other liabilities	IX.28	2,632,413	2,685,031
Total liabilities		982,243,964	715,757,045
Equity			
Share capital	IX.29	10,390,000	10,390,000
Capital reserves	IX.30	10,097,373	10,097,373
Less: Treasury shares			
Other comprehensive income	IX.31	42,911	-275,053
Surplus reserves	IX.32	7,288,454	5,601,891
General risk reserves	IX.33	11,777,885	8,442,837
Retained profits	IX.34	16,338,585	13,506,449
Equity attributable to owners of the parent company		55,935,208	47,763,497
Non-controlling interests	IX.35	129,878	131,631
Total equity		56,065,086	47,895,128
Total equity and liabilities		1,038,309,050	763,652,173

The accompanying notes to the financial statements are part of the financial statements.

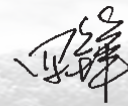
Legal representative:



Chief finance officer:



Finance director:



Parent Company Balance Sheet

December 31, 2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

Items	Note	31 December 2014	31 December 2013
Assets			
Cash and balances with the central bank	IX.1	131,987,293	125,961,631
Due from banks	IX.2	92,949,612	70,938,605
Precious metal			
Loans and advances to banks	IX.3	8,595,168	6,505,595
Financial assets designated at fair value through profit and loss	IX.4	5,513,037	1,642,982
Derivative financial assets	IX.5	69,692	787
Reverse repurchase agreements and other similar secured lending	IX.6	49,933,917	62,840,457
Interest receivables	IX.7	6,013,140	3,417,997
Loans and advances to customers	IX.8	474,338,482	399,973,869
Available-for-sale financial assets	IX.9	8,825,871	10,781,616
Held-to-maturity investments	IX.10	74,844,513	40,020,539
Investment on receivables	IX.11	172,311,669	30,226,101
Long-term equity investment	IX.12	73,800	73,800
Investment properties			
Property, plant and equipment	IX.13	4,926,181	4,582,647
Intangible assets	IX.14	726,998	723,204
Deferred tax assets	IX.15	2,558,968	2,001,584
Other assets	IX.16	4,002,179	3,371,561
Total assets		1,037,670,520	763,062,975

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Finance director:



Parent Company Balance Sheet (Continued)

December 31, 2014

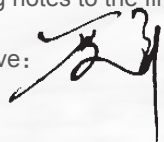
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

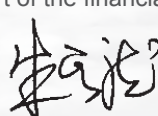
Items	Note	31 December 2014	31 December 2013
Liabilities			
Borrowing from the central banks	IX.18	5,000,000	
Due to banks and other financial institutions	IX.19	205,366,756	64,300,763
Loans and advances From banks	IX.20	2,243,325	6,695,748
Financial liabilities designated at fair value			
Derivative financial instruments	IX.5	30,190	
Repurchase agreements and other similar secured borrowing	IX.21	40,845,461	28,532,835
Due to customers	IX.22	680,826,959	596,195,600
Employee benefit payables	IX.23	3,273,467	3,202,705
Tax and surcharge payables	IX.24	1,084,587	1,366,384
Interest payable	IX.25	11,468,077	7,287,142
Estimated liabilities	IX.26	2,081	51,385
Bond payable	IX.27	28,978,793	5,000,000
Deferred tax liabilities	IX.15		
Other liabilities	IX.28	2,632,070	2,684,588
Total liabilities		981,751,766	715,317,150
Equity			
Share capital	IX.29	10,390,000	10,390,000
Capital reserves	IX.30	10,097,373	10,097,373
Less: Treasury shares			
Other comprehensive income	IX.31	42,911	-275,053
Surplus reserves	IX.32	7,288,454	5,601,891
General risk reserves	IX.33	11,761,796	8,431,561
Retained profits	IX.34	16,338,220	13,500,053
Total equity		55,918,754	47,745,825
Total equity and liabilities		1,037,670,520	763,062,975

The accompanying notes to the financial statements are part of the financial statements.

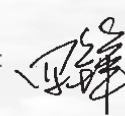
Legal representative:



Chief finance officer:



Finance director:



Consolidated Income Statement

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

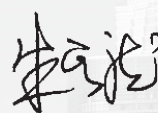
Items	Note	2014	2013
I. Operating income		25,325,842	22,325,709
Net interest income		22,338,619	19,817,785
Interest income	IX.36	48,678,898	37,754,617
Interest expense	IX.36	26,340,279	17,936,832
Net fees and commission income		2,802,284	2,382,976
Fee and commission income	IX.37	2,905,588	2,459,378
Fee and commission expense	IX.37	103,304	76,402
Investment income	IX.38	34,012	22,105
Including: income from investment in associates and joint ventures			
Gains/losses on fair value changes	IX.39	77,037	-27,207
Foreign exchange gains	IX.40	58,202	109,268
Other operating income	IX.41	15,688	20,782
II. Operating expenses		13,950,248	11,445,863
Business tax and surcharges	IX.42	1,787,159	1,522,431
Administration and general expenses	IX.43	7,488,423	7,208,641
Impairment losses of assets	IX.44	4,671,566	2,711,969
Other operating expenses	IX.45	3,100	2,822
III. Operating profit		11,375,594	10,879,846
Add: non-operating income	IX.46	81,394	184,355
Less: non-operating expenses	IX.47	42,352	21,975
IV. Profit before income tax		11,414,636	11,042,226
Less: income tax	IX.48	2,715,512	2,842,863
V. Net profit		8,699,124	8,199,363
Attributable to: Owners of the parent company		8,684,947	8,185,502
Non-controlling interests		14,177	13,861

The accompanying notes to the financial statements are part of the financial statements.

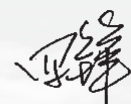
Legal representative:



Chief finance officer:



Finance director:



Consolidated Income Statement (Continued)

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

Items	Note	2014	2013
VI. Other comprehensive income after tax		317,964	-295,106
1. Other comprehensive (loss)/income not to be reclassified into profit or loss in subsequent periods:			
(1) Remeasurement of defined benefit retirement plans			
(2) Other comprehensive (loss)/income of investees which will not be reclassified to the income statement under equity method			
2. Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		317,964	-295,106
(1) Other comprehensive (loss)/income of investees will reclassified to the income statement under equity method			
(2) Gains/losses from changes in fair value of available-for-sale financial assets		317,964	-295,106
(3) (Loss)/income of held-to-maturity investment reclassified to available-for-sale financial assets			
(4) Effective portion of cash flow hedges			
(5) Currency translation differences			
(6) Others Comprehensive income			
Total comprehensive income		9,017,088	7,904,257
Attributable to: Owners of the parent company		9,002,911	7,890,396
Non-controlling interests		14,177	13,861
earnings per share			
1. Basic earnings per share (RMB per share)		0.84	0.86
2. Diluted earnings per share (RMB per share)		0.84	0.86

The accompanying notes to the financial statements are part of the financial statements.

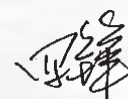
Legal representative:



Chief finance officer:



Finance director:



Parent Company Income Statement

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

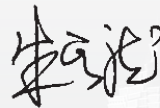
Items	Note	2014	2013
I. Operating income		25,263,093	22,264,939
Net interest income		22,265,486	19,757,645
Interest income	IX.36	48,591,852	37,682,270
Interest expense	IX.36	26,326,366	17,924,625
Net fees and commission income		2,801,598	2,382,346
Fee and commission income	IX.37	2,904,880	2,458,730
Fee and commission expense	IX.37	103,282	76,384
Investment income	IX.38	45,082	22,105
Including: income from investment in associates and joint ventures			
Gains/losses on fair value changes	IX.39	77,037	-27,207
Foreign exchange gains	IX.40	58,202	109,268
Other operating income	IX.41	15,688	20,782
II. Operating expenses		13,901,599	11,407,471
Business tax and surcharges	IX.42	1,783,391	1,519,260
Administration and general expenses	IX.43	7,462,853	7,186,736
Impairment losses of assets	IX.44	4,652,255	2,698,653
Other operating expenses	IX.45	3,100	2,822
III. Operating profit		11,361,494	10,857,468
Add: non-operating income	IX.46	72,584	174,951
Less: non-operating expenses	IX.47	42,330	21,845
IV. Profit before income tax		11,391,748	11,010,574
Less: income tax	IX.48	2,705,583	2,834,704
V. Net profit		8,686,165	8,175,870

The accompanying notes to the financial statements are part of the financial statements.


Legal representative:



Chief finance officer:



Finance director:



Parent Company Income Statement (Continued)

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

Items	Note	2014	2013
VI. Other comprehensive income net of tax		317,964	-295,105
1. Other comprehensive (loss)/income not to be reclassified into profit or loss in subsequent periods:			
(1) Remeasurement of defined benefit retirement plans			
(2) Other comprehensive (loss)/income of investees will not reclassified to the income statement under equity method			
2. Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		317,964	-295,105
(1) Other comprehensive (loss)/income of investees will reclassified to the income statement under equity method			
(2) Gains/losses from changes in fair value of available-for-sale financial assets		317,964	-295,105
(3) (Loss)/income of held-to-maturity investment reclassified to available-for-sale financial assets			
(4). Effective portion of cash flow hedges			
(5). Currency translation differences			
(6). Other Comprehensive income			
VII. Total comprehensive income		9,004,129	7,880,765
VIII. Earnings per share			
1. Basic earnings per share (RMB per share)		0.84	0.86
2. Diluted earnings per share (RMB per share)		0.84	0.86

The accompanying notes to the financial statements are part of the financial statements.

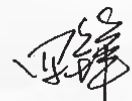
Legal representative:



Chief finance officer:



Finance director:



Consolidated Cash Flow Statement

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

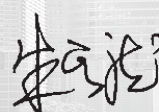
Items	Note	2014	2013
I. Cash flows from operating activities			
Net increase in customer deposits and due to banks		225,748,924	81,607,719
Net increase in borrowing from central bank		5,000,000	604,890
Net increase in loans and advances to banks and other financial institutions		26,344,239	29,656,581
Cash received from interest ,fee and commission		44,768,245	36,748,589
Other cash receipts relating to operating activities	IX.50	310,201	955,378
Sub-total of cash inflows from operating activities		302,171,609	149,573,157
Net increase in loans and advances to customers		76,821,235	58,727,916
Net increase in deposit with the central bank and due from banks		14,764,198	15,889,452
Cash paid for interest, fee and commission		22,492,075	15,878,094
Cash paid to and on behalf of employees		4,332,441	3,838,071
Payments of taxes		4,808,257	4,902,554
Cash payment relating to other operating activities	IX.50	3,491,583	2,366,328
Sub-total of cash outflows from operating activities		126,709,789	101,602,415
Net cash flows from operating activities		175,461,820	47,970,742
II. Cash flows from investing activities			
Cash received from disposal of investment		350,268,830	108,921,668
Cash received from return on investment		9,137,738	3,442,359
Other cash received relating to investing activities	IX.50	41,241	236,335
Sub-total of cash inflows from investing activities		359,447,809	112,600,362
Cash paid to acquisition of investments		535,873,045	133,391,727
Cash paid to acquisition of fixed assets, intangible assets and other non-current assets		1,586,761	1,199,778
Cash payment relating to investing activities	IX.50		
Sub-total of cash outflows from investing activities		537,459,806	134,591,505
Net cash flows from investing activities		-178,011,997	-21,991,143
III. Cash flows from financing activities			
Cash received from investments			6,450,000
Cash received from issuance of bonds		35,125,185	
Other cash receipts relating to financing activities	IX.50		
Sub-total of cash inflows from financing activities		35,125,185	6,450,000
Cash repayments of debts		11,146,392	2,000,000
Cash paid for distribution of dividends, profit and interest expends		893,942	1,143,191
Cash payments relating to financing activities	IX.50		
Sub-total of cash outflows from financing activities		12,040,334	3,143,191
Net cash flows from financing activities		23,084,851	3,306,809
IV. Effect of exchange rate changes on cash and cash equivalents		43,691	-56,334
V. Net increase in cash and cash equivalents	IX.50	20,578,365	29,230,074
Add: Opening balances of cash and cash equivalents		128,513,972	99,283,898
VI. Closing balances of cash and cash equivalents	IX.50	149,092,337	128,513,972

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Finance director:



Parent Company Cash Flow Statement

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: 1,000 CNY

Item	Note	2014	2013
I. Cash flows from operating activities			
Net increase in customer deposits and due to banks		226,194,099	81,972,933
Net increase in borrowing from central bank		5,000,000	524,890
Net increase in loans and advances to banks and other financial institutions		26,394,239	29,656,581
Cash received from interest, fee and commission		44,651,083	36,654,315
Other cash receipts relating to operating activities	IX.50	301,391	945,623
Sub-total of cash inflows from operating activities		302,540,812	149,754,342
Net increase in loans and advances to customers		76,876,255	58,347,919
Net increase in deposit with the central bank and due from banks		15,247,314	16,417,209
Cash paid for interest, fee and commission		22,446,613	15,850,232
Cash paid to and on behalf of employees		4,320,968	3,828,122
Payments of taxes		4,795,249	4,891,847
Cash payment relating to other operating activities	IX.50	3,480,662	2,357,035
Sub-total of cash outflows from operating activities		127,167,061	101,692,364
Net cash flows from operating activities		175,373,751	48,061,978
II. Cash flows from investing activities			
Cash received from disposal of investment		350,268,830	108,921,668
Cash received from return on investment		9,137,738	3,442,359
Other cash received relating to investing activities	IX.50	41,241	236,335
Sub-total of cash inflows from investing activities		359,447,809	112,600,362
Cash paid to acquisition of investments		535,873,045	133,391,727
Cash paid to acquisition of fixed assets, intangible assets and other non-current assets		1,582,303	1,195,556
Cash payment relating to investing activities	IX.50		
Sub-total of cash outflows from investing activities		537,455,348	134,587,283
Net cash flows from investing activities		-178,007,539	-21,986,921
III. Cash flows from financing activities			
Cash received from investments			6,450,000
Cash received from issuance of bonds		35,125,185	
Other cash receipts relating to financing activities	IX.50		
Sub-total of cash inflows from financing activities		35,125,185	6,450,000
Cash repayments of debts		11,146,392	2,000,000
Cash paid for distribution of dividends, profit and interest expends		866,942	1,143,191
Cash payments relating to financing activities	IX.50		
Sub-total of cash outflows from financing activities		12,013,334	3,143,191
Net cash flows from financing activities		23,111,851	3,306,809
IV. Effect of exchange rate changes on cash and cash equivalents		43,691	-56,334
V. Net increase in cash and cash equivalents	IX.50	20,521,754	29,325,532
Add: Opening balances of cash and cash equivalents		128,469,542	99,144,010
VI. Closing balances of cash and cash equivalents	IX.50	148,991,296	128,469,542

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Finance director:



Consolidated Statement of Changes in Equity

2014

Presents by: Bank of Jiangsu Co., Ltd.

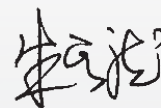
Items	Note			
		Share Capital	Capital reserves	Less: Treasury shares Other comprehensive income
I. Balance as at 31 December 2013		10,390,000	10,097,373	-275,053
Add: Effect of changes in accounting policy				
Corrections of errors				
II. Balance as at 1 January 2014		10,390,000	10,097,373	-275,053
III. Decrease/increase for the year				317,964
1. Total comprehensive income	IX.31			317,964
2. Capital invested and disposed by shareholders				
(1) Capital invested	IX.29			
(2) Shares-based payment				
(3) Others				
3. Profit distribution				
(1) Surplus reserve appropriation	IX.32			
(2) General risk reserve appropriation	IX.33			
(3) Dividends	IX.34			
4. Intra-transfer equity				
(1) Capital reserves transfer to capital				
(2) Surplus reserves transfer to capital				
(3) Loss redemption by surplus reserve				
(4) Other				
IV. Balance as at 31 December 2014		10,390,000	10,097,373	42,911

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Monetary Unit: 1,000 CNY

2014					
Equity attributable to owners to the parent company				Non-controlling interests	
Surplus reserves	General risk reserves	Retained Profits	Total		
5,601,891	8,442,837	13,506,449	47,763,497	131,631	47,895,128
5,601,891	8,442,837	13,506,449	47,763,497	131,631	47,895,128
1,686,563	3,335,048	2,832,136	8,171,711	-1,753	8,169,958
		8,684,947	9,002,911	14,177	9,017,088
1,686,563	3,335,048	-5,852,811	-831,200	-15,930	-847,130
1,686,563		-1,686,563			
	3,335,048	-3,335,048			
		-831,200	-831,200	-15,930	-847,130
7,288,454	11,777,885	16,338,585	55,935,208	129,878	56,065,086

Finance director:



Consolidated Statement of Changes in Equity

2013

Presents by: Bank of Jiangsu Co., Ltd.

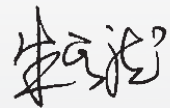
Items	Note			
		Share Capital	Capital reserves	Less: Treasury shares
				Other comprehensive income
I. Balance as at 31 December 2012		9,100,000	4,957,426	
Add: Effect of changes in accounting policy			-20,053	20,053
Corrections of errors				
II. Balance as at 1 January 2013		9,100,000	4,937,373	20,053
III. Decrease/increase for the year		1,290,000	5,160,000	-295,106
1. Total comprehensive income	IX.31			-295,106
2. Capital invested and disposed by shareholders		1,290,000	5,160,000	
(1) Capital invested	IX.29			
(2) Shares-based payment		1,290,000	5,160,000	
(3) Others				
3. Profit distribution				
(1) Surplus reserve appropriation	IX.32			
(2) General risk reserve appropriation	IX.33			
(3) Dividends	IX.34			
4. Intra-transfer equity				
(1) Capital reserves transfer to capital				
(2) Surplus reserves transfer to capital				
(3) Loss redemption by surplus reserve				
(4) Other				
IV. Balance as at 31 December 2013		10,390,000	10,097,373	-275,053

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Monetary Unit: 1,000 CNY

2013					
Equity attributable to owners to the parent company				Non-controlling interests	
Surplus reserves	General risk reserves	Retained Profits	Total		
4,080,387	7,403,973	8,605,898	34,147,684	117,770	34,265,454
342		3,075	3,417		3,417
4,080,729	7,403,973	8,608,973	34,151,101	117,770	34,268,871
1,521,162	1,038,864	4,897,476	13,612,396	13,861	13,626,257
		8,185,502	7,890,396	13,861	7,904,257
			6,450,000		6,450,000
			6,450,000		6,450,000
1,521,162	1,038,864	-3,288,026	-728,000		-728,000
1,521,162		-1,521,162			-
	1,038,864	-1,038,864			-
		-728,000	-728,000		-728,000
5,601,891	8,442,837	13,506,449	47,763,497	131,631	47,895,128

Finance director:



Parent Company Statement of Changes in Equity

2014

Presents by: Bank of Jiangsu Co., Ltd.

Item	Note	Share Capital	Capital reserves	Less: Treasury shares
I. Balance as at 31 December 2013		10,390,000	10,097,373	
Add: Effect of changes in accounting policy				
Corrections of errors				
II. Balance as at 1 January 2014		10,390,000	10,097,373	
III. Decrease/increase for the year				
1. Total comprehensive income	IX.31			
2. Capital invested and disposed by shareholders				
(1) Capital invested	IX.29			
(2) Shares recognised as shareholders' equity				
(3) Others				
3. Profit distribution				
(1) Surplus reserve appropriation	IX.32			
(2) General risk reserve appropriation	IX.33			
(3) Dividends	IX.34			
4. Intra-transfer equity				
(1) Capital reserves transfer to capital				
(2) Surplus reserves transfer to capital				
(3) Loss redemption by surplus reserve				
(4) Other				
IV. Balance as at 31 December 2014		10,390,000	10,097,373	

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Monetary Unit: 1,000 CNY

2014					
	Other comprehensive income	Surplus reserves	General risk reserves	Retained Profits	Total shareholders' equity
	-275,053	5,601,891	8,431,561	13,500,053	47,745,825
	-275,053	5,601,891	8,431,561	13,500,053	47,745,825
	317,964	1,686,563	3,330,235	2,838,167	8,172,929
	317,964			8,686,165	9,004,129
		1,686,563	3,330,235	-5,847,998	-831,200
		1,686,563		-1,686,563	—
			3,330,235	-3,330,235	—
				-831,200	-831,200
	42,911	7,288,454	11,761,796	16,338,220	55,918,754

Finance director:



Parent Company Statement of Changes in Equity

2013

Presents by: Bank of Jiangsu Co., Ltd.

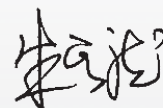
Item	Note	Share Capital	Capital reserves	Less: Treasury shares
I. Balance as at 31 December 2013		9,100,000	4,957,426	
Add: Effect of changes in accounting policy			-20,053	
Corrections of errors				
II. Balance as at 1 January 2014		9,100,000	4,937,373	
III. Decrease/increase for the year		1,290,000	5,160,000	
1. Total comprehensive income	IX.31			
2. Capital invested and disposed by shareholders		1,290,000	5,160,000	
(1) Capital invested	IX.29			
(2) Shares recognised as shareholders' equity		1,290,000	5,160,000	
(3) Others				
3. Profit distribution				
(1) Surplus reserve appropriation	IX.32			
(2) General risk reserve appropriation	IX.33			
(3) Dividends	IX.34			
4. Intra-transfer equity				
(1) Capital reserves transfer to capital				
(2) Surplus reserves transfer to capital				
(3) Loss redemption by surplus reserve				
(4) Other				
IV. Balance as at 31 December 2013		10,390,000	10,097,373	

The accompanying notes to the financial statements are part of the financial statements.

Legal representative:



Chief finance officer:



Monetary Unit: 1,000 CNY

2013				
Other comprehensive income	Surplus reserves	General risk reserves	Retained Profits	Total shareholders' equity
	4,080,387	7,396,497	8,605,334	34,139,644
20,053	342		3,075	3,417
20,053	4,080,729	7,396,497	8,608,409	34,143,061
-295,106	1,521,162	1,035,064	4,891,644	13,602,764
-295,106			8,175,870	7,880,764
				6,450,000
				6,450,000
	1,521,162	1,035,064	-3,284,226	-728,000
	1,521,162		-1,521,162	
		1,035,064	-1,035,064	
			-728,000	-728,000
-275,053	5,601,891	8,431,561	13,500,053	47,745,825

Finance director:



I. Company profile

1. Corporate Information

Bank of Jiangsu Co., Ltd., (hereinafter referred to as the "Bank") was approved by the China Banking Regulatory Commission (CBRC) in accordance with "Instruction about Construction of Bank of Jiangsu Co., Ltd." (Yin Jian Fu [2006] No.423) in December 2006. The bank was consolidated by 10 commercial banks which are Wuxi City Commercial Bank, Suzhou City Commercial Bank, Nantong City Commercial Bank, Changzhou City Commercial Bank, Huai'an City Commercial Bank, Xuzhou City Commercial Bank, Yangzhou City Commercial Bank, Zhenjiang City Commercial Bank, Yancheng City Commercial Bank and Lianyungang City Commercial Bank. The Bank was issued the business license by Jiangsu Province Business and Administration Management Bureau on 22 January 2007. The status as independent legal persons of the original 10 commercial banks are abolished. All credits claims and debts in these 10 banks are inherited by Bank of Jiangsu Co., Ltd.

The business license number of the Bank is No. 320000000022189. The number of financial warrant is No. B0243H232010001 and the operation period is from 22 January 2007 to *****. The corporate legal representative is Sir Xia Ping, and the registered office location is No.55 Hongwu Road North, Nanjing City. The registered capital as at the time of establishment was RMB7, 850 million.

In August 2009, according to the resolution of the first extraordinary general meeting of shareholders, the Bank raised funds by issuing RMB550 million ordinary shares with par value of 1.00 CNY per share and offering price of 3.60 CNY per share targeted to Jiangsu Shagang Group Co., Ltd, Sanbao Group Co., Ltd, and Suning Appliances Co., Ltd. The registered capital of the Bank then increased to RMB 8,400 million.

In March 2010, according to the resolution of the first extraordinary general meeting of shareholders, the Bank raised funds by issuing 700 million ordinary shares with par value of 1.00 CNY per share and offering price of 5.00 CNY per share targeted to Huatai Security Co., Ltd, Jiangsu Phoenix Publishing and Media Group Co., Ltd, Wuxi Construction and Development Investment Co., Ltd, Jiangsu Tiangong Group Co., Ltd, Jiangsu Jinying Industrial Equipment Installation Co., Ltd, Heilan Group Co., Ltd, Jiangsu Sunshine Group Co., Ltd, Jiangsu Nongken Group Co., Ltd, Jiangsu Govtor Capital Group Co., Ltd, Jiangsu High Hope International Group Co., Ltd, Jiangsu Grains Group Co., Ltd in cash. The registered capital of the Bank then increased to RMB 9,100 million.

In July 2013, according to the resolutions of annual general meeting of shareholders in 2012, the Bank raised funds by issuing 1,290 million ordinary shares with par value of 1.00 CNY per share and offering price of 5.00 CNY per share targeted to Jiangsu Phoenix Publishing and Media Group Co., Ltd, Jiangsu Communications Holding Co., Ltd, Jiangsu Expressway Co., Ltd, Jiangsu Broadcasting Television Group Co., Ltd, Wuxi Construction and Development Investment Co., Ltd, Jiangsu Shagang Group Co., Ltd, Jiangsu Jinying Industrial Equipment Installation Co., Ltd, Jiangsu Xinhua Daily Media Group Co., Ltd, Jiangsu Yueda Investment Co., Ltd, Jiangsu Pengxin Investment Co., Ltd, Jiangsu Cultural Industry Group Co., Ltd, Jiangsu

International Tender Co., Ltd, Yancheng Municipal State-Owned Assets Investment Group Co., Ltd, Suzhou Wujiang City Investment and Development Co., Ltd, Suzhou Wujiang Communications Investment Group Co., Ltd, Nanjing Ruitongxiang Commercial Trading Co., Ltd and Hongdou Group Co., Ltd in cash. The registered capital of the Bank then increased to RMB 10,390 million.

As at 31 December 2014, Jiangsu International Trust Co., Ltd, the first majority shareholder of Bank of Jiangsu Co., Ltd. is holding 8.76% of total shares of the bank.

2. The Scope of Consolidated Financial Statements

As at 31 December, 2014, the subsidiary for financial statements consolidation of the bank is as following

Name of Subsidiary
Baode County Bank of Danyang, Jiangsu(herein after referred to Baode County Bank)

The scope and changes of consolidated financial statement of the Bank for the year 2014 are disclosed in detail in Note8. The corporate consolidation and financial statements.

Bank of Jiangsu Co., Ltd and its subsidiary (the Group) are financial providers engaged in retail banking, wholesale banking, fund business, wealth management and other financial services.

II. Basis of preparation

The consolidation of financial statements of the group are prepared under the circumstance of going concern on the basis of accrual method, in accordance with the Accounting Standards for Business Enterprises (ASBEs) issued by the Ministry of Finance (MoF), the specific standards in ASBE, accounting application guidelines of ASBE, interpretations of accounting standards and other relative principles of ASBE (herein after referred to as ASBE as a whole). The preparation and disclosure of the financial statements are also based on No. 15 of the Regulation of Information Disclosure for Public Listed Companies, the General regulation of Financial Statements (revised in 2014).

III. Statements of compliance with ASBEs

The consolidated financial statements of the Group and the individual financial statements of parent company have been prepared in accordance with ASBEs, and disclosed the Group's financial position as at 31 December 2014. The Group's results of operations and cash flows for the year ended 2014 are true and complete.

IV. Summary of Significant Accounting Policies and Estimates

1. Accounting Period

The group has adopted each calendar year from 1 January to 31 December in the year as a financial year. The financial year for this report is 2014.

2. Recording currency

The recording currency in the financial statements of the Group is RMB and all amounts are expressed in thousands of RMB unless otherwise stated.

3. Measurement of consolidated financial statements

3.1 Scope of the consolidated financial statements

The scope of consolidated financial statements of the Group is confirmed on the basis of control. All subsidiaries (including individual entities controlled by the Group) are included in the consolidated financial statements.

Control is defined as the power to govern the financial and operating policies of an entity or business so as to obtain and influence the benefits from its activities. The activities of the acquirer is defined as the ones which can influence the yield of the invested entity significantly which depends on specific circumstances. Such activities are generally including the purchase of commodities and services, financial capital managements, assets purchase and disposals, research and development activities as well as other financing activities. The assessment of control is based on the consideration of all relevant facts and circumstances. The Group reassesses whether it controls an investee once the changes on facts and circumstances lead to changes on the relevant elements that related to control.

3.2 Consolidation Procedures

The consolidated financial statements of the Group are compromise with the financial statements of the parent company and those of its subsidiaries as well as other relevant information. The consolidated financial statements indicate the Group is treated as a single economic entity, to report the financial performance, operation achievements and cash flows of the Group as a whole by following the appropriate regulations of assurance, measurements and presentation in ASBEs uniformly.

The accounting policies and financial years of adopted by the subsidiaries which are included in the consolidated financial statements are consistent with the Group. If there are any inconsistency of accounting policies and financial periods with the Group, necessary adjustments would be taken in accordance with the accounting policies and period of the Group. For subsidiaries that not under common control while acquisition, adjustments will be taken based on fair value of the identifiable net assets at the purchase day. For subsidiaries under common control while acquisition, the adjustments are based on the book value of assets and liabilities (including the goodwill incurred during acquisition by the ultimate controller) in the financial statements of the ultimate controller.

The part of shareholders equity, net profit and loss and comprehensive income of the subsidiaries for non-controlling interests of the current year are presented separately under shareholders' equity in consolidated balance sheet, net profit in consolidated income statement and total comprehensive income for the current year. The non-controlling interests' equity will be written down if the loss of profit born by non-controlling interests for the year exceeded the non-controlling interests' equity at the beginning of the financial year.

(1) Add of subsidiaries or businesses

During the reporting period, if the adding subsidiaries or businesses is due to merger and acquisition under common control, the adjustment is taken on the consolidated balance sheet at the beginning of the accounting year; the income, costs and profits of subsidiaries or businesses from the beginning of the acquisition date to the end of the reporting period are added into the consolidated income statement; the cash flow of subsidiaries or businesses from the beginning of the acquisition date to the end of the reporting period are added into the consolidated cash flow statement. Also the relevant items in the comparative statement shall be adjusted and the consolidated entity shall be treated as existing from the beginning of the control by the ultimate controller.

Under the circumstance that investee can be controlled by the same controller due to the addition of investment, entities for consolidation adjust the accounts at the acquisition-date (i.e. at the present state) by the ultimate controller. For controls undertaken on the investees due to additional investments, conduct the adjustment when subsidiaries are started to control by the ultimate controller, i.e. conduct the adjustment at the existing situation. For equity investments before the acquisition of control rights on the investees, the recognised changes relevant to profit and loss, other comprehensive income, and other net assets shall respectively deduct the retained earnings at the beginning of the year, or the profit and loss of the current year, during the period from the later day between the original equity acquisition day and the day when the acquirer and investees are under the same control, to the consolidation day.

For investees that in different controls in the accounting year, no adjustments is taken on opening balance of the consolidated balance sheet, while the income, costs and profits of the investee from the investment date to closing balance date shall be aggregated into consolidated income statements, and also the cash flow of the investee from the investment date to closing balance date shall be aggregated into consolidated cash flow statements.

For investees that are controlled by the controller due to addition of investment, shares of investees before the addition investment shall be revalued at the acquisition-date fair value. The difference between fair value and book value shall be taken into the investment income for the accounting year. For other comprehensive income and other changes in equity that excludes the net profit and loss, other comprehensive income and dividends held before acquisition day under equity accounting, transfer the relevant other comprehensive income and other changes in equity into investment income for the current accounting period.

(2) Disposal of subsidiaries or businesses

1) General disposal approach

The income, costs and profits of disposals of businesses or subsidiaries during financial year are aggregated in the consolidated income statement; cash flows of the subsidiaries from the acquisition day to the disposal day are aggregated into the consolidated cash flow statement. If investors lose control to investees due to partial disposal of shares or other reasons, the remaining shares shall be revalued by fair value at disposal day of losing control. The sum of counter-performance of disposal and the fair value of the remaining shares subtracting the difference between cumulative equity from acquisition day and goodwill shall be accounted in the investment income for the accounting period of disposal. Other comprehensive income which relevant to the investment on the former subsidiaries, or other

changes of equity that relevant to the former subsidiaries excluding net profit and loss, other comprehensive income and distribution of profit, shall be accounted into investment income for the financial year.

2) Disposal subsidiaries by step

The multiple transactions shall be treated as a package deal if the loss of control of subsidiaries is due to multiple disposal of shares on a line by line basis and the terms and condition as well as the economic impact have the followings:

- i . The transactions are drawn up at same time or after considered the mutual effects;
- ii . The complete business outcomes need to assemble all transactions of the disposal;
- iii . The rise of one transaction depends on another transaction of the disposal;
- iv . One single transaction is not treated as economy while it is treated as economy when combining all transactions of the disposal together.

The Group take the transactions which lost the control of subsidiaries on the basis of line by line in the package deal in account as the disposal of subsidiaries; while the each difference between the disposal value and the net equity at every disposal day, are taken into account as other comprehensive income in consolidated comprehensive income statement, transfer them into the profit and loss of the financial year.

Under the circumstance that the Group take the transactions of which lost the control of subsidiaries on the basis of line by line but not in the package deal in account as the disposal of subsidiaries, before losing control of the subsidiaries, take the disposal transaction into account as the partial disposal of the subsidiaries which are still held by the Group; while at the time the control has lost, take the disposal into account by using the general method of disposal for subsidiaries.

(3) Purchase of minority shares in subsidiaries

The difference obtained by the Group due to the purchase of minority shares of the investee, which is between the long-term investments and the cumulative equity of the associates from the acquisition-day with the newly added shares, shall be taken into the share premium in capital reserves of the consolidated balance sheet. If the share premium is insufficient to be written down, the retained earnings then shall be adjusted.

(4) Partial disposal of long-term investment with holding the control

With holding the control of the subsidiaries, the difference between the income from partial disposal of the long-term investment and the cumulative equity of the associates from the acquisition-day shall be taken into the share premium in capital reserves of the consolidated balance sheet; if the share premium is insufficient to be written down, the retained earnings then shall be adjusted.

4. Cash and cash equivalents

Cash presented in cash flow statements refer to cash in treasury and deposits that can make payment at any time;

cash equivalents are referred to as investments with short-term, high liquidity, which are easy to convert to known amount of cash and have low risk of fluctuation of value.

5. Foreign currency translation

Foreign currency transactions occur in the Group are translated into the functional currency at the rate ruling on the date of the transaction. Exchange gains and losses on such balances are taken to the income statement.

The foreign currency monetary items on balance sheet date shall be translated to functional currency at the rate ruling on the balance sheet date. The difference of foreign currency translation of the monetary securities, which are valued by foreign currencies and classified as available-for-sale financial assets, can be decomposed into the difference of translation from changes of cost amortisation and the difference of translation from changes of other book value of the securities. The difference of translation from changes of cost amortisation shall be taken into income statements, while the difference of translation from changes of other book value of the securities shall be taken into other comprehensive income. The translation differences from other monetary assets and liabilities are aggregated to income statements.

The non-monetary items valued at historic cost shall be translated as the rate ruling on the date of the transaction. The impact on cash caused by fluctuation of exchange rate shall be presented separately in cash flow statements.

6. Financial Instruments

Financial instruments are contracts which give rise to financial assets of an entity but cause financial liabilities or equity instruments in other entities.

6.1 Recognition and Derecognition

The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the trade date or the settlement date.

The Group derecognises a financial asset, or a portion of a financial asset, from its balance sheet where: (1) the contractual rights to cash flows from the assets have expired; (2) the Group keeps the rights to collect cash flows of the financial assets, but takes the obligation of transferring the cash flows to the third party in a timely manner, and the transfer arrangement shall be satisfied with the following 3 conditions: a) the cash flow paid to the third party unless the amount from financial assets is equivalent; b) according to the contract, the financial assets cannot be sold or pledged alone, but can be pledged when the payment of cash flow is operated by the final payee; c) or the Group has duty to transfer the cash flow to the final payee; (3) or the assets have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset, and lose the control of the asset.

Financial liabilities are derecognised when the liability has been settled, expired or extinguished. An existing financial liability exchanges for a new liability with the same lender on substantially different terms, or the existing contract are substantially and materially modified. Then it is accounted for as an extinguishment of the original financial liability

and the recognition of a new financial liability. The difference of it shall be taken into the income statement for the year.

The Group derecognises a financial asset when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to the transferee. Whereas, the financial asset cannot be derecognised if the risks and rewards of ownership of the asset have been retained.

When the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset, but has retained control of the financial asset, the Group continues to recognise the relevant financial assets to the extent of the Group's actual control, and recognise the relevant financial liability. Otherwise, if the Bank has not retained the control of the financial asset, then derecognise the financial asset and recognise relevant arisen assets and liabilities.

6.2 Financial asset transfers and asset securitization

(1) The financial asset transfers of the Group are including the following 2 situations:

- (i) Transfer the right of collecting cash flows to another party; or
- (ii) Transfer the financial assets to another party, but keep the right of collecting cash flows of the financial assets, and bear the obligation of paying the collected cash flow to the final payee, when satisfying the following situation simultaneously:

Only if the cash flow received from the financial assets is equivalent, then the Group has obligation of paying the cash flow to the final payee. When the Group has short-term advances, but has the right to call back the full amount of the advance and collect the interests following the loan interests of banks in the market at same period, they are treated as it is satisfied with the situation.

In accordance with the contracts, the financial assets cannot be sold out or treated as collaterals, but can be a guarantee of the payment of cash flows to the final payees.

There is obligation to pay the collected cash flows to the final payees timely. The Group has no rights to reinvest the cash flow, except the cash or cash equivalent investment of cash flows received during the period between two payment sequences by following the agreements of the contract. For the reinvestment under contracts of the Group, the investment income shall be paid to the final payees by following the agreements of the contract.

The Group derecognises the financial assets after transferring substantially all risks and returns on the ownership of the assets.

The financial assets are continued to be recognised if the Group retains substantially all risks and ownership of the assets.

The Group shall consider whether they have control rights to the financial assets if substantially all risks and returns are retained by the Group. If the group has not retained the control rights to the financial statements, the assets shall be derecognised and refer the rights raised or obligations retained from transferring as assets or liabilities. If the Group retains the control rights, then the financial assets shall be recognised in accordance with the extent of involvement to the financial assets.

(2) Asset securitisation

Asset securitisation is a procedure that the Group sells part of its assets to the special purpose trust, and then the trust issue asset-backed securities (ABSs) to investors and the assets then are securitized. The Group derecognises or partly derecognises the financial assets by measuring the extent to risks and return remained to the transferred assets.

When adopting policies of financial asset securitization, the Group considers the extent of transfers of risks and returns to other entities, and the extent of conducting the control rights to the entity in accordance with the former accounting policies for financial asset transfers to decide whether continue to recognise the financial assets, partially recognise them or derecognise them.

6.3 Classification and measurement of financial assets

At initial recognition, financial assets shall be classified into the following four categories: (1) Financial assets at fair value through profit or loss; (2) Held-to-maturity investments ;(3) Loans and receivables; and (4) Available-for-sale financial assets. All financial assets are measured initially at fair value at the initial recognition. Relevant transaction fees for financial assets and financial liabilities designated at fair value through profit or loss are aggregated in the profit and loss for the financial year; transaction fees for other financial assets are designated in the initial recognition value.

(1) Financial assets designated at fair value through profit or loss

Financial assets designated at fair value through profit or loss include financial assets held for trading and those designated as at fair value through profit or loss by management upon initial recognition.

Financial assets classified as held for trading include those financial assets that meet one of the following conditions: 1) the purpose of the acquisition of the assets are for sale or repurchase in short term; 2) they are part of a portfolio of identifiable financial instruments and are managed concentrate to obtain profits in short-term which are presented by the objective evidence; or 3) they are derivative instruments excluding derivative instruments which are specified for effective hedging, derivatives attributed to financial pledging contracts or derivatives relative to the equity instrument with no offering price and which cannot be designated at fair value in active market and the closing balance of the equity instruments needed to be operated through handing over. The subsequent measurement for such assets is under fair value and all realised and unrealised profit and loss are accounted into profit and loss for the current year. The interests acquired during the period when the Group is holding the financial assets designated at fair value through profit and loss are recognised as interest income.

Only if one of the following conditions is satisfied, the financial assets or liabilities can be designated as financial assets or liabilities designated at fair value through profit and loss:

- i) The designation can eliminate or significantly decrease the inconsistent of the recognition or measurement on relevant income or losses due to the different measurement basis;
- ii) the formal documents of risk management or investment strategies clearly stated that the financial assets portfolio,

or the combination of financial assets and liabilities are managed, on the basis of fair value, appraised and reported to major managers;

iii) Mixed instruments include one or more embedded derivative instruments, unless the embedded instruments has no significant impact on cash flows, or the embedded derivative instruments should obviously not split from the relevant mixed instruments;

iv) Including mixed instruments of embedded derivative instruments those need to be splinted but cannot be measured at acquisition date or pro balance sheet date.

(2) Held-to-maturity Investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date, which the Group has positive and definite intention and ability to hold to maturity. The held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest method. Any gains and losses are recognised in the income statement when the financial investments are derecognised or impaired.

(3) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, whose quotations are not in the active market, excluding the financial assets that a) non-derivative financial assets which are readily sold immediately or sold in a short period; b) defined as non-derivative financial assets designated at fair value through profit and loss at initial recognition; c) non-derivative assets whose most initial investments are possibly difficult to called back due to reasons beyond the deterioration in credit of debtors.

Main items included in loans and receivables are cash and balances at central bank, due to banks and other financial institutions, loans and advances to banks, reverse repurchase agreements and other similar secured lending, loans and advances to customers, investment on receivables and receivables. Loans and receivables are measured by amortised cost under effective interest method after initial recognition. Any gains or losses caused by derecognition, impairments or amortisations are aggregated in the profit and loss of the financial period.

(4) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are designated as such or are not classified in any of the three preceding categories above. Subsequent measurement of the available-for-sale financial assets is under fair value accounting, while under some situations, when equity instrument investments in the active market has no price and cannot be measured reliably at fair value, then measure the assets under cost accounting. The interest income of the available-for-sale financial assets during the holding period is recognised in profit and loss under the actual interest rate method. Gains or losses rise from the changes of fair value of the available-for-sale financial assets. Despite the impairment loss and exchange difference rose from foreign currency monetary financial assets, directly account it into other comprehensive income, and when derecognise the financial assets, the cumulative income or losses are transferred in to investment income in income statement of the current

financial period.

When the Group has ability and intention to hold to maturity to a specific financial asset, the assets can be transferred from available-for-sale financial assets into fixed maturity investments.

The costs or amortisation costs of the reclassified financial assets are the fair value of the assets at the reclassification date. The actual interest rate of the financial assets reclassified to fixed maturity investments are confirmed at the reclassification date. The unrealised profit and loss which are relevant to the financial assets and originally accounted into shareholders' equity, shall be amortised under actual interest rate method during the remaining holding period and account it into profit and loss for the current period. The difference of the amortisation costs and the due date balance shall also be amortised at actual interest rate method during the remaining holding period, and accounted into current profit and loss. When the impairment of the financial assets occurred in the subsequent accounting period, the unrealised profit and loss which originally accounted into shareholders' equity, shall be transferred into profit and loss for the current period

6.4 Measurement and classification of financial liability

At initial recognition, financial liabilities shall be classified into the following two categories: 1) financial liabilities at fair value through profit or loss; and 2) other financial liabilities. Transaction costs of financial liabilities at fair value through profit or loss are directly recorded to the income statement for the current financial year while the transaction costs of other financial liabilities are directly attributed to the initial measurement of financial liabilities.

(1) Financial liabilities designated at fair value through profit and loss

Financial liabilities designated at fair value through profit and loss are compromised with financial liabilities designated at fair value through profit and loss and financial assets designated at fair value through profit and loss at primary recognition. Financial liabilities designated at fair value through profit and loss should satisfy one or more circumstances as following: a) the purpose of bearing the liabilities is to repurchase them in the near future; b) it is part of the identifiable financial instrument portfolio which are centralized managed, and are indicated by objective evidence that the Group manage the portfolio by hedging recently; c) are derivative instruments excluding derivative instruments which are specified for effective hedging, derivatives attributed to financial pledging contracts or derivatives relative to equity instrument with no offering price which cannot be designated at fair value in active market and the closing balance of the equity instruments needed to be operated through handing over. All related realised and unrealised gains or losses are included in current profit and loss under fair value accounting.

(2) Other financial liabilities

Other financial liabilities are carried at amortised costs using the effective interest method.

6.5 Derivative financial instruments

Derivative financial instruments are financial instruments those a) change with specified interest rate, price of financial instruments, price of commodities, exchange rates, price or indices of interests, credit levels or other credit indices, or changes of other variables; b) with no requirements of initial net investments, or those only require little

investment compared with contracts those with similar reaction to the changes of market; c) financial instruments which settled the accounts in a future day.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently premeasured at fair value despite the otherwise rules in ASBEs. The changes in fair value of derivative financial assets are included in the profit and loss of changes in fair value, and presented simultaneously in derivative financial assets and derivative financial liabilities.

6.6 Impairment of financial assets

The Group assess the objective evidence of which whether the financial assets or portfolio of financial assets excluding those designated at fair value through profit and loss have impairment. The Group will determine the impairment and confirm the loss of impairment of the financial assets or portfolio when objective evidence indicated that event of financial assets occurred after the initial recognition, and the events have impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is in significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and the situation where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(1) Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The amount of reduction is recognised as an impairment loss in the income statement. Present value of estimated future cash flows is discounted at the financial asset's original effective interest rate and includes the value of any related collateral.

Firstly, the Group separately takes the impairment test for financial assets which single amount is significant if there is objective evidence of impairment for individually assessed financial assets. Then the Group confirms impairment loss and accounts into loss of impairment from assets. Financial assets whose single amount is not significant or for assets with no evidence of impairment after individual assessment are included in the portfolio of financial assets with similar credit risk characteristics to take impairment assessment and tests. Financial assets those are already assessed separately for impairment and the impairment losses are recognised or continued to recognise will not be listed in the scope of evaluation of combination.

For financial assets portfolios which are tested under combination evaluation, estimation of future cash flows confirmed by referencing the experience value of historic loss of financial assets whose credit risk characteristics are similar to the assets portfolio. The Group shall adjust the referred historic experience value according to the current circumstances, including factors those only effect on current period but not the period of reference to experience of historic loss, as well as factors excluding only affect period of reference to experience of historic loss while are not applicable at current period. The methodology and assumptions used for estimating future cash flow are reviewed regularly by the Group.

After the impairment loss of the financial assets is recognised, once there are objective evidences to show the value financial assets is reversed, and the assets are objectively related to matters after the recognition of impairment, then the original recognised impairment loss shall be reversed and accounted into profit and loss for the current financial period. However, the book value after reversal cannot exceed the amortised cost at reversal date under the assumption that the impairment provisions are not taken.

(2) Available-for-sale financial assets

If an asset available-for-sale is impaired, the cumulative loss which is originally accounted in capital reserves and generated due to the incline of fair value shall be removed from owners' equity and recognised in the income statement. The removed cumulative loss is the difference between its primary acquisition cost (net of any principal repayment and amortisation) and the current fair value and impairment loss originally through profit and loss.

A provision for impairment shall be accounted when the fair value of equity investments available-for-sale is significantly or continuously declining by less than their costs or where objective signal of impairment exists. The Group considers the quantitative and qualitative evidence when conducting an impairment analysis. More specifically, the Group comprehensively considers the magnitude of the decline in fair value relative to the cost, volatility, and the duration of the decline in evaluating is significant. The Group considers the period and consistency of the decline to assure whether a decline in fair value is not temporary.

The Group separately reviews various equity instruments at the balance sheet date. If the fair value of the equity instruments is 50% (including 50%) or much lower than its cost, or the fair value of the equity instruments continuously keep lower than its cost for one year (including one year) or more, then value of the instruments is considered as impairment. If the fair value of the equity instruments are between 20% (including 20%) and 50%(excluding 50%) lower than its cost, the Group shall comprehensively consider other related factors such as price volatilities to judge whether the equity instruments are impaired.

After recognising impairment loss of the debt instruments available for sale, once there are objective evidences to show that the value of the debt instruments are reversed and are objectively relevant to matters after the recognition of impairment, the original recognised impairment loss shall be recognised and accounted into profit and loss for the current financial period. However, the impairment arising from equity instruments available-for-sale cannot be reversed through profit and loss.

(3) Financial assets measured at costs

If there are objective evidences to show that an impairment loss has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of that financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The carrying amount of the asset is recognised as impairment loss and shall be taken into profit and loss account. Once the impairment loss is confirmed, they cannot be reversed.

(4) Impairment reversal and loan write-offs

After recognising impairment loss of loans, receivables and held-to-maturity investments, once there are objective

evidences to show that the value of the financial assets are reversed and are objectively relevant to matters after the recognition of impairment, reverse the original recognised impairment loss and account it to the profit and loss for the current financial period. The book value after reversal shall not exceed the amortised costs at the reversal day under the assumption that the provision for impairment is not undertaken.

If loans cannot be called off after all legal or other proceedings, the Group shall write-off the corresponding loans as well as the loss provision. The impairment loss would be reversed and accounted into the profit and loss for the current financial period if the Group calls off the bad debts which have been written-off.

(5) The restructured loan

The restructured loans are newly generated loans those considering the circumstances that debtors cannot payback the loans following the rules in contracts those they primarily signed due to the deterioration of their financial performance. The Group values the restructured loans individually as impaired loans at the restructure date. The Group shall supervise the restructured loans continuously, if the loans satisfied the specified standards of the restriction in supervision time (usually 6 months), the restructured loans shall not be designated as impaired loans after revision.

6.7 Fair value recognition of financial assets and financial liabilities

The fair value of financial instruments those are active in markets is valued at the offering price in active market. However, the fair value of financial instruments those are not in active market are valued through estimation. The Group adopt the estimation techniques those are appropriate to the current circumstance and can be supported by acquiring sufficient data as well as other information. Then the Group choose the input value which consistent with the characteristics of relevant assets or liabilities considered by players in market during transactions of them and primarily adopt the observable relevant input value. The unobservable input value shall only be used when the observable input value cannot be acquired or the acquisition of it is not reliable and feasible.

6.8 Offsets of financial instruments

The net value of offsets between financial assets and liabilities are presented in balance sheet when the Group has legal right to offset the recognised value, and the legal right are executable and intend to settle account by net value or when liquidate the assets and pay off the debt at same time.

7. Reverse repurchase and repurchase agreements

Relative financial assets (securities and bills) purchased under agreements to resell (reverse repurchase) are financial products those purchased following appropriate agreements while resell them at due date as it on the agreement. The financial assets of reverse repurchase agreements are accounted in balance sheet at the actual price when the assets are repurchased for resell. The cost of the agreement is referred to as financing transaction with collaterals, while the agreement is referred to as the collateral of the transaction.

Relative financial assets (securities and bills) sold under agreements to repurchase are financial products those sold following appropriate agreements while repurchase them at due date as it on the agreement. The repurchase

agreements are accounted in balance sheet at the actual price of when the assets are repurchased. Financial assets those sold for repurchase are presented continuously in balance sheet by following accounting policy.

Financial assets under reverse repurchase or repurchase shall be financial assets with reasonable fair value and high liquidity in banking market and security exchanges market such as bank acceptances, bonds or central bank bills.

The interest income from reverse repurchase and interest payment from repurchase are recognised by adopting the measurement under effective interest rate.

8. Assets classified as held-for-sale and the discontinued operation

8.1 Assets held-for-sale

The group recognises current or non-current assets as held-for-sale when the one or more of the following are satisfied:

- (1) The components for the assets can be sold immediately only following the usual terms of the sale for the components;
- (2) The Group has made resolutions for disposal of the components (or non-current assets), for instance, the Group has acquired the authorisation of the disposal from the general meeting of shareholders or institutions with control rights if the disposal for the components (or non-current assets) needs authorisation from shareholders;
- (3) The Group has already signed the non-cancelable agreements with transferees; and
- (4) The transfer of the assets will accomplish in one year.

8.2 Discontinued operation

The end of operation is the components those are disposed by the Group or classified as assets held-for-sale and can be distinct individually on drawing up the financial statements and they shall satisfy one of the following situations:

- (1) The components can represent an independent business or a major operation area;
- (2) The component is a part of a disposal plan for an independent business or a major operation area;
- (3) The component is a subsidiary that only for resale.

9. Long-term equity investment

9.1 Judgement of joint control and significant effect

Joint control is the control to an arrangement shared with others under relevant agreement and the relevant activity of the arrangement must be decided when all associated controllers agree. The investees whose equity rights are partly owned by the Group and jointly controlled by the Group and other controllers, are the associates of the Group.

Significant effect means that the company possesses the right of decision-making participation in the financial and operating policies of the investee but is not able to control or co-control the establishment of such policies with other party. The investees those are significantly affected by the Group are joint ventures of the Group.

9.2 Determination of investment costs

(1) Long-term equity investment due to consolidation

Consolidation under the common control: the initial investment costs are the book value of equity in the consolidated financial statements of ultimate controller at consolidation date, which the Group considers paying cash, transferring non-cash assets, undertaking debts or issuing equity securities as merger price. The difference between initial investment costs and the sum of cash payments, non-cash assets transfers, book value of debts undertaking and the par value of shares issued is adjusted in share premium; or adjust retained earnings if the share premium is insufficient to be written-off.

The Group shall distinguish whether the investment should be accounted as a package deal if the consolidation under common controller is accomplished by acquiring the equity in separate times: consolidations those belong to the package deal, accounted the separate transactions as a whole transaction. If the consolidation are not through the package deal, the initial investments costs are the book value of investees' share equity in consolidated financial statements of ultimate controllers of which part is acquired by the Group at consolidation date, it should adjust the difference between initial investment cost of the long-term equity investment and the sum of book value of long-term investment and the book value of the further acquired shares of the investees, into capital reserves; the retained earnings will be adjusted if the capital reserve is insufficient to be written-off.

Consolidation not under the common control: the consolidation costs of the Group confirmed at consolidation date are accounted as the initial costs of long-term equity investment.

The Group shall distinguish whether the investment should be accounted as deal package if the consolidation not under the common controller is accomplished by acquiring the equity in separate times: for consolidations those belong to the deal package, the separate transactions shall be accounted as a whole transaction. For amounts those are not deal packages, the sum of book value of equity of which part the Group previously held of the investees and the further invested shares are accounted as initial long-term equity investment under cost accounting. The difference of book value and fair value of the previous equity investments which are recognised as available-for-sale financial assets, as well as the cumulative changes of fair value those are previously accounted in other comprehensive income, are transferred into profit and loss account of current financial year.

Any management expenses rise from audits, legal services, valuation, consultant or other services of the consolidation are accounted into profit and loss of the current financial period. Transaction fees of equity securities or debt securities of which the issuance is accounted as counter-performance, shall be accounted into the initial recognition value of equity securities or debt securities.

(2) Long-term equity investments acquired from other ways

The initial cost of long-term equity investments those are acquired by paying cash, are accounted by the purchase

price the Group actually paid.

The initial investment costs of long-term investments acquired by issuing equity securities are accounted by the fair value when issuing the securities.

Unless there is irrefutable evidence that the fair value of changed-in assets are more reliable, the initial investment costs for long-term investment which are exchanged from non-monetary assets are designated at fair value of the assets which are exchange out as well their relevant tax payables under the premise when the non-monetary assets have commercial substance and the fair value of the assets exchange in or out can be measured dependably. For asset exchanges whose premise is not satisfied with the description above, the cost of initial investment for long-term equity are recognised at book value of assets for out exchange and relevant tax payables.

For long-term investments acquired through debt restructure, the initial investment cost recognition is based on its fair value.

9.3 Subsequent measurement and profit and loss recognition

(1) Long-term equity investment under cost accounting

Long-term investments to subsidiaries of the Group are accounted under cost accounting. Except cash dividends or profits which have been declared but not paid, the Group recognises cash dividends or profits which are declared and paid as investment income for the current financial year.

(2) Long-term equity investment under equity accounting

For long-term equity investment to joint ventures and associates, accounting measurements shall be under equity accounting. The difference arise when initial investment cost is greater than fair value of identifiable net equity partly held by the Group on acquisition date of investees, shall not be accounted into initial investment cost of long-term equity investment. The difference arise when initial investment cost is lower than fair value of identifiable net equity partly held by the Group on acquisition date of investees, are accounted into profit and loss for the current financial year.

The portion of the net profit or loss and other comprehensive income achieved by the investees those are owned or born by the Group shall be respectively recognised as investment income and other comprehensive income, meanwhile, the book value of long-term equity investment shall be adjusted. The book value of long-term equity investment shall be correspondingly reduced according to the components of profit or loss or cash dividend those owned to the Group. For other changes on equity without net profit and loss, other comprehensive income and profit distributions of investees, the book value of long-term equity investment and accounted in shareholders' equity shall be adjusted.

When the component of net profit and loss of the investees owned by the Group is being acknowledged, the post-adjustment acknowledgement on the net profit of the investees on the basis of fair value of identifiable net assets of the investees shall be conducted at the time of obtaining the investment according to the accounting policies and accounting period. During the holding period of the investment, if the investees prepare consolidated financial

statements, the accounting shall be based on the net profit, other comprehensive income and shares owned by the investee in changes in equity statement.

The unrealised profit and loss arise from intra-group transactions between the parent company and its joint venture and associates, of which part owned by the parent company, should be eliminated and the acknowledgement of investment income shall be based on such circumstance. The unrealised intra-group transaction losses those classified as asset impairment losses should be recognised in full. Transactions arise from cast or sale of assets with joint venture and associates shall be accounted under relevant accounting policies disclosed in note IV.3 and IV. 9.

When the Group should bear the loss of investees, the accounting treatment shall be taken as following steps: firstly, write-off the book value of long-term equity investment. When the book value of long-term equity investment is insufficient to be written-off, the investment loss should be recognised continually under the limitation of the book value of the long-term equity of net investment which are composed by other substances, and then the book value of other receivables or other items shall be written-off. Finally after the former accounting treatment, if the proportion still need to bear extra duty, the expected liabilities should be recognised in according to the expected duty, and the liability shall be accounted into investment loss for the accounting period. For investees which realised profits at post-acquisition date, after the Group deducted the unrecognised share of loss, the accounting procedures for the situation is opposite with the above-mentioned method: the balance of recognised provision shall be written-down, and the long-term equity which materially constitutes the net investment on investees shall be reversed.

(3) Disposal of long-term equity investment

On disposal of a long-term equity investment, the difference between the proceeds those are actually received and the carrying amount is recognised in the income statement. For a long-term equity investment under equity accounting, it is transferred to the income statement on a pro-rata basis according to the proportion disposed of.

The remaining shares after proposals under the circumstance that the control rights of the subsidiaries has lost due to disposal of shares or other reasons shall be designated at book value through long-term equity investment or other relevant financial assets. If the subsidiaries can still be controlled jointly or affected significantly by parent company when parent company disposed its shares, the long-term equity investments shall be carried forward at the rate of disposed or reclaimed investment. On this basis, compare the cost of remaining long-term equity investment and the proportion of identifiable net assets fair value of which the investors should owned on the investees at investment date according to the calculation of the remaining shareholding ratio. Goodwill those are included in the investment price shall not be adjusted into the book value of long-term equity investment; for proportion of identifiable net assets fair value of which the investors should owned on the investees at investment date, adjust costs on long-term equity investment and retained earnings simultaneously. For the proportion of net profit and loss realised by the investees, which the parent company should own before changes in equity accounting due to disposal of investments which the parent company originally held, on one hand adjust the book value of the long-term equity investment, on the other hand, adjust the retained earnings for the components of net profit and loss (excluding any paid and declared cash dividends and profits) of investees owned by the parent company during the period from the investment acquisition date to the beginning of the disposal period; while for net profit and loss owned by the parent company at the beginning of the disposal period to the disposal date, adjust the profit and loss for the financial period; when the book

value of long-term equity investment is being adjusted, the changes of realised net profit of the investees of which the component is owned by parent company shall be accounted into capital reserves (other capital reserves).

10. Investment property

Investment property, including rented land use rights, land use rights or rented properties (including properties for renting after being built or developed by the Group itself, and properties currently being built for rent in the future) held to appreciation to transfer, is held to earn rentals or for capital appreciation or both.

The Group evaluates the existing investment properties under costing account. For investment properties under costing account, depreciation on buildings is the same as it on non-current assets. The amortisation policy for land use rights is the same as it on intangible assets. The difference between the income from disposal, transfer, scrapings or damages of investment properties and the relevant book value and taxes, is accounted into the profit and loss for the current financial period.

11. Property, plant and equipment (PPE) and the depreciation

11.1 Recognition of PPE

PPE are tangible assets those are held for labour provision, renting, operating or administrative purposes and whose life expectancies are one year or more. Not-current assets are recognised when the following conditions are simultaneously satisfied:

- (1) The economic benefits associated with the assets will probably flow to the enterprise; and
- (2) The cost of the asset can be measured reliably.

11.2 Classification of PPE

PPEs can be classified into: housings and buildings, transportations, electronic equipment and other equipment etc.

11.3 Measurement of PPE

PPEs are recorded at actual cost on acquisition.

The cost of purchased PPE consists of the purchase price, the relevant taxes, freight, loading and unloading fees, service fees and other expenses that bring the fixed asset to the expected conditions for use.

Subsequent cost incurred on an asset upon its initial recognition shall be recognised as addition to the asset if it meets the recognition; or it's recognised as expense in current income statement.

11.4 Depreciation for PPE

The depreciation of PPEs is measured by using straight-line method, and the depreciation rate is determined according to their classification, life expectancies and expected net residual rate.

The renovation costs of PPE, which meet the conditions of capitalisation, use the straight-line method for

depreciation, based on the shorter period between the consecutive of two renovations and the available service life of the fixed asset.

According to the classification, expected service life and expected net residual value (expected net residual rate at 5%) of the various non-current assets, the Group determines the depreciation rate of various fixed assets as follows:

Classification	Useful life (years)	Expected net residual rate	Annual depreciation rate
Houses and buildings	20	3%-5%	4.75%-4.85%
Electronic equipment	3-5	3%-5%	19.00%-31.67%
Transportations	4-5	3%-5%	19.00%-23.75%
Other equipment	5	3%-5%	19.00%-19.40%

The useful life, expected net residual rate and depreciation methods applied for the fixed assets, are revised by the Group at each balance sheet date, and adjusted prospectively, if appropriate.

11.5 Recognition basis and measurement for assets by financial leasing

Assets recognised as financial leasing assets if any terms in the agreement signed by the Group and lessor have satisfaction with the following conditions:

- (1) the lease transfers ownership of the asset to the Group by the end of the lease term;
- (2) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable;
- (3) the lease term is for the major part of the economic life; and
- (4) At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

The book value of finance charge for the lease is calculated as the lower value between the total minimum payments and the fair value of the asset at the beginning day of the lease. The difference between the former items are accounted as unrealised finance charge, and the total minimum payments are accounted into long-term payables.

The depreciation of which the fixed assets through finance lease those can be reasonably confirmed the ownership can be acquired at due date of the lease shall be charged in the economic life of the assets, while for assets those through lease cannot be reasonably confirmed the ownership, their depreciation shall be charged based the shorter period between the lease term and economic life.

11.6 Disposal of PPE

When PPEs are disposed or cannot generate economic benefits caused by advanced use or disposals, they shall be derecognised. Any disposal income of fixed assets from sales, transfer, scrap or damage of the assets excluding its book value and relevant taxes are accounted into the profit and loss of the current financial year.

12. Construction in progress

The book value of construction in progress is the essential cost of construction before the assets is ready to use.

Items classified as construction in progress those are ready for their intended use but haven't conduct the completion final accounts, are transferred into non-current assets under the estimation value by calculating project budget or cost or project actual cost, and depreciate the assets by following the depreciation policy of the Group, after the settlement for final account of the completion of construction is conducted, the original temporarily estimated value of the construction shall be adjusted at actual costs, but the provision for depreciation that already accounted shall not be adjusted.

13. Intangible Assets

13.1 Recognition of intangible assets

Intangible assets refer to as the identifiable non-monetary assets possessed or controlled by the Group which have no physical shape. Intangible assets can only be recognised when they meet the following conditions simultaneously:

- (1) The economic benefits related to intangible assets are likely to flow into the enterprise; and
- (2) The cost of intangible assets can be measured reliably.

13.2 Measurement of intangible assets

The cost of outsourcing intangible assets is including its purchase value, relevant taxes and other costs those make the assets ready to use. The cost of intangible assets are recognised based on present value of purchase when the purchase price exceeds deferred payment under normal credit condition but with financing nature actually.

For intangible assets arise from liability restructure, the book value is designated based on the fair value of the intangible assets, and account the difference between the book value of the restructured liability and the fair value of the intangible assets for paying the debt into profit and loss for the current financial period.

Under the premise that non-monetary assets exchanges with business nature and the fair value of insourcing or outsourcing assets can be valued reliably, the book value of intangible assets arise from non-monetary assets insourcing is based on the fair value of the outsourcing assets, unless there is solid evidence that the fair value of insourcing assets is more reliable. If non-monetary assets exchanges are not satisfied with the premise, the insourcing intangible asset costs are based on the book value of outsourcing assets and relevant taxes, and are not designated through profit and loss.

13.3 The life expectancy and amortization of intangible assets

The Group analyses and judges the expectancy life when acquisition occurred.

Amortisation of intangible assets with limited expectancy life are using straight-line method during the period that the assets can generate economic benefits for the Group;

Intangible assets whose life expectancy for generating benefits cannot be defined, are classified as intangible assets with uncertain life expectancy, and such assets shall not be amortised.

Intangible assets	Useful life
Land use right	40years、50years、70years
Softwares	2years、10years

14. Long-term asset impairment

At balance sheet date, any signals of impairment on non-current assets which are indicated as long-term equity investment, property, plant and equipment, construction in progress and intangible assets, should be conducted under impairment test. If the result of the test shows the recoverable amount of the assets is lower than its book value, the difference of the two items shall be allotted at provisions and accounted into impairment loss. The recoverable value is the higher one between the net book value after the fair value of the recoverable assets deducted the disposal costs and the future cash flow of the assets. The provision of asset impairment is calculated and recognised on the basis of individual asset. If the recoverable amount of individual assets is difficult to estimate, then the amount shall be determined on the basis of the recoverable amount of the assets portfolio where the individual asset exist. An asset portfolio is a combination of asset that can generate minimum cash inflow individually.

Impairment test for goodwill shall be conducted at least at every financial year ends.

When the goodwill impairment test is being conducted, the book value of goodwill which is generated due to merger and acquired from purchasing day shall be reasonably amortised; while for assets those are difficult to be amortised, they should be amortised to relevant portfolio. When the book value to relevant asset portfolios or to asset portfolio combinations is being amortised, it should use the ratio of the fair value of the asset portfolio or asset portfolio combinations to the total fair value of the asset portfolio or the asset portfolio combination. While for those portfolios or combinations whose fair value are difficult to identify, the amortisation shall use the ratio of book value of the asset portfolio or asset portfolio combination to the total book value of the portfolio or combination.

When the impairment test on relevant asset portfolio or portfolio combination in which has goodwill is being conducted, if those portfolios or combinations have signal of impairment, firstly the impairment test shall be conducted to the portfolios or combinations without goodwill and the recoverable amount shall be calculated. Then the relevant book value shall be compared with the recoverable amount and the appropriate impairment loss can be recognised. Secondly, conduct the test to portfolios or combinations with goodwill and compare the book value of the relevant portfolios or combinations (including the proportion of the book value of goodwill) and the recoverable amount. If the amount is lower than the book value of the relevant portfolio or combinations, recognise the impairment loss of goodwill. Once the impairment loss is recognised, it cannot be reversed in the future accounting years.

15. Other Assets

15.1 Long-term deferred expense

Long-term deferred expenses represent expenses already incurred but will be amortised more than one year (excluding one year). They are recorded at the amount of incurred and amortised evenly in beneficiary periods as follows:

(1) Prepaid operating lease rental is amortised on straight-line basis during the terms of the respective leases agreed on the contracts;

(2) Operating lease charges are amortised on a straight-line basis over the shorter between the residual leasing period and estimated useful period.

15.2 Foreclosed assets

Foreclosed assets are recorded at the fair value at the time when those acquired. At the same time, the Group writes off the carrying value of corresponding assets including outstanding loans principal and interest recorded in financial statements, other receivables, corresponding impairment allowance of the loans, corresponding bad debts reserves of the receivables etc.

Gains and cost incurred in relation to the foreclosed assets in custody period are booked into other operating revenue and other operating expenses.

16. Provisions

An obligation related to a contingency is recognised as a provision when all of the following conditions are satisfied:

- (1) The obligation is a present obligation of the Group;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of expenditure required to fulfill present obligations as a result of a past event, and take the risks, time value of money and uncertainties of contingent issues and other factors into account. Factors those have significant impact on time value of money, shall be estimated through discounting relevant future cash inflows.

The best estimations should be dealt with as the following:

If the required expenses are in a continuous range, and the possibilities of the occurrence of the results are equal, the best estimation should be calculated by the median of the range (i.e. the average of the upper limit and the lower limit).

If the best required expenses are not in a continuous range, or though they are in a continuous range but the possibilities of the occurrence of the results are not equal, or some contingencies are relevant to an individual

item, recognise the best estimation using the most possible amount; while if the contingencies are relevant to multi-items, calculate the best estimation using various possible results and the relevant possibilities.

The Group pay off the provisions whose partial or all required expenses are offset by the third party, and the recoverable amount should be recognised individually as assets when it can be probably assured to receive, and the assured amount should not exceed the book value of the provisions.

17. Employee benefits

17.1 Short-term benefits

The Group accounts the actual short-term benefits into liabilities and profit and loss or relevant asset costs during the financial year when services are provided by the staff in the Group.

The Group pays social insurance and housing funds for staff, and recognise the appropriate staff remuneration by following the regulated proportion of the provision.

The staff welfare fees those are non-monetary ones, valued through fair value.

17.2 Termination benefits

The amount of termination benefits to staff provided by the Group, shall be accounted into staff benefits liability which is recognised as the advanced one between the followings: 1) when the Group cannot recall the benefits unilaterally due to termination of labour relations; or 2) when the Group recognised restructure costs those are relevant to the benefits.

17.3 Pro-termination benefits

(1) Defined contribution plans

The Group pay basic pensions and unemployment insurance following the local government regulations, during the payment period, calculate the payable amount following the payment basis and proportion regulated by the government, and accounted into profit and loss or relevant asset costs for the current financial year.

Despite paying the pensions, according to the State Corporate Annuity System, the Group also formulates supplementary pension systems and supplementary medical systems, and purchases the supplementary insurances for staff. The appropriate costs are designated as staff benefit payables and shall be accounted into profit and loss for the current accounting period.

(2) Accounting method for defined contribution plans

Under the formula of expected cumulative welfare unit method, the obligation incurred from the plan shall be attributed into the service period for the Group of the staff, and shall be accounted into profit and loss or relevant assets costs for the current year.

Any gains or losses from the difference of present value of the obligation of the contribution plan and the

fair value of the assets from the plan assets are designated as a kind of net assets or net liabilities. If the contribution plan generates surplus, the group shall measure the net assets of defined contribution plans according to the lower value between the surplus from contribution plan and the upper limit value of the assets.

All defined contribution plan obligations, including obligations those are expected 12 months after the reporting year during which staff are providing services, shall be discounted at market rate of return of high-quality corporate bonds in active market or the market rate of return of treasury bond which is matching the period of the plan on balance sheet date.

Service costs incurred from the defined contribution plan and net interests of contribution plan net assets or liabilities are accounted into profit and loss or relevant assets costs for the current year; changes arise from remeasurement of contribution plan net assets or liabilities are accounted in other comprehensive income, and cannot be inversed to profit and loss on subsequent measurement.

At closing balance date for defined contribution plans, the settlement profit or loss of the contribution plan at the difference between the present value and the settlement price of the plan at the settlement date.

At the end of the year, the Group haven't settled the defined contribution plan.

18. Dividend payables

The dividends are designated as liabilities in the Group after the agreement by shareholders, and are deducted from equity. The dividends are declared at mid-term of the year and the Group cannot arbitrarily change when deducting from equity. Dividend distribution plans which are adopted after balance sheet date, shall be disclosed as pro-date items.

19. Entrusted businesses

When the Group is carrying out businesses as trustees, the corresponding assets and obligations for repaying the assets are all excluded in the balance sheet.

Asset custody is the business that the Group need to comply the relevant obligation as a custodian following the agreement signed with principals according to relevant laws. The Group perform the entrusted duties by following the terms in the trust agreement and charge appropriate fees from the service, but does not take the risk and return from the trust service, so the entrusted business is an off balance sheet item.

The entrusted loans offered by the Group to delegate principals shall be accounted off balance sheet. The Group offers loans as a trustee by following the signal of the principal. Also the Group signs the agreement with the principals and represents principals to manage and retrieve the loans. All purposes, amount, interest rates and retrieve arrangements are decided by principals. The Group charges commission fees from the relative management activities of the entrusted loans, and recognise the income evenly during the trust service period. Risks of loss from the entrusted loans are taken by principals, and the entrusted assets are accounted off balance sheet.

20. Contingent liabilities

Contingent liabilities are penitential obligations arose from past transactions or items. The existence of the contingencies shall be proved through occurrences or non-occurrences of future uncertainties; or current obligations formed from past transactions or items, but there is low possibilities to bring about benefit outflow or the value of the obligation cannot be reliably measured, therefore contingent liabilities are not designated as provisions and only disclosed in note to the financial statements. Once there is high possibility that can cause benefit outflow or the relevant amount can be reliably measured, then the item shall be designated as provision.

21. Financial guarantee contracts

Financial guarantee contracts are initially valued at fair value. For financial liability contracts those are not designated at fair value through profit and loss shall be subsequently measured by the higher value between the optimum recognised value cost at balance sheet date when taking relevant obligation, and the balance of initial recognised value after the defined cumulative amortisation which is following the principle in ASBE 14. Income.

22. Recognition of income and expense

Income is benefit inflows to the Group from relevant transactions, and the amount of inflow can be reliably measured, and recognised on the following basis:

22.1 Interest income and costs

Interest income and costs are recognised on the accrual basis under effective interest rate accounting. Effective interest rate accounting is a method to measure the amortisation cost of a financial asset or liability, and the interest income and cost in the relevant period. Effective interest rate is an interest rate used to discount the future cash flow of a financial asset to its net book value on expired date of the asset or during an appropriate short term. The Group will consider all terms in the contract of the financial asset when estimating its future cash flow, but not credit loss. Also, when calculating the effective interest rate, transaction costs, discount or premium price, all relevant fees occurred by parties to the contract need to be considered.

When a single financial asset or a group of similar financial assets are impaired, the interest income shall be continue to recognised by the discount rate in accordance with the discount when evaluate impairment loss to future cash inflow.

22.2 Fee and commission income

The Group earns fee and commission income from a diverse range of services which are being provided to its customers. Fee income is mainly divided into two categories:

(1) Fees earned for the provision of services over a period of time are accrued over that period. These fees

include commission income and asset management, custody and other management and advisory fees;

(2) Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or component of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

22.3 Dividend income

Dividend income is confirmed when the right of the Group to receive the dividend is established.

23. Government grants

23.1 Classification

Government grants refer to the monetary or non-monetary assets is obtained by the Group from the government for free. Government grants are classified into asset-related government grants and income-related government grants.

Government grants those relevant to assets are the grants obtained by the Group to acquire or to use other method to form a long-term asset, they are including financial allocations to tangible or intangible assets, government-funded interest discount of government specified loans to fixed assets etc. Government grants relevant to income are grants excluding grants those are relevant to fixed assets.

23.2 Accounting treatments

Government grants relating to purchase or construction of long-term assets, such as fixed assets and intangible assets, etc., shall be recognised as deferred income and be amortised over the useful lives of assets constructed or purchased and charged to non-operating income by stage.

Government grants relating to income to compensate future expenses or losses shall be recognised as deferred income and shall be charged to non-operating income during the period when the relevant expenses are incurred. The government grants relating to income to compensate incurred expenses or losses shall be directly charged as non-operating income in the current period.

Government grants which are non-monetary assets, shall be measured at fair value. If fair value cannot be obtained reliably, the grant shall be measured at its nominal value.

24. Income taxes

Income tax comprises current tax and deferred tax. Except the income tax which is related to transactions or events directly recorded in other comprehensive income. Other current tax expenses or current tax income should be recognised in profit and loss for the current period.

The current income tax is the current tax payables calculated in accordance with the current taxable value.

The taxable amount is after the adjustment on pre-tax profits in accordance with explanations in current tax laws and regulation.

The deferred tax assets and deferred tax liabilities are recognised in accordance with the difference between the tax basis of assets and liabilities and their book value (the temporary difference). For the deductible losses which can be deducted to taxable incomes at pro balance sheet date by following relative tax laws, recognise relative deferred tax assets. As at balance sheet date, the deferred tax assets and liabilities are measured at the appropriate tax rate during predicted call back date of the assets or recover date of the liabilities.

The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available in future periods to allow the benefit of the deferred tax asset to be utilized.

When there is temporary difference relevant to subsidiaries, joint ventures and associates of the Group, the deferred tax liability shall be confirmed, unless the Group can control the time for switching back the temporary difference and the difference might not switch back in the predictable future. The deferred tax asset shall be confirmed when there is deductible temporary difference relevant to subsidiaries, joint ventures, associates of the Group. The difference can probably switch back in the predictable future and the Group can probably obtain the tax payables used to offset the deductible temporary differences.

Deferred tax assets and liabilities are presented at net value after offset when the following conditions are satisfied: a) the deferred tax assets and liabilities are relevant to the income tax paid by same taxable entity under control of the same taxation department; b) the taxable entity in the Group has income tax assets for the current period balance at net value and in the period of legal rights of income tax liabilities for the current period, and every significant period of the switch back of deferred tax assets and liabilities, the relevant taxable entity aim to balance the account of current income tax assets and liabilities of the current period, or acquire the assets and repay the liabilities simultaneously, both by the net value.

25. Leases

A lease that transfers in substance all the risks and rewards incident to ownership of an asset is classified as a finance lease. An operating lease is a lease other than a finance lease.

25.1 Accounting treatment for operating leases

(1) Lease payments under an operating lease are recognised by a lessee on a straight-line basis over the lease term, and either included in the cost of another related asset or charged to profit or loss for the period. When the lessor bears the cost that relevant cost should have been born by the Group, the Group then shall deduct the cost from total leasing charge, and account in to the cost of the current financial period by apportioning the leasing charge excluding the relevant fee.

(2) Lease income from operating leases is recognised by the lessor in profit or loss for the period on a straight-line basis over the lease term. The initial direct expense related to the lease transaction paid by the Group is accounted in the costs of the current financial period, the ones with large transaction amount shall be capitalized and accounted periodically into profit and loss of the current year on the basis of relevant income

recognition during the leasing period.

When the Group undertakes the relevant costs those should be born by lessee, the costs will be deducted from lease payment, and apportion the retained amount during the leasing period.

25.2 Accounting treatment for financial lease

(1) Financial lease in assets: at the leasing in date, the book value of finance charge for the lease is calculated as the lower value between the total minimum payments and the fair value of the asset, the difference between the former items are accounted as unrealised finance charge, and the total minimum payments are accounted into long-term payables. The Group acknowledge unrecognised assets by using effective interest rate accounting, amortised during the leasing period and accounted as financial cost, the initial direct costs are accounted in value of the lease in asset.

(2) Financial lease out assets: at the leasing date, designate the difference between the sum of leasing income and unguaranteed balance and the present value of the asset as unrealised financial income, while recognise them as leasing income when obtain the payment at expire date in the future. The direct initial fees relevant to the lease in the Group are accounted in the initial valuation of the financial lease receivables, and reduce the recognised amount in the lease period.

26. Trade date accounting

All carried out in accordance with the conventional way of buying and selling of financial assets were confirmed in the trading date. The Group has the obligation to buy or sell assets to confirm the date of transaction. The means of conventional way is that, the delivery of financial assets in buying and selling should be under the market rules within the time limited.

27. Debt restructuring

Debt restructuring refers to the financial difficulties of the debtors; creditors should make the concessions in accordance with an agreement with the debtors or the court's reports.

When a debt is liquidated by cash, the creditor shall include the difference between the book balance of the debt to be restructured and the cash received in the current profits and losses. When a debt is liquidated by non-cash asset, the difference between the book balance of the debt to be restructured and the fair value of the non-cash asset received shall be accounted into the current profit and losses. When a debt is converted into capital, the creditor shall handle the difference between the book balance of the debt to be restructured and the fair value of the shares in the current profit and losses. The difference between the carrying amount of the debts and the fair valued of the debts after restructuring based on agreed terms and conditions is recognised in the profit or loss for the period if terms and conditions are amended. Where a debt restructuring is made by a combination of the liquidation of a debt by assets, the liquidation of a debt by non-cash asset, the conversion of a debt into capital and the modification of other terms of a debt, the creditor shall offset, one by one, the cash received, the fair value of the non-cash asset received, and the fair value of the shares to which

the creditor becomes entitled, against the book balance of the debt to be restructured, and finally settlement of debts based on terms and conditions agreed.

If provision has been made to the debts under restructuring, the difference results from the above is offset against the provision with net change recognised in profit or loss for the current period.

28. Segment information

The definition of operation segment is depend on the organisation structure, management requirements and internal reporting system, the Group define and disclose the segmental report on the basis of operation segment. The operation segment in the Group shall satisfy the following conditions simultaneously:

- (1) The part can generate income and incur costs in the daily operation;
- (2) The senior management of the Group can appraise the operation result of the component to allocate resources and appraise the achievements;
- (3) The Group can get accounting information relevant to the financial statements, operation achievements and cash flow etc.

29. Comparatives

A certain amount of data has been reclassified by following the presentation of the current financial period.

30. Related parties

When making finance and business decisions, if a party has the power to control, jointly control or exercise significant influence over another party, they are regarded as related parties. Two or more parties are also regarded as related parties if they are subject to control, jointly control or significant influence from the same party.

Related parties to a company are as follows:

- 1) Parent company;
- 2) Subsidiaries;
- 3) Other entities controlled by the same parent company;
- 4) Investors which have joint control;
- 5) Investors which give significant influence;
- 6) Joint ventures;
- 7) Associated companies;
- 8) Key investors and close members of their families;
- 9) Key management personnel of the company or its parent company, and close members of their families;

10) Other entities that are controlled, jointly controlled or significantly influenced directly or indirectly by key investors, key management personnel or close members of their families.

The Group shall not be regarded as affiliated parties simply because they are all under the control of the state.

V. Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, management has used its judgments and made assumptions of the effects of uncertain future events on the financial statements. The most significant use of judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below.

1. Held-to-maturity investment

The Group is following ASBE 22, the fixed and identifiable repayment and non-financial derivatives with fixed expire date are classified as held-to-maturity investment. The classification is relevant to a large amount of judgement. During the judgement, the Group shall value the will and ability to hold the investment until expire date.

2. Fair value

When the Group evaluates relevant assets or liabilities at fair value, the following assumptions shall be based:

- (1) Transactions of market participates to sell assets or transfer liabilities are orderly under the current market conditions;
- (2) The orderly transactions of selling assets and transferring liabilities are conducted in the major market of the relevant assets or liabilities. For those do not have major markets, assume the transaction is conducted in the best market for the relevant assets or liabilities;
- (3) Adopt the assumption to maximise economic benefits when market participants are pricing the assets or liabilities.

When the non-financial assets is being evaluated at fair value, the ability of the market participates to use the assets at best way to maximise economic benefits should be considered, or the ability to generate economic benefit when the assets are sold to other market participants who can use it in the best way.

When the valuation techniques are being considered, the Group adopted the ones those are appropriate to the current condition and can be supported by sufficient usable data and other information. The input value which is relevant and observable of the technique is used priority, only if when the relevant observable input value cannot be obtained or the value is not practical and feasible, the non-observable input value then shall be used

There are 3 classes for input values to conduct fair value measurement:

The first class input value is the obtainable unadjusted price of identical assets or liabilities in the active market

at evaluation day.

The second class is the direct or indirect observable input value of the relevant assets or liabilities excluding the ones in the first class.

The third class is the unobservable input value of the relevant assets or liabilities.

The class where the result of fair value measurement is, defined by the lowest class to which the significant input value belongs, for the fair value measurement as a whole.

The Group reviews the above measurement and assumption regularly, and taking adjustment when necessary.

3. Impairment losses of loans and advances to customers and banks, receivables and due from banks

The Group shall judge whether there is objective evidence that the impairment loss has occurred from loans and advances to customers and banks, receivables and due from banks. If there is impairment loss on the items, the Group shall estimate the amount of impairment loss. The value of impairment loss is the difference between the book value and present value of future cash flow. When estimating the impairment loss, the Group needs to make significant judgement whether there is objective evidence presents the above amount has already impaired and caused losses, and make significant estimation on the present value of future cash flow.

Exceptional estimation of impairment loss, loans and receivables are the net decrease of the present value of future cash flow of the financial assets. When the impairment loss of the loans and receivables as a combination are being evaluated, the impairment loss is defined by the historic loss experience of assets with similar credit risk features, and the adjustments shall be taken in accordance with observable data which can reflect the current economy state and judgement of senior management based on historic experiences. The senior managers shall regularly review the assumptions and approaches of the estimation for future cash flow, in order to reduce the difference between the estimated loss and actual loss.

4. Impairment losses of available-for-sale and held-to-maturity investments

To a large extent, the impairment determination depends on the judgment of management. In the process of judgment, the Group needs to evaluate the extent and duration of fair value of investment lower than the costs, and whether other objective evidence of impairment exists based on the investee's financial conditions and short-term business prospects, including industry environment, change of technology, credit rating, default rate, coverage rate of losses and counterparty risk.

5. Impairment of non-financial assets

The Group assesses periodically whether there is any indication that an asset may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group adjusts the book value of

the asset to its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its present values of estimated future cash flows. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount.

6. Estimated liabilities

The Group has to evaluate whether there is a present obligation (legal or constructive) as a result of a past event, and judge the probability that an outflow of resources embodying economic benefits and confirm the reliable estimation for the obligation.

7. Termination benefits

The Group has treated the termination benefits as a kind of liability. The amount of cost and liabilities of the welfare is calculated under various assumptions. The incurred difference between the actual results and assumed results shall be recognised immediately and taken into account as an expense for the current financial period, if senior managers consider the assumptions are reasonable and the changes on actual experience and assumptions can influence relevant costs and debt balance of the termination benefits.

8. Income taxes

The Group pays income taxes in the mainland of China. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions. Accordingly, in evaluating the deduction standard of provision for doubtful debts and whether the provision for doubtful debts write-offs and loss on disposal of on-performing loans can be deducted before tax, significant management judgment is required. In addition, deferred income tax assets are recognised to the extent of which it is probable the future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant estimation on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions on the period during which the determination is made.

At balance sheet date, if the Group has the legal right to settle the account of the income tax assets and income tax of the current period by net value, and the deferred tax is relevant to the same taxable entity and the same taxation department, the presentation on the financial statement shall be the net value after the offset between deferred tax assets and deferred tax liabilities.

9. Basis of controls of structured entities

When the Group is acting as an asset manager in the structured entity, it shall make judgement of whether the Group is the major responsible person or the major agent, in order to evaluate whether the Group has control on the structured entity and shall consolidate the entity in financial statements. When the Group is conducting evaluation and judgement, various factors such as scope of decision by the asset manager, substantial rights held by other related parties, service compensation of asset managers and any faced risk exposure arise from any other arrangements etc. should be comprehensively considered.

VI. Taxation

1. Business tax

Business tax is levied at 5% on taxable operating income.

Operating income comprises interests due from loans and advances, income due from transfer of financial products, fee and commission income and other operating income etc., excluding the income incurred from settlements and business operations between financial institutions.

The business tax is paid by branches locally.

2. City maintenance and construction tax

City maintenance and construction tax at 5% or 7% of the business tax accrued is paid by branches locally.

3. Education surcharge

Education surcharge at 3% of the business tax accrued and local education surcharge at 2% of the business tax accrued are paid to the local tax bureau by branches locally.

4. Corporate income tax

Corporate income tax applied 25% tax rate. The tax is accrued by the Group's headquarter, Shanghai Branch, Shenzhen Branch, Beijing Branch and Hangzhou Branch are paid to the local tax bureau. The headquarters plays the role as the closing center on an aggregate basis.

VII. Significant amended and new accounting policies and interpretations

1. Significant amendments of accounting policies

1.1 The Ministry of Finance has revised and issued 9 standards in 2014

The third session of the fifth board meeting of the Bank has considered and adopted the following amended

and new accounting standards:

ASBE basic standards (revised)

ASBE 2 Long-term equity investment (revised)

ASBE 9 Staff benefits (revised)

ASBE30 Financial statements presentation (revised)

ASBE 33 Consolidation of financial statements (revised)

ASBE37 Financial instrument presentation (revised)

ASBE 39 Fair value measurement

ASBE 40 Joint venture arrangement

ASBE 41 Disclosure of equity in other entities

The significant impact on adoption of the above standards are presented as following:

(1) Adoption of ASBE 2 Long-term equity investment (revised)

According to *ASBE 2 Long-term equity investment (revised)*, the Group reclassified the investments, which are not jointly controlled or significantly influenced, or have no price in active market and whose fair value cannot be reliability valued, from long-term equity investment to assets held-for-sale to conducting account. The Group also conducts a retroactive adjustment which adjusted and represented the annual financial statements of 2013. Relevant significant impact for the past years are shown in detail in 1.2 Impact of amendments on financial statements.

(2) Adoption of ASBE 9 Staff benefits (revised)

In accordance with the relevant requirements of short-term benefits, termination benefits, pro-termination benefits and other long-term staff benefits, as well as the relevant measurement and accounting methods in ASBE 9 Staff Benefits (revised), the Group reorganised the current staff benefits, altered relevant accounting policies and conducted retroactive adjustment. Relevant significant impact for the past years are shown in detail in 1.2 Impact of amendments on financial statements.

(3) Adoption of ASBE30 Financial statements presentation (revised)

According to requirements in ASBE 30 Financial statements presentation (revised), the Group modified presentation of the financial statements, including other comprehensive income in profit and loss, which also presents items those reclassified into profit and loss and items those are not reclassified into profit and loss, when the regulated conditions in the standards are satisfied at pro-accounting period. Relevant significant impact for the past years are shown in detail in 1.2 Impact of amendments on financial statements.

(4) Adoption of ASBE 33 Consolidation of financial statement (revised)

ASBE 33 Consolidation of financial statements (revised) introduced one fold control mode, in order to assess

whether the statements of the investee should be consolidated. The judgement of control is depend on whether the Group has rights over investees, the Group can acquire variable returns from the investee through participating relevant activities of investees, and have ability to use the rights over investees to influence the amount of return. The Group revised the accounting policies of whether the Group can control over the investees and whether the Group should consolidate the financial statements of investees.

The Group revalued the investee by following *ASBE 33 Consolidation of financial statements (revised)*. Baode County Bank is a county bank established by the Bank who is the sponsor of the establishment. The Bank is holding 41% of shares in Baode County Bank, while all other shareholders are holding the shares of Baode County Bank less than 10%, and they have not reach the agreement for collective decision. Most of the capital for operation of Baode County Bank is depend on the Bank (of Jiangsu), at the end of the year 2012, 2013 and 2014. The deposits of Bank of Jiangsu with Baode County Bank are 460million, 510million and 450million, and are 65%, 53% and 46% of the total interest payable liabilities of Baode County Bank. The Bank offered the guarantee for most of the liabilities in Baode County Bank through signing the liquidity supportive agreement with Baode County Bank. In accordance with the articles of corporation, the chairman of board of directors and supervisors in Baode County Bank are nominated by the Bank. The vice-president who is managing the risk and compliance or other senior managers are appointed by the Bank, and the Bank can decide or reject the material transactions through controlling the supporting capital or through the consideration of the former appointed managers for their own interests. Hence the Bank believes it has the rights to dominate the relative activities of Baode County Bank.

The return acquired by the Bank are mainly including the dividend received and the capital interests of the deposit in Baode County Bank with different interest rate. The Bank takes the variable returns through participating relative activities in Baode County Bank.

The Bank takes decision-making on Baode County Bank as the major responsible person (i.e. actual decision-maker). The Bank has ability to influence the variable returns by using the rights over the investee.

Therefore the Bank revalued the investee in accordance with *ASBE 33 Consolidation of Financial Statements*, and treated the financial statements of Baode County Bank in the consolidation scope.

(5) Adoption of ASBE 37 Financial instrument presentation (revised)

The standard amended and added relative regulations on presentation and disclosure of financial instruments. The Group has presented and disclosed relevant information by following the requirements of the standard. There is no significant impact on the financial statements of the Group.

(6) Adoption of ASBE 39 Fair value measurement

The standard redefined fair value, drew up a unified measurement framework and standardized the requirement of disclosure of fair value. The Group has disclosed relevant information by following the requirement of the standard.

(7) Adoption of ASBE 40 Joint venture arrangement

The standard treat joint ventures and associates as joint operation, and classify the operations in accordance with arrangement structure, legal form, terms of contracts and other rights and obligations those are related to the facts and condition. The Group revised accounting policies those are relevant to joint venture arrangements and revalued conditions those are in joint venture arrangements. There is no significant impact on the financial statements of the Group.

(8) Adoption of ASBE 41 Disclosure of equity in other entities

The adoption standardised the disclosure of equity in other entities of the Group. The Group has presented and disclosed relevant information by following the requirements of the standard. There is no significant impact on the financial statements of the Group.

1.2 Impacts of amended and new standards on financial statements of the Group

Item	31 Dec, 2013 (Before restatement)	Influenced amount '000				31 Dec, 2013 (After restatement)
		ASBE9 (Revised)	ASBE2 (Revised)	ASBE33 (Revised)	ASBE30 (Revised)	
Available-for-sale financial assets	10,746,775		34,841			10,781,616
Long-term equity investment	126,313		-34,841	-17,672		73,800
Deferred tax assets	2,154,630	-5,832				2,148,798
Employee benefit payables	3,226,029	-23,324				3,202,705
Capital Reserves	9,822,320				275,053	10,097,373
Other comprehensive income					-275,053	-275,053
Capital Reserves	5,601,909	1,749		-1,767		5,601,891
Retained profits	13,500,215	15,743		-15,905		13,500,053
Administration and general expenses	7,194,784	-8,048				7,186,736
Investment income	31,737			-9,632		22,105
Income Tax	2,832,692	2,012				2,834,704
Net Profit	8,179,466	6,036		-9,632		8,175,870

1.3 Except the accounting policies prescribed in 1.1 which are amended or new added, all the other major policies are remained unchanged during this reporting period.

2. Significant changes of accounting estimates

There is no significant changes of accounting estimates in this reporting period.

VIII. Merger and Consolidated Financial Statements

1、Subsidiaries acquired through establishment or investment

Period	Full name of subsidiary	Type of subsidiary	Registered address	Major Operation Address	Industry	Registered Capital	Scope of Business	Final Actual Investment	Balance of other items composed to the net investment	Proportion of shareholding (%)	Proportion of voting share (%)	Consolidation	Non-controlling interests' equity
2014-12-31	Baode County Bank of Danyang Co., Ltd	Shareholding	Danyang, Jiangsu	Danyang, Jiangsu	Finance	180,000	NB1	73,800		41%	41%	Yes	129,878
2013-12-31	Baode County Bank of Danyang Co., Ltd	Shareholding	Danyang, Jiangsu	Danyang, Jiangsu	Finance	180,000	NB1	73,800		41%	41%	Yes	131,631

NB1 The following business authorised by The People's Bank of China and China Banking Regulatory Commission: attracting deposits; issuing short-, mid-, and long-term loans, domestic settlements; bill acceptance and discount; agent to issue, cash or underwrite government bonds; issue loans to and borrow from banks and other institutions; issuing debit cards; agent to collective and payment; agent for insurance businesses; and other businesses authorised by China Banking Regulatory Commission.

2、Major Financial information of the subsidiary before consolidation

Item	Baode County Bank	
	2014	2013
Cash and balances at central banks	67,253	57,789
Due to banks and other financial institutions	98,058	36,807
Interest receivables	5,352	5,353
Loans and advances to customers	1,025,067	1,099,398
Property, Plant and Equipment	2,981	2,442
Intangible Assets	153	179
Deferred tax assets	2,116	51
Other Assets	9,322	8,017
Total Assets	1,210,302	1,210,036
Borrowing from the central banks	50,000	100,000
Due from banks and other financial institutions	450,000	510,000
Due to customers	470,370	358,324
Employee benefit payables	2,575	1,938
Current tax liabilities	6,128	3,356
Interest payables	10,754	12,872
Other liabilities	344	443
Total Liabilities	990,171	986,933
Operation income	73,819	60,771
Net profit	24,029	23,493
Total comprehensive income	24,029	23,493
Cash flow from operation activities	88,069	-91,236

IX. Notes to significant of items of financial statements

1.Cash and balance with the central bank

Items	The Group	
	31 December 2014	31 December 2013
Cash	1,973,781	2,286,171
Mandatory reserve deposit with central banks	110,649,010	102,325,743
Excess reserve deposit with central banks	18,411,974	20,494,444
Fiscal deposits with central banks	1,019,781	913,063
Total	132,054,546	126,019,421

Items	The Bank	
	31 December 2014	31 December 2013
Cash	1,970,843	2,284,287
Mandatory reserve deposit with central banks	110,584,740	102,275,577
Excess reserve deposit with central banks	18,411,929	20,488,704
Fiscal deposits with central banks	1,019,781	913,063
Total	131,987,293	125,961,631

(1) The Group places mandatory reserve deposits with the Central Bank in accordance with the requirements from the People's Bank of China (PBC). On 31 December of 2014 and 2013, the Group deposits respectively with no lower than 17.5% and 18% of eligible RMB deposits and deposits with 5% and 5% of foreign currency deposits. While on 31 December of 2014 and 2013 Baode County Bank deposits respectively with no lower than 14% and 14% of eligible RMB deposits.

(2) Excess reserve deposit with the central bank is the deposits in PBC used for settlement.

2. Due from banks and other financial institutions

Categories	The Group	
	31 December 2014	31 December 2013
Due from domestic banks and financial institution	88,935,044	68,614,933
Due from overseas banks and financial institution	3,615,406	1,814,400
Less: Impairment provision		
Total	92,550,450	70,429,333

Categories	The Bank	
	31 December 2014	31 December 2013
Due from domestic banks and financial institution	89,334,206	69,124,205
Due from overseas banks and financial institution	3,615,406	1,814,400
Less: Impairment provision		
Total	92,949,612	70,938,605

3. Loans to banks and other financial institutions

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Loans to domestic banks	5,000,000	199,545
Loan to domestic non-banking financial institutions	3,595,168	6,306,050
Less: Impairment provision		
Total	8,595,168	6,505,595

4. Financial assets designated at fair value

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Tradable financial assets	5,513,037	1,642,982
Bonds	5,513,037	1,642,982
Government Bonds	138,702	816,898
Financial Bonds	3,015,625	598,612
Deposit receipt of banks and other financial institutions	2,318,590	
Corporate Bonds	40,120	227,472
Equity instrument		
Financial assets designated at fair value through profit and loss		
Total	5,513,037	1,642,982

The Group considers there is no material limitation to liquidate the above financial assets.

5. Financial derivatives

A derivative is a financial instrument, the value of which is derived from the value of another "underlying" financial instrument, an index or some other variables. Typically, an "underlying" financial instrument is a share, commodity or bond price, an index value or an exchange or interest rate. The Group uses derivative financial instruments mainly in forward contracts.

The notional value of a derivative represents the amount of an underlying asset upon which the value of the derivative is based. It indicates the volume of business transacted by the Group but does not reflect the risk.

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

Item	The Group and the Bank at 31 December 2014					
	Notional amounts with remaining lives of				Fair value	
	Within 3 month	3 month to 1year	1~5 years	Total	Assets	Liabilities
Forward foreign exchange contracts	2,857,348	3,952,423		6,809,771	31,003	-27,120
Foreign currency swaps	4,512,066	1,551,000		6,063,066	38,689	-3,070
Total	7,369,414	5,503,423		12,872,837	69,692	-30,190

Item	The Group and the Bank at 31 December 2013					
	Notional amounts with remaining lives of				Fair value	
	Within 3 month	3 month to 1year	1~5 years	Total	Assets	Liabilities
Forward foreign exchange contracts	1,192,338	2,663,695		3,856,033	787	
Total	1,192,338	2,663,695		3,856,033	787	

6. Reverse repurchase agreements and other similar secured lending

6.1 Distribution in transaction parties

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Inter-bank	48,133,917	55,666,072
Other financial institutions	1,800,000	7,174,385
Total	49,933,917	62,840,457

6.2 Distribution in collateral types

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Bonds	7,278,000	5,397,890
Bills	39,425,917	50,268,182
Beneficial right of trust	3,230,000	7,174,385
Total	49,933,917	62,840,457

7. Interest Receivables

Interest Receivables From	The Group	
	31 December 2014	31 December 2013
Loans and advances	1,183,829	1,009,814
Lending to banks and other financial institutions	134,244	9,563
Bonds and receivables investment	4,107,538	1,291,126
Reverse repurchase agreement	147,228	141,207
Due from the central bank, banks and other financial institutions	444,901	970,678
Total	6,017,740	3,422,388

Interest Receivables From	The Bank	
	31 December 2014	31 December 2013
Loans and advances	1,179,370	1,005,018
Lending to banks and other financial institutions	134,244	9,563
Bonds and receivables investment	4,107,538	1,291,126
Reverse repurchase agreement	147,228	141,207
Due from the central bank, banks and other financial institutions	444,760	971,083
Total	6,013,140	3,417,997

8.Loans and advances to customers

8.1Distribution of loans and advances to individuals and corporate entities

Item	The Group	
	31 December 2014	31 December 2013
Loans and advances to individuals	73,896,378	60,038,479
- Credit card	5,115,162	2,280,813
-Housing mortgage	47,248,352	45,479,769
- Auto loans	35,273	72,207
-Self-employed business loans	12,047,957	9,426,182
-Others	9,449,634	2,779,508
Loans and advances to corporate entities	414,615,467	351,652,131
-Loans	344,263,051	306,555,504
-Discounted bills	57,665,393	32,694,464
-Trade financing	11,448,368	11,431,086
-Advances	1,238,655	971,077
Total amount of loans and advances	488,511,845	411,690,610
Less: reserves for loss of loan	13,148,296	10,617,343
Including: Individual provision	2,338,652	1,235,338
Collective provision	10,809,644	9,382,005
Book value of loans and advances to customers	475,363,549	401,073,267

Item	The Bank	
	31 December 2014	31 December 2013
Loans and advances to individuals	73,810,490	59,917,281
- Credit card	5,115,162	2,280,813
-Housing mortgage	47,248,352	45,479,769
- Auto loans	35,273	72,207
-Self-employed business loans	12,047,957	9,426,181
-Others	9,363,746	2,658,311
Loans and advances to corporate entities	413,628,778	350,645,731
-Loans	343,276,362	305,549,104
-Discounted bills	57,665,393	32,694,464
-Trade financing	11,448,368	11,431,086
-Advances	1,238,655	971,077
Total amount of loans and advances	487,439,268	410,563,012
Less: reserves for loss of loan	13,100,786	10,589,143
Including: Individual provision	2,338,652	1,235,338
Collective provision	10,762,134	9,353,805
Book value of loans and advances to customers	474,338,482	399,973,869

8.2 Distribution of loans and advances by industries

Industry	The Group			
	31 December 2014		31 December 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Agriculture, forestry, animal husbandry and fishery	7,702,180	1.57	5,480,024	1.33
Mining industry	1,189,522	0.24	993,373	0.24
Manufacturing	124,892,763	25.52	113,588,274	27.53
Energy, gas and water supply	6,895,659	1.41	5,718,977	1.39
Construction	30,464,969	6.22	26,032,541	6.31
Transportation, warehouse and postal service	12,831,975	2.62	11,472,287	2.78
Information transfer, computer service and software	3,993,029	0.82	2,905,109	0.70
Wholesale and retail sales	102,633,484	20.96	86,911,767	21.07
Hotel and restaurant	2,922,691	0.60	2,661,597	0.65
Finance	1,752,624	0.36	1,307,559	0.32
Real estate	38,899,369	7.94	37,220,831	9.03
Leasing and commercial service	40,010,919	8.17	30,069,882	7.29
Scientific research, technology service and geological reconnaissance	2,846,618	0.58	1,753,719	0.43
Water resource, environment and public facilities management	32,328,181	6.60	19,834,685	4.81
Residential service and other services	4,113,343	0.84	2,626,669	0.64
Education	4,675,760	0.95	5,086,523	1.23
Sanitation, social security and welfare	4,123,124	0.84	3,444,758	0.84
Culture, sports and entertainment	3,405,710	0.70	2,415,438	0.59
Public management and social organization	2,104,008	0.43	2,261,710	0.55
Personal loan(not included personal operation loan)	61,848,421	12.63	50,612,297	12.27
Less: adjustments from discount interest	1,122,504		707,410	
Total amount of loans and advances	488,511,845	100.00	411,690,610	100.00
Less: reserves for loss of loan	13,148,296		10,617,343	
Including: Individual provision	2,338,652		1,235,338	
Collective provision	10,809,644		9,382,005	
Book value of loans and advances to customers	475,363,549		401,073,267	

Industry	The Bank			
	31 December 2014		31 December 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Agriculture, forestry, animal husbandry and fishery	7,662,330	1.57	5,443,024	1.32
Mining industry	1,189,522	0.24	993,373	0.24
Manufacturing	124,095,066	25.40	112,802,174	27.43
Energy, gas and water supply	6,888,359	1.41	5,711,677	1.39
Construction	30,376,827	6.22	25,956,641	6.31
Transportation, warehouse and postal service	12,829,975	2.63	11,465,287	2.79
Information transfer, computer service and software	3,993,029	0.82	2,899,109	0.70
Wholesale and retail sales	102,592,384	21.00	86,828,067	21.11
Hotel and restaurant	2,922,691	0.60	2,659,197	0.65
Finance	1,752,624	0.36	1,307,559	0.32
Real estate	38,899,369	7.96	37,220,831	9.05
Leasing and commercial service	40,010,919	8.19	30,069,881	7.31
Scientific research, technology service and geological reconnaissance	2,846,618	0.58	1,753,719	0.43
Water resource, environment and public facilities management	32,318,581	6.61	19,834,685	4.82
Residential service and other services	4,112,343	0.84	2,625,669	0.64
Education	4,675,760	0.96	5,086,523	1.24
Sanitation, social security and welfare	4,123,124	0.84	3,444,758	0.84
Culture, sports and entertainment	3,405,710	0.70	2,415,438	0.59
Public management and social organization	2,104,008	0.43	2,261,710	0.55
Personal loan(not included personal operation loan)	61,762,533	12.64	50,491,100	12.27
Less: adjustments from discount interest	1,122,504		707,410	
Total amount of loans and advances	487,439,268	100.00	410,563,012	100.00
Less: reserves for loss of loan	13,100,786		10,589,143	
Including: Individual provision	2,338,652		1,235,338	
Collective provision	10,762,134		9,353,805	
Book value of loans and advances to customers	474,338,482		399,973,869	

8.3 Distribution of loans and advances by regions

Region	The Group			
	31 December 2014		31 December 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Nanjing	46,890,601	9.60	40,235,155	9.77
Wuxi	87,458,904	17.91	79,869,230	19.43
Suzhou	58,463,890	11.97	52,685,013	12.80
Nantong	43,158,429	8.83	35,384,180	8.59
Changzhou	24,377,374	4.99	22,277,824	5.41
Xuzhou	29,259,890	5.99	25,164,488	6.11
Yangzhou	19,808,685	4.05	16,118,460	3.92
Zhenjiang	21,478,364	4.40	18,009,379	4.37
Huai'an	16,881,449	3.46	14,920,112	3.62
Lianyungang	17,897,175	3.66	15,944,588	3.87
Yancheng	17,506,118	3.58	13,964,639	3.39
Suqian	12,021,958	2.46	9,341,661	2.27
Taizhou	14,768,982	3.02	8,736,562	2.12
Shanghai	20,638,790	4.22	18,544,259	4.50
Shenzhen	21,248,400	4.35	13,934,788	3.38
Beijing	25,769,494	5.28	18,449,828	4.48
Hangzhou	10,883,342	2.23	8,110,444	1.97
Total amount of loans and advances	488,511,845	100.00	411,690,610	100.00
Less: reserves for loss of loan	13,148,296		10,617,343	
Including: Individual provision	2,338,652		1,235,338	
Collective provision	10,809,644		9,382,005	
Book value of loans and advances to customers	475,363,549		401,073,267	

Region	The Bank			
	31 December 2014		31 December 2013	
	Amount	Proportion (%)	Amount	Proportion (%)
Nanjing	46,890,601	9.62	40,235,155	9.80
Wuxi	87,458,904	17.96	79,869,230	19.45
Suzhou	58,463,890	11.99	52,685,013	12.83
Nantong	43,158,429	8.85	35,384,180	8.62
Changzhou	24,377,374	5.00	22,277,823	5.43
Xuzhou	29,259,890	6.00	25,164,488	6.13
Yangzhou	19,808,685	4.06	16,118,460	3.93
Zhenjiang	20,405,787	4.19	16,881,782	4.11
Huai'an	16,881,449	3.46	14,920,112	3.63
Lianyungang	17,897,175	3.67	15,944,588	3.88
Yancheng	17,506,118	3.59	13,964,639	3.40
Suqian	12,021,958	2.47	9,341,661	2.28
Taizhou	14,768,982	3.03	8,736,562	2.13
Shanghai	20,638,790	4.23	18,544,259	4.52
Shenzhen	21,248,400	4.36	13,934,788	3.39
Beijing	25,769,494	5.29	18,449,828	4.49
Hangzhou	10,883,342	2.23	8,110,444	1.98
Total amount of loans and advances	487,439,268	100.00	410,563,012	100.00
Less: reserves for loss of loan	13,100,786		10,589,143	
Including: Individual provision	2,338,652		1,235,338	
Collective provision	10,762,134		9,353,805	
Book value of loans and advances to customers	474,338,482		399,973,869	

8.4 Distribution of loans and advances by guarantee types

Item	The Group	
	31 December 2014	31 December 2013
Credit loans	31,730,791	20,537,721
Guaranteed loans	177,792,051	178,749,117
Secured loans	278,989,003	212,403,772
Including: Mortgage loans	194,812,209	157,159,118
Pledged loans	84,176,794	55,244,654
Total amount of loans and advances	488,511,845	411,690,610
Less: reserves for loss of loan	13,148,296	10,617,343
Including: Individual provision	2,338,652	1,235,338
Collective provision	10,809,644	9,382,005
Book value of loans and advances	475,363,549	401,073,267

Item	The Bank	
	31 December 2014	31 December 2013
Credit loans	31,730,791	20,537,721
Guaranteed loans	176,825,725	177,755,049
Secured loans	278,882,752	212,270,242
Including: Mortgage loans	194,729,119	157,069,818
Pledged loans	84,153,633	55,200,424
Total amount of loans and advances	487,439,268	410,563,012
Less: reserves for loss of loan	13,100,786	10,589,143
Including: Individual provision	2,338,652	1,235,338
Collective provision	10,762,134	9,353,805
Book value of loans and advances	474,338,482	399,973,869

8.5 Overdue loans

Overdue loans refer to the loans with either principal or interest being overdue by one day or more. For the overdue loans presented above, loans and advances to customers repayable by installments, the total amount of loans is deemed overdue if part of the installments is overdue.

Item	The Group				
	31 December 2014				Total
	Overdue 1 day to 90 days	Overdue 90 days to 360 days	Overdue 360 days to 3 years	Overdue over 3 years	
Credit loans	80,921	71,651	92,871	3,150	248,593
Guaranteed loans	1,667,382	2,468,808	1,709,114	38,029	5,883,333
Secured loans	1,559,637	2,708,034	1,935,344	131,169	6,334,184
Including: Mortgage loans	1,513,927	2,516,886	1,675,939	131,169	5,837,921
Pledged loans	45,710	191,148	259,405	-	496,263
Total	3,307,940	5,248,493	3,737,329	172,348	12,466,110

Item	The Group				
	31 December 2013				
	Overdue 1 day to 90 days	Overdue 90 days to 360 days	Overdue 360 days to 3 years	Overdue over 3 years	Total
Credit loans	64,730	95,983	50,643	2,918	214,274
Guaranteed loans	1,305,772	1,704,569	872,585	45,697	3,928,623
Secured loans	954,263	1,319,449	1,334,496	215,949	3,824,157
Including: Mortgage loans	706,131	1,175,494	1,331,658	215,949	3,429,232
Pledged loans	248,132	143,955	2,838	-	394,925
Total	2,324,765	3,120,001	2,257,724	264,564	7,967,054

Item	The Bank				
	31 December 2014				
	Overdue 1 day to 90 days	Overdue 90 days to 360 days	Overdue 360 days to 3 years	Overdue over 3 years	Total
Credit loans	80,921	71,651	92,871	3,150	248,593
Guaranteed loans	1,576,137	2,389,498	1,704,114	38,029	5,707,778
Secured loans	1,559,637	2,708,034	1,935,344	131,169	6,334,184
Including: Mortgage loans	1,513,927	2,516,886	1,675,939	131,169	5,837,921
Pledged loans	45,710	191,148	259,405	-	496,263
Total	3,216,695	5,169,183	3,732,329	172,348	12,290,555

Item	The Bank				
	31 December 2013				
	Overdue 1 day to 90 days	Overdue 90 days to 360 days	Overdue 360 days to 3 years	Overdue over 3 years	Total
Credit loans	64,730	95,983	50,643	2,918	214,274
Guaranteed loans	1,300,772	1,704,569	872,585	45,697	3,923,623
Secured loans	954,263	1,319,449	1,334,496	215,949	3,824,157
Including: Mortgage loans	706,131	1,175,494	1,331,658	215,949	3,429,232
Pledged loans	248,132	143,955	2,838	-	394,925
Total	2,319,765	3,120,001	2,257,724	264,564	7,962,054

8.6 Reserves for loss of loans

Item	The Group					
	2014			2013		
	Individual	Collective	Total	Individual	Collective	Total
Opening balance as at 1 January	1,235,338	9,382,005	10,617,343	1,894,155	7,508,550	9,402,705
Provision	2,925,068	1,600,609	4,525,677	386,567	2,258,722	2,645,289
Transferring out						
Write-offs	-1,739,078	-199,698	-1,938,776	-931,244	-399,105	-1,330,349
Transfer back	-82,676	26,728	-55,948	-114,140	13,838	-100,302
- Return backs		26,728	26,728		13,838	13,838
- Reversal interest due from impairment loans	-82,676		-82,676	-114,140		-114,140
- Reversal due to other reasons						
Closing balance as at 31 December	2,338,652	10,809,644	13,148,296	1,235,338	9,382,005	10,617,343

Item	The Bank					
	2014			2013		
	Individual	Collective	Total	Individual	Collective	Total
Opening balance as at 1 January	1,235,338	9,353,805	10,589,143	1,894,155	7,493,667	9,387,822
Provision	2,925,068	1,581,299	4,506,367	386,567	2,245,405	2,631,972
Transferring out						
Write-offs	-1,739,078	-199,698	-1,938,776	-931,244	-399,105	-1,330,349
Transfer back	-82,676	26,728	-55,948	-114,140	13,838	-100,302
- Return backs		26,728	26,728		13,838	13,838
- Reversal interest due from impairment loans	-82,676		-82,676	-114,140		-114,140
- Reversal due to other reasons						
Closing balance as at 31 December	2,338,652	10,762,134	13,100,786	1,235,338	9,353,805	10,589,143

9. Available-for-sale financial assets

9.1 Conditions of available-for-sale financial assets

Available-for-sale financial assets	The group and the bank	
	31 December 2014	31 December 2013
	Fair value	Fair value
(i) Liability instruments	8,778,031	10,735,288
Including: Government bonds	1,297,317	2,639,471
Financial bonds	4,938,547	5,407,773
Corporate bonds	2,527,467	2,688,044
Asset supporting bonds	14,700	
(ii) Equity instruments	59,491	57,979
Including: fair value based	12,999	11,487
Cost based	46,492	46,492
(iii) Impairment provision	-11,651	-11,651
Total	8,825,871	10,781,616

9.2 Analysis for information related to available-for-sale financial assets

Item	The Group and the Bank					
	31 December 2014			31 December 2013		
	Liability instruments	Equity instruments	Total	Liability instruments	Equity instruments	Total
Fair value	8,778,031	47,840	8,825,871	10,735,288	46,328	10,781,616
Cost/ amortised cost	8,727,750	52,558	8,780,308	11,107,446	52,558	11,160,004
Cumulative amount to other comprehensive income	50,281	6,933	57,214	-372,158	5,421	-366,737
Impairment provision		-11,651	-11,651		-11,651	-11,651

9.3 Impairment of Available-for-sale financial assets

Impairment Provision	The Group and the Bank					
	31 December 2014			31 December 2013		
	Liability instruments	Equity instruments	Total	Liability instruments	Equity instruments	Total
Opening Balance		11,651	11,651		11,651	11,651
Provision for the year						
Reduction on impairment						
Closing Balance		11,651	11,651		11,651	11,651

10. Held-to-maturity investment

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Government bonds	28,861,516	4,603,033
Financial bonds	26,779,223	20,340,060
Interbank deposits	2,135,776	1,197,904
Local government bonds	2,089,799	499,775
Corporate bonds	13,544,470	13,379,767
Asset supportive bonds	1,433,729	
Total	74,844,513	40,020,539
Fair value of held-to-maturity investment	76,695,167	38,705,256

As at 31 December, 2014, among the invested bonds of the Group, there is 38,900,000 thousand RMB pledged to repurchase agreement (and 27,889.1million RMB at 31 December, 2013).

As at 31 December, 2014, among the invested bonds, there is 5,218,992 thousand RMB pledged in treasury deposits or other agreements (and there is 0 RMB at 31 December, 2013).

11. Investment on Receivables

Receivables	The Group and the Bank	
	31 December 2014	31 December 2013
Certificated bonds	279,242	415,376
Wealth management products	78,019,260	10,652,280
Subordinated debt	1,579,880	1,349,878
Corporate bonds	1,453,421	1,350,000
Beneficial right of trust	7,664,204	14,535,567
Asset management plan	83,465,385	1,923,000
Subtotal	172,461,392	30,226,101
Less: impairment provision	149,723	
Net value of investment on investment	172,311,669	30,226,101

12. Long-term Equity Investment

12.1 Classification

The Group has no investments on joint ventures and associates;

Investment classification	The Bank	
	31 December 2014	31 December 2013
Subsidiaries	73,800	73,800
Joint ventures		
Associates		
Subtotal	73,800	73,800
Less: Impairment provision		
Net long-term equity investment	73,800	73,800

12.2 Investment on Subsidiaries

Name of subsidiary	The Bank	
	31 December 2014	31 December 2013
Jiangsu Baode County Bank Co., Ltd	73,800	73,800
Subtotal	73,800	73,800
Less: Impairment provision		
Total	73,800	73,800

13. Fixed assets

13.1 Details

Item	The Group	
	31 December 2014	31 December 2013
Property, plant and equipment	3,326,259	3,028,963
Construction in progress	1,596,301	1,549,385
Disposal of property, plant and equipment	6,601	6,742
Total	4,929,161	4,585,090

Item	The Bank	
	31 December 2014	31 December 2013
Property, plant and equipment	3,323,279	3,026,520
Construction in progress	1,596,301	1,549,385
Disposal of property, plant and equipment	6,601	6,742
Total	4,926,181	4,582,647

13.2 Movements of fixed assets

Item	The Group 2014				
	Houses and buildings	Electronic equipment's	Transportation facilities	Other equipment's	Total
1. Original cost					
(1) Opening Balance at 1 January	3,832,971	592,058	154,476	466,360	5,045,865
(2) Increase	596,758	75,109	5,113	68,742	745,722
- Purchased		75,109	5,113	68,742	148,964
- Transfer from construction in progress	596,758				596,758
- From merger and acquisition					
- Others					
(3) Decrease	17,585	27,876	7,302	9,129	61,892
- Disposal and scrap	17,585	27,876	7,302	9,129	61,892
(4) Closing balance at 31 December	4,412,144	639,291	152,287	525,973	5,729,695
2. Cumulative depreciation					
(1) Opening Balance at 1 January	1,312,476	350,996	101,487	247,163	2,012,122
(2) Increase	201,663	110,735	18,581	102,460	433,439
- Provision	201,663	110,735	18,581	102,460	433,439
- Purchased					
- Transfer from construction in progress					
- From merger and acquisition					
- Others					
(3) Decrease	7,706	24,211	7,032	7,956	46,905
- Disposal and scrap	7,706	24,211	7,032	7,956	46,905
(4) Closing balance at 31 December	1,506,433	437,520	113,036	341,667	2,398,656
3. Impairment provision					
(1) Opening Balance at 1 January	4,780				4,780
(2) Increase					
- Provision					
- Others					
(3) Decrease					
- Disposal and scrap					
(4) Closing balance at 31 December	4,780				4,780
4. Book Value	2,900,931	201,771	39,251	184,306	3,326,259

Item	The Bank 2014				
	Houses and buildings	Electronic equipment's	Transportation facilities	Other equipment's	Total
1. Original cost					
(1) Opening Balance at 1 January	3,832,971	590,295	153,405	464,212	5,040,883
(2) Increase	596,758	73,907	5,113	68,289	744,067
-Purchased		73,907	5,113	68,289	147,309
-Transfer from construction in progress	596,758				596,758
-From merger and acquisition					
-Others					
(3) Decrease	17,585	27,876	7,302	9,129	61,892
-Disposal and scrap	17,585	27,876	7,302	9,129	61,892
(4) Closing balance at 31December	4,412,144	636,326	151,216	523,372	5,723,058
2. Cumulative depreciation					
(1) Opening Balance at 1 January	1,312,476	349,938	100,849	246,320	2,009,583
(2) Increase	201,663	110,270	18,373	102,015	432,321
-Provision	201,663	110,270	18,373	102,015	432,321
-Purchased					
-Transfer from construction in progress					
-From merger and acquisition					
-Others					
(3) Decrease	7,706	24,211	7,032	7,956	46,905
-Disposal and scrap	7,706	24,211	7,032	7,956	46,905
(4) Closing balance at 31December	1,506,433	435,997	112,190	340,379	2,394,999
3. Impairment provision					
(1) Opening Balance at 1 January	4,780				4,780
(2) Increase					
-Provision					
-Others					
(3) Decrease					
-Disposal and scrap					
(4) Closing balance at 31December	4,780				4,780
4. Book Value	2,900,931	200,329	39,026	182,993	3,323,279

13.3 Assets without certificates

As at 31 December 2014, there were 18 items of the Group's houses and buildings (original value is RMB 158,436 thousand, book value is RMB 135,038 thousand) which do not have finished processing of conducting the certificate, this is mainly due to historic reasons before the formation of the bank.

13.4 Construction in Progress

Projects	The Group and the Bank			
	Opening balance	Increase	Decrease	Closing balance
31 December 2014	1,549,385	661,618	614,702	1,596,301
31 December 2013	947,968	718,140	116,723	1,549,385

13.5 Detail of Constructions in Progress:

By 31 December, 2014, the details of constructions in progress of the Group is presented as following:

Project	Budgeted amount	Opening Balance (1-1-2014)	Increased amount	Amount transferred into PPE	Amount transferred into intangible assets	Closing balance (31-12-2014)	Proportion of project input to budgeted amount (%)
Head office building of Bank of Jiangsu	1,043,162	425,834	208,448			634,282	60.80%
Building for Shanghai Branch	310,000	280,000				280,000	90.32%
Building for Suzhou Branch	395,669	186,082	79,897			265,979	67.22%
Building for Zhenjiang Branch	191,170	106,687	25,744			132,431	69.27%
Building for Nantong Branch	226,500		108,250			108,250	47.79%
Building for Wuxi Branch	537,664	56,228	39,377			95,605	17.78%
Building for Huai'an Branch	174,700	1,992	14,138		5,666	10,464	5.99%
Building for Beijing Branch	534,060	427,294	101,217	528,511			100.00%

14. Intangible Assets

Item	The Group			
	1 January 2014	Increase	Decrease	31 December 2014
1. Original cost of intangible assets	901,435	56,506	1,452	956,489
-Land-use right	765,856	5,666	1,452	770,070
-Other intangible assets	135,579	50,840		186,419
2. Accumulated amortisation	177,891	51,405	118	229,178
-Land-use right	79,068	18,803	118	97,753
-Other intangible assets	98,823	32,602		131,425
3. Allowance for impairment	160			160
-Land-use right	160			160
4. Net book value of intangible assets	723,384	56,506	52,739	727,151
-Land-use right	686,628	5,666	20,137	672,157
-Other intangible assets	36,756	50,840	32,602	54,994

Item	The Bank			
	1 January 2014	Increase	Decrease	31 December 2014
1. Original cost of intangible assets	901,174	56,506	1,452	956,228
-Land-use right	765,856	5,666	1,452	770,070
-Other intangible assets	135,318	50,840		186,158
2. Accumulated amortisation	177,810	51,379	119	229,070
-Land-use right	79,068	18,803	119	97,752
-Other intangible assets	98,742	32,576		131,318
3. Allowance for impairment	160			160
-Land-use right	160			160
4. Net book value of intangible assets	723,204	56,506	52,712	726,998
-Land-use right	686,628	5,666	20,136	672,158
-Other intangible assets	36,576	50,840	32,576	54,840

15. Deferred tax assets and liabilities

The temporary difference of deferred tax assets and liabilities before offsets of the Group and the Bank is presented as the following:

Items	The Group	
	31 December 2014	31 December 2013
1. Deferred income tax assets		
Asset impairment provision	2,135,810	1,709,136
Changes of fair value from available-for-sale financial assets		91,684
Fair value changes of financial assets designated at fair value through profit and loss		7,857
Termination benefits	56,815	66,265
Staff remuneration	248,844	244,168
Others	286,932	29,740
Subtotal	2,728,401	2,148,850
2. Deferred tax liabilities		
Appreciation of fixed assets assessment	118,404	134,396
Changes in fair value from available-for-sale financial assets	14,304	
Fair value changes of financial assets designated at fair value through profit and loss	1,724	
Non-taxable income	32,884	12,818
Subtotal	167,316	147,214
Net present value	2,561,085	2,001,636

Items	The Bank	
	31 December 2014	31 December 2013
1. Deferred income tax assets		
Asset impairment loss provision	2,134,050	1,709,136
Changes of fair value from available-for-sale financial assets		91,684
Fair value changes of financial assets designated at fair value through profit and loss		7,857
Termination benefits	56,815	66,265
Staff remuneration	248,514	244,168
Others	286,905	29,688
Subtotal	2,726,284	2,148,798
2. Deferred tax liabilities		
Appreciation of fixed assets assessment	118,404	134,396
Changes in fair value from available-for-sale financial assets	14,304	
Fair value changes of financial assets designated at fair value through profit and loss	1,724	
Non-taxable income	32,884	12,818
Subtotal	167,316	147,214
Net present value	2,558,968	2,001,584

15.1 Present by Nature

Items	The Group			
	31 December 2014		31 December 2013	
	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities
1. Deferred tax assets	10,913,605	2,728,401	8,595,401	2,148,850
Impairment provisions	8,543,240	2,135,810	6,836,542	1,709,136
Fair value changes in available-for-sale financial assets			366,737	91,684
Fair value changes of financial assets designated at fair value through profit and loss			31,426	7,857
Termination benefits	227,261	56,815	265,061	66,265
Staff remuneration	995,383	248,844	976,677	244,168
Others	1,147,721	286,932	118,958	29,740
2. Deferred tax liabilities	669,261	167,316	588,856	147,214
Appreciation of fixed assets assessment	473,616	118,404	537,584	134,396

Items	The Group			
	31 December 2014		31 December 2013	
	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities
Changes in fair value from available-for-sale financial assets	57,214	14,304		
Fair value changes of financial assets designated at fair value through profit and loss	6,896	1,724		
Others	131,535	32,884	51,272	12,818
Net present value	10,244,344	2,561,085	8,006,545	2,001,636

Items	The Bank			
	31 December 2014		31 December 2013	
	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities
1. Deferred tax assets	10,905,141	2,726,284	8,595,195	2,148,798
Impairment provisions	8,536,200	2,134,050	6,836,542	1,709,136
Fair value changes in available-for-sale financial assets			366,737	91,684
Fair value changes of financial assets designated at fair value through profit and loss			31,426	7,857
Termination benefits	227,261	56,815	265,061	66,265
Staff remuneration	994,062	248,514	976,677	244,168
Others	1,147,618	286,905	118,752	29,688
2. Deferred tax liabilities	669,261	167,316	588,856	147,214
Appreciation of fixed assets assessment	473,616	118,404	537,584	134,396
Changes in fair value from available-for-sale financial assets	57,214	14,304		
Fair value changes of financial assets designated at fair value through profit and loss	6,896	1,724		
Others	131,535	32,884	51,272	12,818
Net present value	10,235,880	2,558,968	8,006,339	2,001,584

15.2 Changes of Deferred Tax Assets and Liabilities

Items as at 31 December 2014	The Group			
	Opening balance	Through Profit and loss	Through other comprehensive income	Closing balance
1. Deferred income tax assets				
Asset impairment provision	1,709,136	426,674		2,135,810
Fair value changes from available-for-sale financial assets	91,684		-91,684	
Fair value changes of tradable financial assets	7,857	-7,857		
Termination benefits	66,265	-9,450		56,815
Staff remuneration	244,168	4,676		248,844
Others	29,740	257,192		286,932
Subtotal	2,148,850	671,235	-91,684	2,728,401
2. Deferred tax liabilities				
Appreciation of fixed assets assessment	134,396	-15,992		118,404
Changes in fair value from available-for-sale financial assets			14,304	14,304
Fair value changes of tradable financial assets		1,724		1,724
Others	12,818	20,066		32,884
Subtotal	147,214	5,798	14,304	167,316
3. Net present value	2,001,636	665,437	-105,988	2,561,085

Items as at 31 December 2014	The Bank			
	Opening balance	Through Profit and loss	Through other comprehensive income	Closing balance
1. Deferred income tax assets				
Asset impairment provision	1,709,136	424,914		2,134,050
Fair value changes from available-for-sale financial assets	91,684		-91,684	
Fair value changes of tradable financial assets	7,857	-7,857		
Termination benefits	66,265	-9,450		56,815
Staff remuneration	244,168	4,346		248,514
Others	29,688	257,217		286,905
Subtotal	2,148,798	669,170	-91,684	2,726,284
2. Deferred tax liabilities				
Appreciation of fixed assets assessment	134,396	-15,992		118,404
Changes in fair value from available-for-sale financial assets			14,304	14,304
Fair value changes of tradable financial assets		1,724		1,724
Others	12,818	20,066		32,884
Subtotal	147,214	5,798	14,304	167,316
3. Net present value	2,001,584	663,372	-105,988	2,558,968

16. Other Assets

Items	The Group	
	31 December 2014	31 December 2013
Amounts to be transferred and temporarily paid	2,812,629	2,458,342
Other receivable	756,630	505,153
Long-term prepaid expenses	322,724	314,358
Foreclosed assets	55,919	25,859
Other assets	63,599	75,865
Total	4,011,501	3,379,577

Items	The Bank	
	31 December 2014	31 December 2013
Amounts to be transferred and temporarily paid	2,812,629	2,458,342
Other receivable	754,299	504,097
Long-term prepaid expenses	315,733	307,398
Foreclosed assets	55,919	25,859
Other assets	63,599	75,865
Total	4,002,179	3,371,561

16.1 Amounts to be transferred and temporarily paid

Items	The Group	
	31 December 2014	31 December 2013
Refundable deposits	868,276	726,504
Refundable overnight deposits for investment	168,922	153,584
Outward remittance	1,775,431	1,578,254
Total	2,812,629	2,458,342

Items	The Bank	
	31 December 2014	31 December 2013
Refundable deposits	868,276	726,504
Refundable overnight deposits for investment	168,922	153,584
Outward remittance	1,775,431	1,578,254
Total	2,812,629	2,458,342

16.2 Other Receivables

Other receivables by aging are listed as follows:

Account age	The Group			
	31 December 2014		31 December 2013	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	596,945	68.12	328,419	54.87
1 to 2 years	71,761	8.19	178,490	29.82
2 to 3 years	151,099	17.24	20,099	3.36
Over 3 years	56,558	6.45	71,551	11.95
Total	876,363	100.00	598,559	100.00
Less: bad debts provisions	119,733		93,406	
Net amount	756,630		505,153	

Account age	The Bank			
	31 December 2014		31 December 2013	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	594,614	68.03	327,363	54.79
1 to 2 years	71,761	8.21	178,490	29.87
2 to 3 years	151,099	17.29	20,099	3.36
Over 3 years	56,558	6.47	71,551	11.98
Total	874,032	100	597,503	100.00
Less: bad debts provisions	119,733		93,406	
Net amount	754,299		504,097	

16.3 Long-term prepaid expenses

Item	The Group			
	Opening Balance	Increased amount	Decreased amount	Closing balance
31 December 2014	314,358	109,731	101,365	322,724
31 December 2013	270,077	129,635	85,354	314,358

Item	The Bank			
	Opening Balance	Increased amount	Decreased amount	Closing balance
31 December 2014	307,398	106,929	98,594	315,733
31 December 2013	264,094	126,241	82,937	307,398

As at 31 December 2014, details of significant long-term prepaid expenses are as follows:

Projects	Original amount	Opening Balance at 1-1-2014	Increase	Amortisation	Closing Balance at 31-12-2014
Leasing expenses of Jiangsu Building(Beijing Branch)	30,000	25,333		2,667	22,666
Government office administration (Changzhou, Zhujiang Road sub-branch)	16,000	6,769		2,462	4,307
Construction contract expenses (Hangzhou Branch)	7,971	5,465	139	1,027	4,577
Renovation carried forward(Hangzhou, Xiaoshan sub-branch)	7,461	6,485		961	5,524
Violate the traffic law of the separation of data center construction and operational services	15,000	11,458		2,500	8,958
Decoration and installation works (Nantong, Rugao sub-branch)	6,177	5,405		772	4,633
Leasing expenses of Wuxi, Hongshan sub-branch	5,720	4,589		562	4,027
Jinbao Engineering Project(Zhenjiang Branch)	24,758	18,981		2,476	16,505
Charge on social security service, Zhenjiang Branch	5,000		5,000	682	4,318
Decoration project of Yuhang sub-branch, Hangzhou	4,809		4,809	168	4,641

16.4 Foreclosed assets

Items	The Group and the Bank	
	31 December 2014	31 December 2013
Foreclosed assets	55,919	25,859
Including: Houses and Buildings	55,919	25,359
Equipment and others		500
Less: Depreciation reserves of foreclosed assets		
Net foreclosed assets	55,919	25,859

Details of foreclosed assets as at 31 December 2014 are as follows:

Item	Opening balance	Increase	Disposal	Closing balance
Wuxi Guotai Hotel(property)	25,359			25,359
Genie photo electricity (Property)		30,560		30,560

The Group is planning to dispose the foreclosed assets through auction, bidding and transfer.

17. Asset impairment provision details

Provisions	The Group	
	31 December 2014	31 December 2013
Loans impairment	13,148,296	10,617,343
Available-for-sale financial assets	11,651	11,651
Long-term equity investment impairment		
Non-current asset impairment	4,780	4,780
Intangible assets impairment	160	160
Investment on receivables	149,723	
Bad debts	119,733	93,406
Total	13,434,343	10,727,340

Provisions	The Bank	
	31 December 2014	31 December 2013
Loans impairment	13,100,786	10,589,143
Available-for-sale financial assets	11,651	11,651
Long-term equity investment impairment	-	-
Non-current asset impairment	4,780	4,780
Intangible assets impairment	160	160
Investment on receivables	149,723	-
Bad debts	119,733	93,406
Total	13,386,833	10,699,140

Asset impairment provision details

31 December 2014 The Group							
Provisions	Opening balance	Provision	Transfer out	Writing-off/ disposals	Recovery of original rotating pin loan transfer-back	Impaired loan discount callbacks	Closing balance
Loans impairment	10,617,343	4,525,677		-1,938,776	26,728	-82,676	13,148,296
Investment on receivables		149,723					149,723
Non-current asset impairment	4,780						4,780
Intangible assets impairment	160						160
Bad debts	93,406	29,750		-3,423			119,733
Available-for-sale financial assets	11,651						11,651
Total	10,727,340	4,705,150		-1,942,199	26,728	-82,676	13,434,343

31 December 2014 The Bank

Provisions	Opening balance	Provision	Transfer out	Writing-off/ disposals	Recovery of original rotating pin loan transfer-back	Impaired loan discount callbacks	Closing balance
Loans impairment	10,589,143	4,506,367		-1,938,776	26,728	-82,676	13,100,786
Investment on receivables		149,723					149,723
Non-current asset impairment	4,780						4,780
Intangible assets impairment	160						160
Bad debts	93,406	29,750		-3,423			119,733
Available-for-sale financial assets	11,651						11,651
Total	10,699,140	4,685,840		-1,942,199	26,728	-82,676	13,386,833

18. Borrowing from the central bank

Categories	The Group	
	31 December 2014	31 December 2013
Borrowing from central bank	5,050,000	100,000
Total	5,050,000	100,000

Categories	The Bank	
	31 December 2014	31 December 2013
Borrowing from central bank	5,000,000	
Total	5,000,000	

NB: the loans from the central bank of the Group are used to support agricultural construction and micro enterprises.

19. Due to banks and other financial institutions

Categories	The Group	
	31 December 2014	31 December 2013
Due to domestic banks and banking financial institution	90,773,001	52,323,400
Due to domestic non-banking financial institution	114,546,534	11,941,285
Total	205,319,535	64,264,685

Categories	The Bank	
	31 December 2014	31 December 2013
Due to domestic banks and banking financial institution	90,820,222	52,359,478
Due to domestic non-banking financial institution	114,546,534	11,941,285
Total	205,366,756	64,300,763

20. Loans and advances from banks

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Loans and advances from domestic banks	1,973,489	6,117,435
Domestic interbank payment	88,724	
Overseas interbank payment	181,112	578,313
Total	2,243,325	6,695,748

21. Repurchase agreements and other similar secured borrowing

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Classify as counterparty:		
Banks	40,845,461	28,532,835
Non-banking financial systems		
Total	40,845,461	28,532,835
Classify by collaterals:		
Bonds	38,447,000	26,817,427
Bills	2,398,461	1,715,408
Total	40,845,461	28,532,835

22. Due to customers

Categories	The Group	
	31 December 2014	31 December 2013
Treasury	780,000	
Current account	232,638,060	219,433,212
-Corporate customers	203,816,766	192,774,740
-Individual customers	28,821,294	26,658,472
Term deposit	305,135,954	270,365,855
-Corporate customers	199,414,514	173,216,221
-Individual customers	105,721,440	97,149,634
Margin deposit	111,701,140	103,203,657
-Letter of credit	6,312,817	7,462,549
-Bank acceptance	93,924,553	84,153,867
-Guarantee deposits	5,744,217	6,246,067
-Letter of guarantee	2,706,788	1,332,974
-Others	3,012,765	4,008,200
Fiscal deposits	532,294	239,663
Remittance under custody and temporary deposit	519,072	524,308
Outward remittance	4,227,759	1,924,129
Customer wealth management	25,763,050	863,100
Total	681,297,329	596,553,924

Categories	The Bank	
	31 December 2014	31 December 2013
Treasury	780,000	
Current account	232,491,896	219,348,556
-Corporate customers	203,691,446	192,698,498
-Individual customers	28,800,450	26,650,058
Term deposit	304,815,153	270,093,188
-Corporate customers	199,291,838	173,139,239
-Individual customers	105,523,315	96,953,949
Margin deposit	111,701,139	103,203,657
-Letter of credit	6,312,817	7,462,549
-Bank acceptance	93,924,553	84,153,867
-Guarantee deposits	5,744,216	6,246,067
-Letter of guarantee	2,706,788	1,332,974
-Others	3,012,765	4,008,200
Fiscal deposits	528,890	238,662
Remittance under custody and temporary deposit	519,072	524,308
Outward remittance	4,227,759	1,924,129
Customer wealth management	25,763,050	863,100
Total	680,826,959	596,195,600

23. Employee benefit payables

1. Classification

Item	The Group			
	1 January 2014	Increase	Decrease	31 December 2014
Short-term benefits	2,622,040	3,555,678	3,806,709	2,371,009
Defined contribution plans	83,680	477,416	481,865	79,231
Deferred payment over 1 year	233,863	353,362	-11,724	598,949
Termination benefits	265,061		38,207	226,854
Total	3,204,644	4,386,456	4,315,057	3,276,043

Item	The Group			
	1 January 2013	Increase	Decrease	31 December 2013
Short-term benefits	2,441,821	3,656,143	3,475,924	2,622,040
Defined contribution plans	35,972	390,497	342,789	83,680
Deferred payment over 1 year	68,766	157,050	-8,047	233,863
Termination benefits	304,544	-4,029	35,454	265,061
Total	2,851,103	4,199,661	3,846,120	3,204,644

Item	The Bank			
	1 January 2014	Increase	Decrease	31 December 2014
Short-term benefits	2,620,156	3,544,257	3,795,888	2,368,525
Defined contribution plans	83,625	476,727	481,213	79,139
Deferred payment over 1 year	233,863	353,362	-11,724	598,949
Termination benefits	265,061		38,207	226,854
Total	3,202,705	4,374,346	4,303,584	3,273,467

Item	The Bank			
	1 January 2013	Increase	Decrease	31 December 2013
Short-term benefits	2,439,853	3,646,893	3,466,590	2,620,156
Defined contribution plans	35,921	389,879	342,175	83,625
Deferred payment over 1 year	68,766	157,050	-8,047	233,863
Termination benefits	304,544	-4,029	35,454	265,061
Total	2,849,084	4,189,793	3,836,172	3,202,705

2. Short-term benefits

Item	The Group			
	1 January 2014	Increase	Decrease	31 December 2014
(1) Salaries, bonuses and allowances	2,538,354	2,719,262	2,964,580	2,293,036
(2) Staff welfare		126,241	126,241	
(3) Social insurance charges	12,103	215,941	211,969	16,075
Including: medical insurance	12,707	191,096	187,840	15,963
Injury insurance	118	12,171	11,824	465
Maternity insurance	-722	12,674	12,304	-352
(4) Housing fund	2,136	209,850	211,364	622
(5) Labour union funds and education fees	68,978	88,349	96,500	60,827
(6) Short-term absent payment		20,612	20,612	
(7) Short-term profit distribution plan				
(viii) other short-term benefits	469	175,423	175,443	449
Total	2,622,040	3,555,678	3,806,709	2,371,009

Item	The Group			
	1 January 2013	Increase	Decrease	31 December 2013
(1) Salaries, bonuses and allowances	2,295,123	2,841,128	2,597,897	2,538,354
(2) Staff welfare		126,538	126,538	
(3) Social insurance charges	11,120	182,929	181,946	12,103
Including: medical insurance	10,660	164,842	162,795	12,707
Injury insurance	199	8,644	8,725	118
Maternity insurance	261	9,443	10,426	-722
(4) Housing fund	4,807	182,970	185,641	2,136
(5) Labour union funds and education fees	61,373	97,946	90,341	68,978
(6) Short-term absent payment		15,361	15,361	
(7) Short-term profit distribution plan				
(8) other short-term benefits	69,398	209,271	278,200	469
Total	2,441,821	3,656,143	3,475,924	2,622,040

Item	The Bank			
	1 January 2014	Increase	Decrease	31 December 2014
(1) Salaries, bonuses and allowances	2,536,474	2,709,936	2,955,852	2,290,558
(2) Staff welfare		125,277	125,277	
(3) Social insurance charges	12,099	215,540	211,570	16,069
Including: medical insurance	12,707	190,766	187,510	15,963
Injury insurance	115	12,121	11,776	460
Maternity insurance	-723	12,653	12,284	-354
(4) Housing fund	2,136	209,362	210,876	622
(5) Labour union funds and education fees	68,978	88,107	96,258	60,827
(6) Short-term absent payment		20,612	20,612	
(7) Short-term profit distribution plan				
(8) other short-term benefits	469	175,423	175,443	449
Total	2,620,156	3,544,257	3,795,888	2,368,525

Item	The Bank			
	1 January 2013	Increase	Decrease	31 December 2013
(1) Salaries, bonuses and allowances	2,293,170	2,833,604	2,590,300	2,536,474
(2) Staff welfare		125,737	125,737	
(3) Social insurance charges	11,118	182,621	181,640	12,099
Including: medical insurance	10,660	164,588	162,541	12,707
Injury insurance	198	8,606	8,689	115
Maternity insurance	260	9,427	10,410	-723
(4) Housing fund	4,807	182,572	185,243	2,136
(5) Labour union funds and education fees	61,360	97,727	90,109	68,978
(6) Short-term absent payment		15,361	15,361	
(7) Short-term profit distribution plan				
(8) other short-term benefits	69,398	209,271	278,200	469
Total	2,439,853	3,646,893	3,466,590	2,620,156

3. Details of Defined Contribution Plans

Item	The Group			
	1 January 2014	Increase	Decrease	31 December 2014
Basic pensions	6,861	298,840	287,251	18,450
Unemployment insurance	643	23,320	22,590	1,373
Enterprise annuity payment	5,114	5,587	5,160	5,541
Supplementary pensions	71,062	149,669	166,864	53,867
Total	83,680	477,416	481,865	79,231

Item	The Group			
	1 January 2013	Increase	Decrease	31 December 2013
Basic pensions	13,160	263,137	269,436	6,861
Unemployment insurance	996	21,077	21,430	643
Enterprise annuity payment		4,687	-427	5,114
Supplementary pensions	21,816	101,596	52,350	71,062
Total	35,972	390,497	342,789	83,680

Item	The Bank			
	1 January 2014	Increase	Decrease	31 December 2014
Basic pensions	6,809	298,199	286,644	18,364
Unemployment insurance	640	23,272	22,545	1,367
Enterprise annuity payment	5,114	5,587	5,160	5,541
Supplementary pensions	71,062	149,669	166,864	53,867
Total	83,625	476,727	481,213	79,139

Item	The Bank			
	1 January 2013	Increase	Decrease	31 December 2013
Basic pensions	13,114	262,573	268,878	6,809
Unemployment insurance	991	21,022	21,373	640
Enterprise annuity payment		4,687	-427	5,114
Supplementary pensions	21,816	101,597	52,351	71,062
Total	35,921	389,879	342,175	83,625

24. Tax payables

Taxes	The Group	
	31 December 2014	31 December 2013
Income tax	568,447	914,911
Business tax	407,845	352,982
City construction taxes	30,979	26,417
Educational surtax	12,530	10,869
Local educational surtax	8,357	7,243
Property tax	4,438	3,546
Withhold and remit tax	47,991	43,090
Others	10,128	10,682
Total	1,090,715	1,369,740

Taxes	The Bank	
	31 December 2014	31 December 2013
Income tax	563,217	912,549
Business tax	407,044	352,153
City construction taxes	30,923	26,359
Educational surtax	12,506	10,845
Local educational surtax	8,341	7,227
Property tax	4,438	3,545
Withhold and remit tax	47,991	43,025
Others	10,127	10,681
Total	1,084,587	1,366,384

25. Interest payables

Interest payables	The Group	
	31 December 2014	31 December 2013
Customer deposit	8,958,874	6,780,315
Bond payables	476,897	78,525
Due to banks	1,941,946	404,977
Borrowing from the central bank	35,537	99
Financial assets of repurchase agreements	59,269	30,449
Others	5,556	4,688
Total	11,478,079	7,299,053

Interest payables	The Bank	
	31 December 2014	31 December 2013
Customer deposit	8,949,382	6,774,596
Bond payables	476,897	78,525
Due to banks	1,941,487	398,884
Borrowing from the central bank	35,486	-
Financial assets of repurchase agreements	59,269	30,449
Others	5,556	4,688
Total	11,468,077	7,287,142

26. Provisions

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Litigation losses	2,081	2,546
Unexpired acceptance bill provisions		48,839
Total	2,081	51,385

27. Bond payables

27.1 Classification

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Subordinated debts	3,000,000	5,000,000
Micro enterprises specific financial debts	9,000,000	
Tier two capital debts	12,000,000	
Negotiable Certificate of deposit	4,978,793	
Total	28,978,793	5,000,000

27.2 Subordinate (tier two capital) Bonds and Micro Enterprises Special Financial Debt

Categories	The Group and the Bank	
	31 December 2014	31 December 2013
Subordinated fixed rate bonds maturing in October 2019 (1)		2,000,000
Subordinated fixed rate bonds maturing in September 2026 (2)	3,000,000	3,000,000
Financial debts maturing at July 2017 (3)	1,500,000	
Financial debts maturing at July 2019 (4)	7,500,000	
Subordinated fixed rate bonds maturing in September 2024 (5)	12,000,000	
Total	24,000,000	5,000,000

As at 31 December 2014, the subordinated bonds issued by the Group with different maturities are stated as following:

(1)The subordinated fixed rate bonds issued on 28 October 2009 have a maturity of 10 years, with a fixed coupon rate of 5.00%, payable annually. The Group has an option to redeem all of the bonds at face value on 28 October 2014 for RMB 2,000 million.

(2)The subordinated fixed rate bonds issued on 9 September 2011 have a maturity of 15 years, with a fixed coupon rate of 6.48%, payable annually. The Group has an option to redeem all of the bonds at face value on 9 September 2021.

(3)The Group issued financial bonds at 24 July, 2014 is micro enterprises specific financial debts with 3 years expire period, the annual coupon rate is 5.30% and interests are paid annually. All financed capital from the issued financial debts are used by the Group to issue loans for micro and small enterprises.

(4)The Group issued financial bonds at 24 July, 2014 is micro enterprises specific financial debts with 5 years maturity, the annual coupon rate is 5.44% and interests are paid annually. All financed capital from the issued financial debts are used by the Group to issue loans for micro and small enterprises.

(5)The subordinated fixed rate bonds issued on 24 September 2014 have a maturity of 10 years, with a fixed coupon rate of 6.18%, payable annually. The Group has an option to redeem all of the bonds at face value on 24 September 2019.

(6)The claims of the subordinated bonds are prior to the Group's capital but after the Group's other liabilities. Meanwhile, the subordinated bonds are evolved in supplementary reserves in accordance with the CBRC's regulations when calculating the capital adequacy ratio.

27.3 Negotiable Certificate of Deposit

Categories	The Group and the Bank		
	Book value	Interest rate adjustment	Net value
14 Bank of Jiangsu CD008	1,000,000	1,264	998,736
14 Bank of Jiangsu CD009	1,000,000	4,272	995,728
14 Bank of Jiangsu CD010	1,000,000	4,729	995,271
14 Bank of Jiangsu CD011	500,000	2,519	497,481
14 Bank of Jiangsu CD012	500,000	2,519	497,481
14 Bank of Jiangsu CD013	1,000,000	5,904	994,096
Total	5,000,000	21,207	4,978,793

At 31 December, 2014, the Group (Bank) has issued unexpired interbank certificate of deposits with face value of 5,000 million, with measurement under amortised cost.

28. Other Liabilities

Categories	The Group	
	31 December 2014	31 December 2013
Dividend payables	192,365	156,623
Other payables	604,294	258,588
Receiving from Vicariously Cashed Securities	49,037	28,233
Liabilities from Vicarious Business	925,874	429,126
Specific account payable	211,272	1,056,005
Deferred income	214,710	22,726
Other liabilities	434,861	733,730
Total	2,632,413	2,685,031

Categories	The Bank	
	31 December 2014	31 December 2013
Dividend payables	192,365	156,623
Other payables	603,951	258,145
Receiving from Vicariously Cashed Securities	49,037	28,233
Liabilities from Vicarious Business	925,874	429,126
Specific account payable	211,272	1,056,005
Deferred income	214,710	22,726
Other liabilities	434,861	733,730
Total	2,632,070	2,684,588

28.1 Other Payables

Other payables according to ages are listed below:

Account ages	The Group			
	31 December 2014		31 December 2013	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	483,253	79.97	149,296	57.66
1 to 2 years	21,570	3.57	33,248	12.88
2 to 3 years	24,610	4.07	20,346	7.88
Over 3 years	74,861	12.39	55,698	21.58
Total	604,294	100.00	258,588	100.00

Account ages	The Bank			
	31 December 2014		31 December 2013	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	483,080	79.99	148,863	57.66
1 to 2 years	21,400	3.54	33,237	12.88
2 to 3 years	24,610	4.07	20,347	7.88
Over 3 years	74,861	12.40	55,698	21.58
Total	603,951	100.00	258,145	100.00

28.2 Other Liabilities

Categories	The Group	
	31 December 2014	31 December 2013
Long-term account payable	71	71
Settlement funds	434,790	733,659
Total	434,861	733,730

Categories	The Bank	
	31 December 2014	31 December 2013
Long-term account payable	71	71
Settlement funds	434,790	733,659
Total	434,861	733,730

29. Share Capital

The share capital structure of the Group at balance sheet date is as following:

Shareholders' name	31 December 2014		31 December 2013	
	Amount	Percentage (%)	Amount	Percentage (%)
Jiangsu International Trust Co., Ltd	910,000	8.76	910,000	8.76
Jiangsu Phoenix Publishing and Media Group Co., Ltd	890,000	8.57	890,000	8.57
Huatai Security Co., Ltd	640,000	6.16	640,000	6.16
Wuxi Construction and Development Investment Co., Ltd	557,016	5.36	557,016	5.36
Others	7,392,984	71.15	7,392,984	71.15
Total	10,390,000	100.00	10,390,000	100.00

Other individual shareholders accounted for the proportion of the total equity is less than 5% of the Group.

The share capital of 7,850million is verified by Rongxin Certified Public Accounts LLP, Shenzhen. RCPAR [2007] No. 001 of verification report.

In August 2009, according to the resolution of the first extraordinary general meeting of shareholders, the Bank raised funds by issuing RMB550 million ordinary shares with par value of 1.00 CNY per share and offering price of 3.60 CNY per share targeted to Jiangsu Shagang Group Co., Ltd, Sanpower Group Co., Ltd, and Suning Appliances Co., Ltd. The registered capital of the Bank then increased to RMB 8,400 million with a total share capital of RMB 1,980million, the included RMB1, 430 million are recorded into capital reserves. The added share capital is verified by Daxin Certified Public Accounts LLP.

In March 2010, according to the resolution of the first extraordinary general meeting of shareholders, the Bank raised funds by issuing 700 million ordinary shares with par value of 1.00 CNY per share and offering price of 5.00 CNY per share targeted to Huatai Security Co., Ltd, Jiangsu Phoenix Publishing and Media Group Co., Ltd, Wuxi Construction and Development Investment Co., Ltd, Jiangsu Tiangong Group Co., Ltd, Jiangsu Jinying Industrial Equipment Installation Co., Ltd, Heilan Group Co., Ltd, Jiangsu Sunshine Group Co., Ltd, Jiangsu Nongken Group Co., Ltd, Jiangsu Govtor Capital Group Co., Ltd, Jiangsu High Hope International Group Co., Ltd, Jiangsu Grains Group Co., Ltd in cash. The Bank raised RMB 3,500 million of capital for the year (the included 2,800million RMB is recorded into capital reserves)

and the registered capital then increased to RMB 9,100 million. The added share capital is verified by Daxin Certified Public Accounts LLP.

In 2013, the Bank raised funds by private placement through issuing 1,290 million common stocks to Jiangsu Phoenix Publishing and Media Group Co., Ltd, Jiangsu Communications Holding Co., Ltd, Jiangsu Expressway Co., Ltd, Jiangsu Broadcasting Television Group Co., Ltd, Wuxi Construction and Development Investment Co., Ltd, Jiangsu Shagang Group Co., Ltd, Jiangsu Jinying Industrial Equipment Installation Co., Ltd, Jiangsu Xinhua Daily Media Group Co., Ltd, Jiangsu Yueda Investment Co., Ltd, Jiangsu Pengxin Investment Co., Ltd, Jiangsu Cultural Industry Group Co., Ltd, Jiangsu International Tender Co., Ltd, Yancheng Municipal State-Owned Assets Investment Group Co., Ltd, Suzhou Wujiang City Investment and Development Co., Ltd, Suzhou Wujiang Communications Investment Group Co., Ltd, Nanjing Ruitongxiang Commercial Trading Co., Ltd and Hongdou Group Co., Ltd in cash. The offering price was RMB 5.00 per share, from which the Bank raised a total amount of RMB 6,450 million. The capital surplus of RMB 5,160 million is booked into the capital reserves. The above share capital is certificated by BDO China Shu Lun Pan Certified Public Accountants LLP with the audit report of PCPAR [2013] No. 330059.

30. Capital Reserves

30.1 Capital reserves of the Group and the Bank

Categories	1 January 2014	Increase	Decrease	31 December 2014
1. Capita premium				
(1) Capital invested by investors	10,097,373			10,097,373
(2) consolidation impact under same control				
(3) Others (e.g. donations by major shareholders or capital reserves raised from debt exemption)				
Subtotal	10,097,373			10,097,373
2. Other Capital Reserves				
(1) Transferred from original capital reserve system				
(2) Governmental movement compensation surplus				
Subtotal				
Total	10,097,373			10,097,373

Categories	1 January 2013	Increase	Decrease	31 December 2013
1. Capita premium				
(1) Capital invested by investors	4,937,373	5,160,000		10,097,373
(2) consolidation impact under same control				
(3) Others (e.g. donations by major shareholders or capital reserves raised from debt exemption)				
Subtotal	4,937,373	5,160,000		10,097,373
2. Other Capital Reserves				
(1) Transferred from original capital reserve system				
(2) Governmental movement compensation surplus				
Subtotal				
Total	4,937,373	5,160,000		10,097,373

31. Other Comprehensive Income

31.1 Closing balance of Other Comprehensive Income

Categories	The Group and the Bank	
	2014	2013
I. Other comprehensive income cannot be reclassified into profit and loss		
1) Remeasurement the changes of defined benefit plan liabilities or net assets		
2) The proportion in other comprehensive income of investees which cannot be reclassified into profit and loss under equity accounting		
II. Other comprehensive income can be reclassified into profit and loss		
1) The proportion in other comprehensive income of investees which can be reclassified into profit and loss under equity accounting		
2) Fair value changes of assets available-for-sale	57,214	-366,737
3) Effective profit and loss in cash flow hedge		
4) Held-to-maturity investments reclassified as profit and loss of available-for-sale financial assets		
5) The difference of translation of foreign currency financial statements		
Less: Income tax impacts	14,303	-91,684
Total	42,911	-275,053
Including: net value previously recorded into other comprehensive income but transferred into current profit and loss	4,014	-1,591

31.2 Other Comprehensive Income and its Impact of Income Tax, and the Circumstances of Transfers to Profit and Loss

The Group and the Bank

Categories	2014			2013		
	Pre-tax value	Income tax	Net value after tax	Pre-tax value	Income tax	Net value after tax
I. Other comprehensive income cannot be reclassified into profit and loss						
1.Remeasurement the changes of defined benefit plan liabilities or net assets						
2. The proportion in other comprehensive income of investees which cannot be reclassified into profit and loss under equity accounting						
II. Other comprehensive income can be reclassified into profit and loss						
1.The proportion in other comprehensive income of investees which can be reclassified into profit and loss under equity accounting						
Less: amount previously in other comprehensive income transferred in current profit and loss						
Subtotal						
2.Change of fair value of available-for-sale financial assets	62,566	15,641	46,925	-368,858	-92,214	-276,644
Less: amount previously in other comprehensive income transferred in current profit and loss	5,352	1,338	4,014	-2,121	-530	-1,591
Subtotal	57,214	14,303	42,911	-366,737	-91,684	-275,053
3.Current profit and loss of held-to-maturity investment reclassified as available-for-sale financial assets						
Less: amount previously in other comprehensive income transferred in current profit and loss						
Subtotal						
4. Effective profit and loss in cash flow hedge						
Less: amount previously in other comprehensive income transferred in current profit and loss						
Adjustment of transferred initial recognised hedged project						
Subtotal						
5. The difference of translation of foreign currency financial statements						
Less: amount previously in other comprehensive income transferred in current profit and loss						
Subtotal						
Total	57,214	14,303	42,911	-366,737	-91,684	-275,053

31.3 Adjustment of Other Comprehensive Income

The Group and the Bank

Categories	Remeasurement of the changes of defined benefit plan liabilities or net assets	The proportion in other comprehensive income of investees cannot be reclassified into profit and loss under equity accounting	The proportion in other comprehensive income of investees can be reclassified into profit and loss under equity accounting	Fair value changes of assets available-for-sale	Held-to-maturity investments reclassified as profit and loss of available-for-sale financial assets	Effective profit and loss in cash flow hedge	The difference of translation of foreign currency financial statements	Total other comprehensive income
Opening balance at 1 January 2013				20,053				20,053
Gains/ losses (-) during the year				-295,106				-295,106
Opening balance at 1 January 2014				-275,053				-275,053
Gains/ losses (-) during the year				317,964				317,964
Closing balance at 31 December 2014				42,911				42,911

32. Surplus Reserves

Surplus reserves for the Group and the Bank

Reserves	1 January 2014	Increase	Decrease	31 December 2014
Statutory surplus reserve	3,097,351	868,616		3,965,967
Discretionary surplus reserve	2,504,540	817,947		3,322,487
Total	5,601,891	1,686,563		7,288,454

Reserves	1 January 2013	Increase	Decrease	31 December 2013
Statutory surplus reserve	2,279,764	817,587		3,097,351
Discretionary surplus reserve	1,800,965	703,575		2,504,540
Total	4,080,729	1,521,162		5,601,891

1) In 2013, pursuant to the resolution of the Annual General Meeting held on 2012, the Bank appropriated the discretionary surplus reserve of 10% of net profit for the year 2012;

2) In 2014, pursuant to the resolution of the Annual General Meeting held on 2013, the Bank appropriated the discretionary surplus reserve of 10% of net profit for the year 2013;

3) The Group is required to appropriate 10% of its net profit for the year determined under Companies Act and the Group's Articles of Association, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

33. General risk reserves

Item	The Group		
	1 January 2014	Withdraw	31 December 2014
General risk reserves	8,442,837	3,335,048	11,777,885

Item	The Group		
	1 January 2013	Withdraw	31 December 2013
General risk reserves	7,403,973	1,038,864	8,442,837

Item	The Bank		
	1 January 2014	Withdraw	31 December 2014
General risk reserves	8,431,561	3,330,235	11,761,796

Item	The Bank		
	1 January 2013	Withdraw	31 December 2013
General risk reserves	7,396,497	1,035,064	8,431,561

Pursuant to Issues on "Provision for measures for the administration of financial companies reserve" (Caijin [2012] No.20) promulgated by the MOF, the Group is required to transfer certain percentage of its net profit

to establish and maintain a general reserve within shareholders' equity, through the appropriation of profit to address unidentified potential impairment losses. The general risk reserves balance should not be lower than 1.5% of the ending balance of gross risk-bearing assets as defined by the issues. Gross risk-bearing assets; include loans and advances in customers, available for sale financial assets, held to maturity investments, long term equity investments, due from banks, lending funds, foreclosed assets, and other receivables and so forth. As at 31 December 2014, the provision appropriated of the Group has reached 1.5% of the aggregated amount of the gross risk-bearing assets.

34. Retained Profits

Items	The Group	
	2014	2013
Retained profit brought down from last year	13,506,449	8,608,973
Net profit for the year	8,684,947	8,185,502
Less: Appropriation to statutory surplus reserves	868,616	817,587
Appropriation to discretionary surplus reserves	817,947	703,575
Appropriation to general risk reserves	3,335,048	1,038,864
Dividend payables	831,200	728,000
Closing balance for the year	16,338,585	13,506,449

Items	The Bank	
	2014	2013
Retained profit brought down from last year	13,500,053	8,608,409
Net profit for the year	8,686,165	8,175,870
Less: Appropriation to statutory surplus reserves	868,616	817,587
Appropriation to discretionary surplus reserves	817,947	703,575
Appropriation to general risk reserves	3,330,235	1,035,064
Dividend payables	831,200	728,000
Closing balance for the year	16,338,220	13,500,053

As at 20 April, 2013, the Annual General Meeting of the Bank has approved that, appropriate to the statutory surplus reserves of 10% of the net profit for the year 2012 amounted to RMB 703.57million, appropriate general risk reserves of RMB 3,574.26 million; suggest an appropriation to the discretionary surplus reserves of 10% of the net profit for the year 2012 amounted to RMB 703.57 million; and suggested a cash dividend distribution in 2012, cash of RMB 0.08 per share with 8% payment ratio would be distributed, amounting to RMB 728 million.

As at 21 April, 2014, the Annual General Meeting of the Bank has approved that, appropriate to the statutory surplus reserves of 10% of the net profit for the year 2013 amounted to RMB 817.95million, appropriate general risk reserves of RMB 1,035.06 million; Suggest an appropriation to the discretionary surplus reserves of 10% of the net profit for the year 2013 amounted to RMB 817.95 million; and suggested a cash dividend distribution in 2013, cash of RMB 0.08 per share with 8% payment ratio would be distributed, amounting to RMB 831.2 million.

35. Non-controlling Interests

Name of subsidiary	Minority shares	31 December 2014	31 December 2013
Baode County Bank of Danyang, Jiangsu Co., Ltd.	59%	129,878	131,631
Total		129,878	131,631

36. Net interest income

Items	The Group	
	2014	2013
Interest income	48,678,898	37,754,617
-Deposits with banks and other financial institutions	4,382,995	3,490,787
-Deposits with the central banks	1,803,621	1,704,027
-Lending to banks and other financial institution	518,112	650,033
-Loans and advances	28,679,346	24,733,417
Including: Personal loans and advances	4,086,084	2,981,700
Corporate loans and advances to corporate	21,649,125	19,934,054
Discount	2,349,007	1,423,474
Trading finance	512,454	280,049
Impaired financial assets	82,676	114,140
-Interest income on transferred discount	1,184,211	1,054,760
-Reverse repurchase agreements	3,868,488	3,330,864
-Bonds investment	8,236,515	2,758,255
-Others	5,610	32,474
Interest expenses	26,340,279	17,936,832
-Loans from the central banks	37,154	670
-Deposits from banks and other financial institutions	8,387,756	2,748,532
-Loans and advances from banks	189,660	135,125
-Due to customers	15,177,120	13,320,691
-Financial assets under repurchase agreement	1,386,727	1,009,286
-Issuance of bonds	692,772	380,690
-Rediscount	213,225	299,488
-Others	255,865	42,350
Net interest income	22,338,619	19,817,785

Items	The Bank	
	2014	2013
Interest income	48,591,852	37,682,270
-Deposits with banks and other financial institutions	4,410,773	3,513,868
-Deposits with the central banks	1,802,195	1,703,100
-Lending to banks and other financial institution	518,112	650,033
-Loans and advances	28,567,913	24,639,708
Including: Personal loans and advances	3,983,933	2,974,436
Corporate loans and advances to corporate	21,639,843	19,847,609
Discount	2,349,007	1,423,474
Trading finance	512,454	280,049
Impaired financial assets	82,676	114,140
-Interest income on transferred discount	1,184,211	1,054,760
-Reverse repurchase agreements	3,868,488	3,330,864
-Bonds investment	8,236,515	2,758,255
-Others	3,645	31,682
Interest expenses	26,326,366	17,924,625
-Loans from the central banks	35,502	78
-Deposits from banks and other financial institutions	8,387,784	2,744,469
-Loans and advances from banks	189,660	135,125
-Due to customers	15,166,796	13,313,933
-Financial assets under repurchase agreement	1,386,727	1,009,286
- Issuance of bonds	692,772	380,690
-Rediscount	213,225	299,488
-Others	253,900	41,556
Net interest income	22,265,486	19,757,645

37. Net fee and commission income

Item	The Group	
	2014	2013
Fee and commission income	2,905,588	2,459,378
-Settlement and liquidation service fee	340,841	284,729
-Agency business fee	1,053,658	703,756
-Credit commitments service fee and commission	494,837	515,552
-Bank card fees	250,860	188,388
-Advisory fees	265,354	268,267
-Custodian and other fiduciary service fees	444,842	452,406
-Others	55,196	46,280
Fee and commission expenses	103,304	76,402
-Settlement and liquidation service fee	64,718	33,983
-Bank card fees	27,970	19,678
-Others	10,616	22,741
Net fee and commission income	2,802,284	2,382,976

Items	The Bank	
	2014	2013
Fee and commission income	2,904,880	2,458,730
-Settlement and liquidation service fee	340,806	284,688
-Agency business fee	1,053,084	703,235
-Credit commitments service fee and commission	494,837	515,552
-Bank card fees	250,854	188,388
-Advisory fees	265,354	268,267
-Custodian and other fiduciary service fees	444,842	452,406
-Others	55,103	46,194
Fee and commission expenses	103,282	76,384
-Settlement and liquidation service fee	64,696	33,965
-Bank card fees	27,970	19,678
-Others	10,616	22,741
Net fee and commission income	2,801,598	2,382,346

38. Investment income

Income	The Group	
	2014	2013
Financial asset investment designated at fair value through profit and loss	25,662	1,925
Available-for-sale financial assets	5,352	-2,121
Joint venture under equity accounting		
Dividend income	1,080	960
Return on disposal of long-term equity investment		19,858
Others	1,918	1,483
Total	34,012	22,105

Income	The Bank	
	2014	2013
Financial asset investment designated at fair value through profit and loss	25,662	1,925
Available-for-sale financial assets	5,352	-2,121
Joint venture under equity accounting		
Dividend income	12,150	960
Return on disposal of long-term equity investment		19,858
Others	1,918	1,483
Total	45,082	22,105

39. Gains or losses on fair value changes

Item	The Group and the Bank	
	2014	2013
Tradable financial instruments	38,322	-27,994
Derivative financial instruments	38,715	787
Total	77,037	-27,207

40. Foreign exchange gains or losses

Item	The Group and the Bank	
	2014	2013
Foreign currency operation income	142,502	110,006
Foreign currency operation expenses	-84,300	-738
Total	58,202	109,268

41. Other operating income

Item	The Group and the Bank	
	2014	2013
Rental income	15,605	20,771
Others	83	11
Total	15,688	20,782

42. Business tax and surcharges

Tax	The Group	
	2014	2013
Business tax	1,596,696	1,359,986
City construction tax	110,744	94,445
Educational surtax	79,719	68,000
Total	1,787,159	1,522,431

Tax	The Bank	
	2014	2013
Business tax	1,593,331	1,357,155
City construction tax	110,509	94,247
Educational surtax	79,551	67,858
Total	1,783,391	1,519,260

43. Operating and administrative expenses

Expenses	The Group	
	2014	2013
Staff remuneration	4,386,456	4,191,613
Including: wages and bonus	3,084,236	3,005,492
welfare	1,302,220	1,186,121
Business fee	2,089,845	2,126,877
Rents	356,910	332,202
Fixed assets depreciation	433,439	361,432
Low value consumables	10,582	11,495
Intangible asset amortisation	51,405	38,641
Amortisation of network renovation cost and long-term deferred expense	101,365	85,354
Taxes and dues	58,421	61,027
Total	7,488,423	7,208,641

Expenses	The Bank	
	2014	2013
Staff remuneration	4,374,346	4,181,745
Including: wages and bonus	3,074,910	2,997,967
welfare	1,299,436	1,183,778
Business fee	2,081,845	2,119,360
Rents	355,385	331,055
Fixed assets depreciation	432,321	360,529
Low value consumables	10,582	11,495
Intangible asset amortisation	51,379	38,615
Amortisation of network renovation cost and long-term deferred expense	98,594	82,937
Taxes and dues	58,401	61,000
Total	7,462,853	7,186,736

44. Impairment losses of assets

Item	The Group	
	2014	2013
Provision for loans impairment	4,525,677	2,645,289
Provision for bad debt	29,750	17,842
Provisions of debt assets depreciation		
Provision for impairment of investment on receivables	149,723	
Expected off balance sheet losses	-33,584	48,838
Total	4,671,566	2,711,969

Item	The Bank	
	2014	2013
Provision for loans impairment	4,506,367	2,631,972
Provision for bad debt	29,750	17,842
Provisions of foreclosed assets depreciation		
Provision for impairment of investment on receivables	149,723	
Expected off balance sheet losses	-33,585	48,839
Total	4,652,255	2,698,653

45. Other operating expenses

Item	The Group/ Bank	
	2014	2013
Management for foreclosed assets	3,100	2,822

46. Non-operating income

Item	The Group	
	2014	2013
Income from disposal of fixed assets	29,046	111,749
Income from disposal of foreclosed assets	124	805
Grant income	25,892	53,396
Penalty income	319	680
Transferred in from long-term unused bank account	13,273	4
Others	12,740	17,721
Total	81,394	184,355

Item	The Bank	
	2014	2013
Income from disposal of fixed assets	29,046	111,749
Income from disposal of foreclosed assets	124	805
Government grants	17,082	43,992
Penalty income	319	680
Transferred in from long-term unused bank account	13,273	4
Others	12,740	17,721
Total	72,584	174,951

46.1 Government Grants

Grants	The Group	
	2014	2013
Grants for agricultural supporting loans and micro enterprises loan risk compensation	13,431	39,679
Fiscal grants to new established institutions		
Other grants	12,461	13,717
Total grants in current profit and loss	25,892	53,396

Grants	The Bank	
	2014	2013
Grants for agricultural supporting loans and micro enterprises loan risk compensation	13,431	39,679
Fiscal grants to new established institutions		
Other grants	3,651	4,313
Total grants in current profit and loss	17,082	43,992

47. Non-operating expenses

Item	The Group	
	2014	2013
Loss on disposal of fixed assets	2,872	3,534
Loss on disposal of foreclosed assets	3,731	
Expenditure on donation	6,527	7,345
Penalty and late payment fee	6,826	1,689
Others	22,396	9,407
Total	42,352	21,975

Item	The Bank	
	2014	2013
Loss on disposal of fixed assets	2,872	3,534
Loss on disposal of foreclosed assets	3,731	
Expenditure on donation	6,512	7,215
Penalty and late payment fee	6,819	1,690
Others	22,396	9,406
Total	42,330	21,845

48. Income tax expense

Item	The Group	
	2014	2013
Current income tax expense	3,380,949	3,044,056
Deferred tax expense	-665,437	-201,193
Total	2,715,512	2,842,863

Item	The Bank	
	2014	2013
Current income tax expense	3,368,956	3,035,923
Deferred tax expense	-663,373	-201,219
Total	2,705,583	2,834,704

The relationship of income tax and accounting profit is presented as following:

Item	The Group	
	2014	2013
Profit before tax	11,414,636	11,042,226
Income tax calculated at 25%	2,853,659	2,760,557
Impact of tax-free income	-278,335	-55,659
Impact of non-deductible expenses	140,188	137,965
Deductible temporary difference or deductible loss impact of current unrecognised deferred tax		
Income tax expense	2,715,512	2,842,863

Item	The Bank	
	2014	2013
Profit before tax	11,391,748	11,010,574
Income tax calculated at 25%	2,847,937	2,752,644
Impact of tax-free income	-276,288	-53,308
Impact of non-deductible expenses	133,934	135,368
Deductible temporary difference or deductible loss impact of current unrecognised deferred tax		
Income tax expense	2,705,583	2,834,704

49. Earnings per share and Return on Equity

49.1 Earnings per share

In accordance with "Rules for the Compilation and Submission of Information Disclosure by Companies That Offer Securities to the Public (No.9)-Calculation and Disclosure of Return on Equity and Earnings per

share (revised 2010)" [CSRC (2010) No.2], and "Explanatory Announcement of Information Disclosure by Companies That Offer Securities to the Public (No.1)-Extraordinary gains and losses (2008)" [CSRC (2008) No.43]:

The Group:

Items	2014	2013
Net profit vest in parent company	8,684,947	8,185,502
Net profit after extraordinary gain and losses	8,659,567	8,058,094
Initial shares(in thousands)	10,390,000	9,100,000
New shares issued within report period(in thousands)		1,290,000
Months of report period	12	12
Accumulated months from the next month of new issuing to the end of report period	12	4
Weighted average of outstanding ordinary shares(in thousands)	10,390,000	9,530,000
Weighted average of earnings per share(RMB)	0.84	0.86
Basic earnings per share after extraordinary gains and losses(RMB)	0.83	0.85

From 2013 to 2014, the Group has no potential diluted ordinary shares, therefore, the diluted earnings per share equals to the basic earnings per share.

EPS for the Bank

Item	2014	2013
Net profit	8,686,165	8,175,870
Net profit after extraordinary gain and losses	8,667,376	8,055,418
Initial shares(in thousands)	10,390,000	9,100,000
New shares issued within report period(in thousands)		1,290,000
Months of report period	12	12
Accumulated months from the next month of new issuing to the end of report period	12	4
Weighted average of outstanding ordinary shares(in thousands)	10,390,000	9,530,000
Weighted average of earnings per share(RMB)	0.84	0.86
Basic earnings per share after extraordinary gains and losses(RMB)	0.83	0.85

49.2 Return on equity (ROE)

ROE for the Group:

Item	2014	2013
Net profit for parent company	8,684,947	8,185,502
Net profit after extraordinary gains and losses	8,659,567	8,058,094
Balance of common stockholders' equity as at 31 December	55,935,208	47,763,497
Weighted-average of common stockholders' equity	51,832,291	37,732,299
Weighted-average return on equity	16.76%	21.69%
Weighted-average return on equity after extraordinary gains and losses	16.71%	21.36%

ROE for the Bank

Item	2014	2013
Net profit for parent company	8,686,165	8,175,870
Net profit after extraordinary gains and losses	8,667,376	8,055,418
Balance of common stockholders' equity as at 31 December	55,918,754	47,745,718
Weighted-average of common stockholders' equity	51,832,291	37,711,656
Weighted-average return on equity	16.76%	21.68%
Weighted-average return on equity after extraordinary gains and losses	16.72%	21.36%

50. Information of cash flows

50.1 Cash and cash equivalent:

Item	The Group	
	31 December 2014	31 December 2013
I . Cash	25,548,845	32,537,166
Including: treasury cash	1,973,781	2,286,171
Current amount of deposit with banks and other financial institutions	5,163,090	9,756,551
Amount of deposits with the Central Bank available to pay	18,411,974	20,494,444
II . Cash equivalent	123,543,492	95,976,806
Including: Amounts of deposit with banks maturing within three months	71,977,412	47,675,370
Borrowing from banks and other financial institutions maturing within three months	5,603,608	3,205,596
Reverse repurchase agreement maturing within three months	45,962,472	45,095,840
III . Balance as at 31 December	149,092,337	128,513,972

Item	The Bank	
	31 December 2014	31 December 2013
I . Cash	25,447,804	32,492,736
Including: cash in hand	1,970,843	2,284,287
Current amount of deposit with banks and other financial institutions	5,065,032	9,719,745
Amount of deposits with the Central Bank available to pay	18,411,929	20,488,704
II . Cash equivalent	123,543,492	95,976,806
Including: Amounts of deposit with banks maturing within three months	71,977,412	47,675,370
Borrowing from banks and other financial institutions maturing within three months	5,603,608	3,205,596
Reverse repurchase agreement maturing within three months	45,962,472	45,095,840
III . Balance as at 31 December	148,991,296	128,469,542

50.2 Adjustment of net profit to cash flows from operating activities:

Item	The Group	
	31 December 2014	31 December 2013
I. Adjustment of net profit to cash flows from operating activities:		
Net profit	8,699,124	8,199,363
Add: Assets impairment losses	4,671,566	2,711,969
Depreciation of fixed assets	433,439	361,432
Amortisation of intangible assets	51,405	38,641
Amortisation of long-term prepaid expenses	101,365	85,354
Losses(-) on disposal of fixed assets, intangible assets and other long-term assets	-24,613	-112,554
Losses on retirement of fixed assets	2,046	3,534
Losses (-)on fair value changes	-77,070	27,994
Investment losses (-)	-34,012	-22,105
Decrease (-)in deferred tax assets	-579,551	-291,566
Increase in deferred tax liabilities	20,101	-7,996
Decrease (-) in operating receivables	-74,522,769	-63,877,619
Increase in operating payables	236,720,789	100,854,295
Net cash flows arising from operating activities	175,461,820	47,970,742
II. Net gain/losses of cash and cash equivalent		
Cash at 31 December	25,548,845	32,537,166
Less: cash at 1 January	32,537,166	44,253,354
Add: Cash equivalent at 31 December	123,543,492	95,976,806
Less: cash equivalent at 1 January	95,976,806	55,030,544
Net gains of cash and cash equivalent	20,578,365	29,230,074

Items	The Bank	
	31 December 2014	31 December 2013
I. Adjustment of net profit to cash flows arising from operating activities:		
Net profit	8,686,165	8,175,870
Add: Assets impairment losses	4,652,255	2,698,653
Depreciation of fixed assets	432,321	360,528
Amortisation of intangible assets	51,379	38,615
Amortisation of long-term prepaid expenses	98,594	82,937
Losses(-) on disposal of fixed assets, intangible assets and other long-term assets	-24,613	-112,554
Losses on retirement of fixed assets	2,046	3,534
Losses (-)on fair value changes	-77,070	27,994
Investment losses (-)	-45,082	-22,105
Decrease (-)in deferred tax assets	-577,487	-291,591
Increase in deferred tax liabilities	20,101	-7,996
Decrease (-) in operating receivables	-74,562,411	-63,475,974
Increase in operating payables	236,717,553	100,584,067
Net cash flows arising from operating activities	175,373,751	48,061,978
II. Net gain/losses of cash and cash equivalent		
Cash at 31 December	25,447,804	32,492,736
Less: cash at 1 January	32,492,736	44,113,466
Add: Cash equivalent at 31 December	123,543,492	95,976,806
Less: cash equivalent at 1 January	95,976,806	55,030,544
Net gains of cash and cash equivalent	20,521,754	29,325,532

50.3 Other cash receipts relating to operating activities:

Item	The Group	
	2014	2013
Non-operating income (excluding asset disposal income)	52,483	71,801
Rent income	15,688	20,782
Payables	50,046	849,423
Receivables	191,984	13,372
Total	310,201	955,378

Item	The Bank	
	2014	2013
Non-operating income (excluding asset disposal income)	43,673	62,397
Rent income	15,688	20,782
Payables	50,046	849,072
Receivables	191,984	13,372
Total	301,391	945,623

50.4 Cash payment relating to other operating activities:

Item	The Group	
	2014	2013
Business expenses	2,435,786	2,304,679
Non-operation expenses (excluding asset disposal losses)	60,008	18,440
Cash payables	965,729	42,709
Increase of foreclose assets	30,060	500
Total	3,491,583	2,366,328

Item	The Bank	
	2014	2013
Business expenses	2,426,161	2,295,516
Non-operation expenses (excluding asset disposal losses)	59,986	18,310
Cash payables	964,455	42,709
Increase of foreclose assets	30,060	500
Total	3,480,662	2,357,035

51. Transfer of financial assets

In daily operation, certain transactions conducted by the Group would transfer the recognised financial assets to the third party or special purpose trusts. If the asset transfer are satisfied with termination recognition conditions, then all or part of the relevant financial assets shall be stopped to recognise. When the Group keeps almost all risks and return of the transferred assets, the relevant asset transfer is not satisfied with conditions of derecognition, then the Group shall continue to recognise the above assets in balance sheet.

51.1 Repurchase agreements transactions

All unrecognised transferred financial assets are mainly securities which are handed over to counterparties as collaterals in the repurchase agreements, under such condition. If the counterparties have no breaches on the transaction with the Group, the Group can sell out the above securities or used as collaterals again, but meanwhile the obligation that at the expire date of the contract, the above prescribed securities need to be returned to the Group need to be taken. Under certain conditions, if the price of the relevant securities increases or decreases, the Group can require the counterparties to pay extra cash as collaterals, or need to return part or the cash collaterals to the counterparties. For the above transactions, the Group considers it has kept the most risks and returns of the relevant securities, therefore it has not recognise the relevant securities. Meanwhile, the Group treat the cash collaterals as a kind of financial liability.

The following table is presenting the book value analysis of the financial assets and liabilities those are transferred to the third party but not satisfied with the derecognition requirement:

Item	2014		2013	
	Book value of transferred assets	Book value of relevant liabilities	Book value of transferred assets	Book value of relevant liabilities
The Group	54,068,117	41,306,945	78,354,418	29,611,735
The Bank	54,068,117	41,306,945	78,354,418	29,611,735

51.2 Securitisation of Credit Assets

The securitisation of credit assets is referred as the Bank sells the credit assets to special purpose trusts, and the trusts issue the asset supportive securities to investors.

The Bank launched the first session of credit assets securitisation project in 2014 with Shanghai International Trust. The project is approved by CBRC with authorisation the *Reply of the First Session of Credit Asset Securitisation by Bank of Jiangsu and Shanghai International Trust (Yinjianfu [2014] No. 397, and the Written Decision of Administrative Permission of the People's Bank of China (the Banking Market Permission [2014] No. 117*. At 22 August, 2014, the securities are issued as the First Session of Trust Supportive Asset Securities of the Credit Asset Securitisation of Suyuan in 2014, the total amount is RMB 2,140.9 million and the asset supportive securities are divided into Prior level A, Prior Level B and Secondary level. According to the Underwriting Agreement for the First Session of Trust Supportive Asset Securities of the Credit Asset Securitisation of Suyuan in 2014, the Bank is holding the asset securities of RMB 104,386 thousand, is 5% of the total amount, and in detail the Bank is holding 5% of every level of the securities. Also the proportion of the held asset supportive securities in every level is equal to the total issued amount. The Bank has transferred almost all risks and returns of the credit assets and has derecognised the sold credit assets.

X. Segmental Report

The Group manages its business both by product segments and service segments. The Group has the following 4 segment reports:

(1)The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit activities and various types of corporate intermediary services;

(2)The personal banking segment covers the provision of financial products and services to individual customers. The products and services include personal loans, deposit activities, card business, personal wealth management services and various types of personal intermediary services;

(3)The treasury operations segment covers the Group's treasury operations. The treasury conducts money market or repurchases transactions, investments businesses, foreign exchange for its own accounts or on behalf of customers;

(4)Others business means those other than corporate banking, personal banking and, treasury operation, which cannot be reported individually, or these assets, liabilities, income and expense that cannot be allocated in a reasonable way.

The transfer price among segments is based on the source of funds and operation maturity, determined by the match of deposit-loan interest rate issued by PBC and inter-banks offering rate. Expenses would be allocated among segments referred to benefit circumstances.

1、The Group

2014	Corporate banking	Personal banking	Treasury operation	Others	Total
Operating income	18,276,701	3,249,235	3,799,906		25,325,842
Net interest income	16,140,204	2,732,375	3,466,040		22,338,619
-External net interest income	14,449,790	257,933	7,630,896		22,338,619
-Internal net interest income	1,690,414	2,474,442	-4,164,856		
Net fee and commission income	2,014,945	516,294	271,045		2,802,284
Investment income			34,012		34,012
Net gains on fair value changes			77,037		77,037
Foreign exchange gains or losses	105,897	566	-48,261		58,202
Other operating income	15,688				15,688
Operating expense	10,218,385	2,880,095	851,768		13,950,248
Business taxes and surcharges	1,499,185	257,230	30,744		1,787,159
Operating and administrative expense	4,518,624	2,148,775	821,024		7,488,423
Impairment losses	4,197,476	474,090			4,671,566
Other operating expense	3,100				3,100
Operating profit	8,058,316	369,140	2,948,138		11,375,594
Net non-operating income				39,042	39,042
Profit before tax	8,058,316	369,140	2,948,138	39,042	11,414,636
Income tax expense	2,041,567	90,053	581,254	2,638	2,715,512
Net profit	6,016,749	279,087	2,366,884	36,404	8,699,124
Supplementary information					
Depreciation and amortisation	447,968	129,531	8,710		586,209
Capital expenditure	722,705	226,083	15,447		964,235
31 December 2014					
Total Assets	498,350,443	103,440,579	436,518,028		1,038,309,050
Total Liabilities	533,488,577	146,792,730	301,962,657		982,243,964

2013	Corporate banking	Personal banking	Treasury operation	Others	Total
Operating income	16,828,735	2,721,532	2,775,442		22,325,709
Net interest income	14,830,865	2,310,759	2,676,161		19,817,785
-External net interest income	12,462,950	-296,525	7,651,360		19,817,785
-Internal net interest income	2,367,915	2,607,284	-4,975,199		
Net fee and commission income	1,863,634	409,912	109,430		2,382,976
Investment income			22,105		22,105
Net gains on fair value changes			-27,207		-27,207
Foreign exchange gains or losses	112,667	861	-4,260		109,268
Other operating income	20,782				20,782
Operating expense	8,625,846	2,422,655	397,362		11,445,863
Business taxes and surcharges	1,323,138	194,130	5,163		1,522,431
Operating and administrative expense	4,932,772	1,883,670	392,199		7,208,641
Impairment losses	2,367,114	344,855			2,711,969
Other operating expense	2,822				2,822
Operating profit	8,202,889	298,877	2,378,080		10,879,846
Net non-operating income				162,380	162,380
Profit before tax	8,202,889	298,877	2,378,080	162,380	11,042,226
Income tax expense	2,109,888	72,877	620,714	39,384	2,842,863
Net profit	6,093,001	226,000	1,757,366	122,996	8,199,363
Supplementary information					
Depreciation and amortisation	362,998	114,706	7,723		485,427
Capital expenditure	808,597	252,952	17,283		1,078,832
31 December 2013					
Total Assets	451,145,261	86,702,426	225,804,486		763,652,173
Total Liabilities	481,789,515	128,237,513	105,730,017		715,757,045

2、The Bank

2014	Corporate banking	Personal banking	Treasury operation	Others	Total
Operating income	18,270,484	3,157,310	3,835,299		25,263,093
Net interest income	16,134,541	2,640,546	3,490,399		22,265,486
-External net interest income	14,444,127	166,104	7,655,255		22,265,486
-Internal net interest income	1,690,414	2,474,442	-4,164,856		
Net fee and commission income	2,014,391	516,198	271,009		2,801,598
Investment income			45,082		45,082
Net gains on fair value changes			77,037		77,037
Foreign exchange gains or losses	105,897	566	-48,261		58,202
Other operating income	15,688				15,688
Operating expense	10,215,430	2,834,401	851,768		13,901,599
Business taxes and surcharges	1,498,956	253,691	30,744		1,783,391
Operating and administrative expense	4,517,071	2,124,758	821,024		7,462,853
Impairment losses	4,196,303	455,952			4,652,255
Other operating expense	3,100				3,100
Operating profit	8,055,054	322,909	2,983,531		11,361,494
Net non-operating income				30,254	30,254
Profit before tax	8,055,054	322,909	2,983,531	30,254	11,391,748
Income tax expense	2,040,964	80,727	581,254	2,638	2,705,583
Net profit	6,014,090	242,182	2,402,277	27,616	8,686,165
Supplementary information					
Depreciation and amortisation	446,011	127,573	8,710		582,294
Capital expenditure	722,705	226,083	15,447		964,235
31 December 2014					
Total Assets	498,559,124	102,835,428	436,275,968		1,037,670,520
Total Liabilities	533,689,498	146,297,645	301,764,623		981,751,766

2013	Corporate banking	Personal banking	Treasury operation	Others	Total
Operating income	16,826,914	2,637,257	2,800,768		22,264,939
Net interest income	14,829,153	2,226,905	2,701,587		19,757,645
-External net interest income	12,461,238	-380,379	7,676,786		19,757,645
-Internal net interest income	2,367,915	2,607,284	-4,975,199		
Net fee and commission income	1,863,525	409,491	109,330		2,382,346
Investment income			22,105		22,105
Net gains on fair value changes			-27,207		-27,207
Foreign exchange gains or losses	112,667	861	-4,260		109,268
Other operating income	20,782				20,782
Operating expense	8,625,078	2,385,031	397,362		11,407,471
Business taxes and surcharges	1,323,074	191,023	5,163		1,519,260
Operating and administrative expense	4,932,334	1,862,203	392,199		7,186,736
Impairment losses	2,366,848	331,805			2,698,653
Other operating expense	2,822				2,822
Operating profit	8,201,836	252,226	2,403,406		10,857,468
Net non-operating income				153,106	153,106
Profit before tax	8,201,836	252,226	2,403,406	153,106	11,010,574
Income tax expense	2,109,725	64,881	620,714	39,384	2,834,704
Net profit	6,092,111	187,345	1,782,692	113,722	8,175,870
Supplementary information					
Depreciation and amortisation	361,325	113,033	7,723		482,081
Capital expenditure	808,597	252,952	17,283		1,078,832
31 December 2013					
Total Assets	450,782,248	86,097,408	226,183,319		763,062,975
Total Liabilities	481,493,434	127,744,046	106,079,670		715,317,150

XI.Contingency and commitment

1.Credit commitments

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Banks acceptances notes	189,148,281	180,801,756
Letters of guarantee	7,589,350	5,853,166
Letters of credit	3,812,741	4,376,001
Loans commitments	1,330,651	2,268,648
Total	201,881,023	193,299,571

2.Capital expenditure commitments

Item	The Group	
	31 December 2014	31 December 2013
Houses purchase-signed contracts	332,723	234,495
Fitting-out project-signed contracts	503,643	563,571
Electronic systems purchase-signed contracts	37,394	21,890
Others	2,469	19,751
Total	876,229	839,707

Item	The Bank	
	31 December 2014	31 December 2013
Houses purchase-signed contracts	332,723	234,495
Fitting-out project-signed contracts	503,643	563,571
Electronic systems purchase-signed contracts	37,394	21,890
Others	2,469	15,937
Total	876,229	835,893

3.Operating lease commitments

House lease commitments mainly reflect the Group rents the place of business and office buildings, and pays the rental as required. At the balance sheet date, rental of lease contract is shown as follows:

Age	The Group	
	31 December 2014	31 December 2013
Within 1 year	349,761	305,690
1 to 2 years	320,344	292,143
2 to 3 years	291,339	236,607
3 to 4 years	266,753	214,371
4 to 5 years	214,762	186,736
Over 5 years	604,798	567,623
Total	2,047,757	1,803,170

Age	The Bank	
	31 December 2014	31 December 2013
Within 1 year	348,278	304,473
1 to 2 years	319,386	290,928
2 to 3 years	290,588	235,917
3 to 4 years	266,277	213,888
4 to 5 years	214,494	186,528
Over 5 years	604,798	567,623
Total	2,043,821	1,799,357

4.Assets pledged as collateral

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Bonds	394,218,992	27,889,100
Discounted notes	2,398,461	1,715,408

The Group pledged some assets as collateral under repurchase agreement to other banks. At the end of each year, the party received discounted notes as collaterals has the right to resold or re-pledged those collaterals in connection with sale of assets under repurchase agreements; whereas, the party received government bonds or financial bonds as collaterals do not have the right to do under repurchase agreements.

5.The Entrusted Business

5.1 Entrusted loans transactions

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Entrusted deposits	126,143,582	64,078,825
Entrusted loans	126,143,582	64,078,825

Entrusted deposits represent funds that depositors have instructed the Group used to make loans to third parties as designated by them. The credit risk remains with the depositors.

5.2 Entrusted funding transactions

Items	The Group and the Bank	
	31 December 2014	31 December 2013
Entrusted funding	76,561,971	41,276,348
Entrusted assets	76,561,971	41,276,348

Entrusted funding transactions represent the investment and asset management services provided by the Group to the third parties in accordance with the agreed investment plan. The third parties provide funding for

the related investments. Income from such investment activities is collected on behalf of and paid to the third parties according to the relevant contractual term. The investment risk is borne by the third parties.

6. Legal proceedings

The Group is involved in 10 lawsuits as defendants rising from its normal business operations. Provisions of RMB470, 202thousand were made based on court judgments as at 31 December 2014. Management of the Group believes that the final result of these lawsuits will not have a significant impact on the financial position or operations of the Group.

XII. Structured Entity

1. Structured entities not included in consolidation scope

1.1 The structured entities not included in consolidation scope of the Group /Bank

The structured entities which are not included in consolidation scope of the Group /Bank are including third-party wealth management product, beneficial right of trust (fund trust plans) and asset management plans etc. The Group (Bank) can obtain interest income as it is holding the investment on the products. The income from the directly holding of the products is not significant.

(1)The book value and largest risk exposure of loss of the structured entities not included in consolidation scope held by the Group (Bank) is as the following

Duration	Categories	Book Value	The Largest risk exposure of loss (NB1)	Total amount of structured entity
31 December 2014	Wealth management products	78,019,260	78,019,260	Note 2
	Specific asset management plan	83,435,385	83,435,385	83,435,385
	Beneficial rights of trust	7,664,204	7,664,204	7,664,204
	Asset supportive financing securities	1,344,043	1,344,043	9,760,000
	Total	170,462,892	170,462,892	
31 December 2013	Wealth management products	10,652,280	10,652,280	Note 2
	Specific asset management plan	1,893,000	1,893,000	1,893,000
	Beneficial rights of trust	14,535,567	14,535,567	14,535,567
	Total	27,080,847	27,080,847	

(2)The relevant assets and liabilities of which the Group (Bank) held its equity through direct investment in the structured entity launched by the third party is presented as following:

Duration	Categories	Held-to-maturity investment	Investment on receivables
31 December 2014	Wealth management products		78,019,260
	Specific asset management plan		83,435,385
	Beneficial rights of trust		7,664,204
	Asset supportive financing securities	1,344,043	
	Total	1,344,043	169,118,849
31 December 2013	Wealth management products		10,652,280
	Specific asset management plan		1,893,000
	Beneficial rights of trust		14,535,567
	Total		27,080,847

NB1: The largest loss exposure of the beneficial rights of trust, wealth management products, specific asset management and asset supportive financing bonds are the recognised amortisation cost or fair value of the products in balance sheet at balance sheet date.

NB2: the total amount of structured entities those are not included in the consolidation scope but held by the Group (Bank), has no obtainable public information.

The Group (Bank) has not offered current supports to the structured entities.

1.2 Structured Entities not included in in the Consolidation Scope of the Group (Bank)

(1) Wealth management Products

The structured entities those are not included into the consolidation scope of the Group (Bank) is the wealth management products issued and managed by the Group (Bank) as an agent. On the basis of analysing and researching the potential customer groups, the Group (Bank) design and sell the investment and management plan to targeted customers, invest the raised fund into relevant financial market or on relevant financial products in accordance with the signed contract, and then distribute the investment income to the investors by following the terms in the contract. The Group (Bank) charge commissions of sales and product management etc. And the Group (Bank) believes the changeable return on of the structured entities is not significant. The largest risk exposure of the products is the commissions.

Duration	Categories of structured entities not included in the consolidation scope	Total amount	Commission income	Largest risk exposure of loss
2014	Wealth management products	76,561,971	386,970	386,970
2013	Wealth management products	41,276,348	155,430	155,430

The Group (Bank) have not offer financial supports to wealth management products those are not included in the consolidation scope.

(2) Asset Securitization

Another structured entity which is managed by the Group (Bank) but not included in the consolidation scope is the special purpose trust established by the third party of trusts caused by the need of securitisation of the Group (Bank). The special purpose trusts buy credit assets from the Group (Bank), then issue the asset supportive securities to finance on the basis of cash raised from the credit assets. As the service institution of loans of the special purpose trust, the Group manages the transferred credit assets of special purpose trusts and charge appropriate commissions as the administrator of the credit assets. The Group (Bank) is also holding part of all level of the asset supportive securities of the special purpose trust. Also, the Group (Bank) believes the changeable return on of the structured entities is not significant. As at 31 December 2014, the largest risk exposure of the special purpose trust is the holding all levels of asset securities issued by the special purpose trusts, with RMB 104,386 thousand.

As at 31 December 2014, when the Group (Bank) is acting as an asset administrator, the total amount of the special purpose trusts those are not included in consolidation scope is RMB 2,140,900 thousand.

As in 2014, the Group (Bank) has not offer financial supports to the special purpose trusts those are not included in the consolidation scope.

2. Structured Entities Included in Consolidation Scope

A structured entity included in consolidation scope of the Group (Bank) is the wealth management product with preservation of capital and income. The Group (Bank) has not offer financial supports to the special purpose trusts those are not included in the consolidation scope.

XIII. Related parties and related party transactions

1. Related Parties

When financial or operating decisions are made, a party is considered to be related to another party if the party controls or gives its significant influence over the other party. And two or more parties are considered to be related if they are controlled by one party. Individuals or companies may become the related parties. During the reporting period, the Group does not have related parties with control.

1.1 Shareholders holding shares more than 5% (including 5%) of the Bank:

Unit: RMB ten-thousand						
Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organization code
Jiangsu International Trust Co., Ltd.	Limited liability	Permitted operation businesses: trust funds; movable trusts; real estate trust; priced bond trusts; other property or property right trusts; funds' investments as sponsors of the fund investments or fund management corporates; operation of capital restructure, merger and acquisition and financing, corporate wealth management and financial consulting, securities underwriting services approved by relevant department of the State Council, servicing in intermediary, consulting, credit investigations etc., generation custody and safe-deposit box businesses, use fixed assets through due from banks and other institutions, loans to banks and other financial institutions, loans to customers, leases or investments, guarantee for others with fixed assets; loans from and to banks and other financial institutions and other legal businesses or businesses approved by CRBC.	Dongfeng Huang	268,390	Floor 22-26, Changjiang Road No. 2, Nanjing ,	13478047-9
Jiangsu Phoenix Publishing and Media Group Co., Ltd.	Stated owned limited company	Permitted businesses: None. General businesses: under the improvement of province government, stated own assets managements, enterprise trusteeship; assets restructure, real rental and other businesses	Haiyan Chen	150,000	165 Zhongyang Road, Nanjing	76586099-3
Huatai Security Co., Ltd	Limited company(listed)	Security brokerage services; securities self-operation; securities underwriting(limit of government bonds underwritings and credit financing instruments of non-financial enterprises); security investment consults; security assets management; intermediary businesses for future companies; capital and security finance businesses; other businesses approved by SEC.	Wanshan Wu	560,000	90 East Zhongshan road, Nanjing	70404101-1
Wuxi Construction and Development Investment Co., Ltd	Limited company (stated own)	Invest overseas with free assets; engineering project management; property management; comprehensive development of city construction investment; public-work programmers; landscaping of public work constructions; lease of self-owned property, plant and equipment; sale of metallic materials, construction materials, decoration materials and hardware and electronic equipment	Jinsong Tang	1,568,953	58 Zhujiayang, Xiajiabian, Wuxi	25045507-5

1.2 Shareholders holding shares more than 5% (including 5%) of the Bank:

(Unit: thousand shares)

Name of shareholders	31 December 2014		31 December 2013	
	Amount of shares	Percentage (%)	Amount of shares	Percentage (%)
Jiangsu International Trust Co., Ltd.	910,000	8.76%	910,000	8.76%
Jiangsu Phoenix Publishing and Media Group Co., Ltd.	890,000	8.57%	890,000	8.57%
Huatai Security Co., Ltd	640,000	6.16%	640,000	6.16%
Wuxi Construction and Development Investment Co., Ltd	557,016	5.36%	557,016	5.36%
Total	2,997,016	28.85%	2,997,016	28.85%

1.3 Subsidiaries and Joint Ventures

The details of the subsidiary of the Bank is presented in Note VIII.1

The Group has no joint ventures.

1.4 Other Related Parties

Other related parties mainly includes the key management personnel (including directors, supervisors and senior management), and their close family members, and the companies that are controlled, or under common control of, or significant influence may be exerted by the key management personnel and their close family members.

As at 31 December 2014, there are 41 companies which are considered as the Group's related parties due to chairmen or general managers of these corporations are also the key management personnel of the Bank (mainly its directors). Other related companies are list below:

Currency Unit: RMB ten-thousand

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Guoxin investment Group Ltd.	Stated owned	Stated owned asset operations, managements, transfers, investments, custodies, restructures and other businesses approved by the province government; house leases. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Qiulin Ma	2,000,000	88 Changjiang Road, Xuanwu District, Nanjing	73572480-0
Nanjing Cultural Development Co., Ltd.	Limited company	Permitted businesses: None. General businesses: culture and art event planning, organising and operation management; investment on culture and art industry; operation management and facility investment construction of culture and arts; cultural and art products designing, producing and selling; consults on culture and art information.	Kai Jiang	10,000	Rm 24, No. 1 Hujing Huayuan, Xuanwu District, Nanjing	69461233-4
Jiangsu investment management limited liability company	Limited company (sole proprietorship of legal person) domestic invested	Permitted businesses: None. General businesses: industrial investments, investment consulting, domestic trading.	Zujian Xu	100,000	Floor 24, 88 Changjiang Road, Nanjing	13479781-X
Jiangsu New Energy Development Co., Ltd	Limited Company (sole proprietorship of legal person) domestic invested	Development on wind energy, solar, biomass energy, geothermal energy, marine energy, natural gas hydrate energy, and other new energies; industry investments; investment management; investment consulting; engineering supervision and constitutions and domestic trading (the projects which need approval under the law shall be operated after the approval of relevant departments)	Zujian Xu	30,000	Rm. 2213, 88 Changjiang Road, Nanjing	74314182-4
Jiangsu International Trust, Yangzhou Electric Power Centre ltd.	Limited company	Permitted businesses: None. General businesses: electricity production, heating provision, industrial water supply, electricity technology service, coal-ash production and process, sales of gypsum and relevant productions, coal selling.	Bin Chen	100,000	Bali Zhen Economic development Zone, Yangzhou	68219206-1
Yangzhou 2nd electric power Co., Ltd	Limited liability (domestic businesses joint with Taiwan, Macao and Hong Kong	Contribute and operate coal generator set with 2* 600k kilowatt, operation of products relevant to electricity, coal-ash production and processes (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Bin Chen	169,200	Building11, Xincheng Huanyuan,181 Yangzhou	14086157-4
Jiangsu Xinhai Electricity Generation Co., Ltd	Limited company	Permitted businesses: production and sales of electric power, construction of heating pipes and sales of heating. General businesses: electric project development; comprehensive utilisation of wastes from electric generation; sales of metallic material and construction materials.	Shaoyin Cui	23,900	Xinhai Road 218, Haizhou District, Lianyungang	13896667-6

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Liyang Pumped-storage power generation Co., Ltd, Jiangsu International Trust	Limited Company	Mining of limestone used as contribution stones. Contribution and operation of pumped-storage station of 6*250k kilowatt and the relevant supporting services. (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Ning Chen	80,000	Fuzijie 88,Wucun, Tianmu County, Liyang, Jiangsu	79862941-3
Jiangsu Re-guarantee Co., Ltd	Limited company	Re-guarantee and guarantee businesses, investment and assets management, financial consultants, market management, business services, social economic consults, assets valuations, equipment leasing. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Lefu Zhang	370,000	Zhongtai Plaza 16th Floor, Jiangdong Middle Road, Jianye District, Nanjing	69932555-3
Jiangsu Software Industry Co., Ltd	Share limited company	The development, production, sales and technology supportive services on computer net system integration, electric productions, computers and the software, integrated electrical and communication equipment; domestic trading; property management; house leases; industrial investments; commodity information service and science and technology trainings.	Kai Jiang	19,800	Zhujaing Road 702, Nanjing	72058458-5
Jiangsu Real Estate investment Co., Ltd	Limited Company (sole proprietorship of legal person) domestic invested	Development and sales of properties, (the following are limited in branches) accommodation, restaurant services, cultural and recreational services, beauty salons, bathing services, swimming pools, domestic cigarettes retailing. Property leases, property management, housing repairment, information consults of real estates, indoor and outdoor decorations, investments on educations and information, hotel operations and managements, trainings, constructions of stadiums and relevant facilities. (the following operations are limited in branches) car leases.(the projects which need approval under the law shall be operated after the approval of relevant departments)	Zhiyuan Xu	280,000	Floor 21, Changjiang Road 88, Nanjing	13476299-1
Huaian New Energy Investment Co., Ltd, Jiangsu International Trusts	Limited company	Investments and assets management (excluding financial businesses); economic project developments of the industrial park; new hi-tech industrial investments and developments; public infrastructure construction and management; construction works; talent exchange information consults. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Zhiyuan Xu	8,000	Industrial Park of Huaian, Jiangsu International Trust	57814384-1

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Suzhou Industrial Park Co., Ltd	Share limited company	Permitted businesses: None. General businesses: industrial investments, storage investment consults. Self-operation and proxy of import and export businesses of other commodities (steel productions, plywood and wood import operation rights are approved) except 16 export commodities jointly operated under national unities and 14 import commodities under national appovements; undertake Sino-foreign joint venture operations and production cooperation; develop domestic trading with '3 imports and 1 compensation'.	Jianhua Du	13000ten-thousand dollars	16th floor 1st building, Zhiye Business Plaza, Industrial Park, Suzhou	13478843-8
Shanghai FPL New Material Co., Ltd	Share limited company (non-listed)	Technology development , consults, technology transfer and services in energy-saving material field, decoration constructions, anti-corrosion insulation engineering; sales of construction materials, mechanical and electrical equipment, chemical products (excluding dangerous chemical products, supervisory chemicals, auto parts; fireworks, civil explosive and precursor chemicals), auto parts; imports and exports of commodities and technologies; exports processing heat preservation materials, adhesive, construction materials and relevant supportive products. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Weihong Wang	2,041	Rm. 302,building 1, Tianshan Road, Changnign District, Shanghai	69882059-5
Jiangsu Xinguanglian Technology Co., Ltd	Share limited company	Photoelectric researches, consults and services; self-operating and proxy of imports and exports of all kinds of commodities and technologies (excluding commodities and technologies prohibited by the nation to import or export); peripheral storage devices and components, digital learning machines and the accessories; production and sales of electronic and optoelectronic devices; sales of paper products; photoelectric instruments packages; ordinary freight transports; replication of read-only discs; mechanical equipment leases(excluding finance leases); retail and wholesale of prepackaged food. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Weihong Wang	31,500	18 TuanjieNorth Road, Economic development zone, Wuxi	13479682-5
Jiangsu Phoenix Property Investment Co., Ltd	Share limited company (listed)	Property investments, industrial investments, house leases, property management. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Haiyan Chen	74,060	6th Floor, Phoenix international Building, Zhongyang Road 389, Nanjing	10436303-3

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Southern Fund Management Co., Ltd	Limited liability company	Fund raising and sales, asset management, and other businesses approved by SEC.	Wanshan Wu	30,000	The 31st, 32nd and 33rd floor of Duty-free business building, Fuhua 1st Road 6, Futian District, Shenzhen	27953313-7
Huatai United Securities Co., Ltd	Limited liability company	Underwriting of securities and sponsor businesses (excluding government bonds, debt financing instruments for non-financial corporates and finance bond underwritings); financial advices relevant to security transactions or security investments; other businesses approved by SEC.	Xiaodong Wu	100,000	5th floor (01A、02、03、04)、17A、18A、24A、25A、26A) of CTS building, Central Square, Futian District, Shenzhen	27943491-3
Jiangsu Equity Exchange Centre Co., Ltd	Limited Company	Permitted businesses: None. General businesses: offering sites, properties and services for the improvement of raising and listing, registers, hosting, transactions, financing, settlements, transfers, dividend payments and pledges of the shareholdings, bonds, assets and relevant financial derivatives in non-listed companies, organise and supervise market transactions, issue market information, proxy of transaction services of listed products in the transaction market, offer consultant service to the market participants.	Jian Jiang	20,000	The 11th floor, Lushan Road 188, Nanjing	07274120-3

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Shagang Group Co., Ltd	Limited company (controlled by natural person)	Iron and steel smelting, steel rolling, metal rolling equipment accessories, production of refractory products, metal frameworks and its components, acquisition and process of wasted iron and steel, sales of the products of the company. (If the business has specific regulation by the State, the company can operate the business after register the permission). Exports the relevant productions and technologies produced by the company and its member companies; operating the production of the company and its member companies; produce the raw and auxiliary materials for scientific researches, mechanical equipment, accessories and relevant imports of technologies; international trading (except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). Contract to overseas metallurgy and inbound international tenders of projects; imports of equipment and materials needed by the above projects; send labours overseas to implement the above projects. (the projects which need approval under the law shall be operated after the approval of relevant departments).	Wenrong Shen	132,100	Jinfeng County Zhangjiagang	13478927-0
Changjiang Runfa Machinery Co., Ltd	Share limited company (listed, natural person control)	Permitted businesses: None. General businesses: production, processes and sales of lifting moving machines, harbour portal cranes, lift accessories, automobile profiles and the accessories; imports and exports the self-operated or proxy products (except imports or exports of commodities and technologies limited or prohibited by the State).	Xiaqiu Yu	19,800	Zhenshan East Road, Jingang County	71412337-9

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Communications Holding Group Finance Co., Ltd	Limited Company	Operating the following foreign and domestic currency businesses: financing advising, credit verification and relevant consultants and proxies to the member companies; assist member companies to realise the payment and receivements of the transactions; assist member companies to conduct entrusted loans; conduct bill acceptances and discounts to member companies; conduct internal transfers and set-offs of member companies and design appropriate schemes of the internal transfers and set-offs; conduct loans and finance leases for member companies; conduct loans to and from financial institutions; conduct entrusted investments among member companies; underwrites corporate bonds between member companies; investment on priced bonds (except investments in secondary stock market). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Wenyi Du	100,000	3rd and 4th floor, Zhongshan East Road 291, Nanjing	58843422-0
China Orient Asset Management Corporation, Nanjing office	Limited Company (Stated Owned)	Permitted businesses: conduct businesses under the authorisation of head office, in the range approved by the PBC. General businesses: None.	Jiaqin Yu		Hongwu Road 29, Nanjing	72057952-4
Jiangsu Dongxing Properties Co., Ltd	Limited Company	House leases, property management, sales of construction materials, decoration materials and hardware accessories, industry investments and investment consultants. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Chuanbiao Zhao	5,000	Hongwu Road 29, Baixia District, Nanjing	69785904-1
Nanjing Bangxin Hi-tech Micro-credit Co., Ltd	Limited Company	Issuing loans to technology and middle or small size companied, entrepreneurship investments, offering financing guarantees, conduct business proxies of financial institutions, and other businesses approved by the relevant supervisory departments. (The projects which need approval under the law shall be operated after the approval of relevant departments)	Jiaqin Yu	30,000	The 3rd floor of Zhiyuan Building, Tianyuan Middle Road, Jiangning District, Nanjing	58944597-6

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Shanghai Meishan Steel Co., Ltd	Share limited company	Ferrous metal smelting and rolling processes; power productions; sales of self-produced productions, cold rolled products, minerals, steels, hardware, construction materials, instruments and meters and other metallic products; economic information consultants; processes of minerals, mineral-ash, pig iron, billet steel and hot rolled plate; self-operates and proxy of imports and exports of the productions(except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Yongxiang Li	708,143	Zhonghuamen, Yuhuatai District, Nanjing	13487285-9
Suzhou International Development Group Co., Ltd	Limited Company (Stated Owned)	Permitted businesses: None. General Businesses: stated owned assets management under authorisations, domestic businesses, material supplies (except state regulated franchises, and specified approved commodities), offering kinds of consulting services. Capital trust; chattel trust; real estate trust; priced bond trust; other property trust or property right trust; funds' investments as sponsors of the fund investments or fund management corporates; operation of capital restructure, merger and acquisition and financing, corporate wealth management and financial consulting, securities underwriting services approved by relevant department of the State Council, servicing in intermediary, consulting, credit investigations etc., generation custody and safe-deposit box businesses, use fixed assets through due from banks and other institutions, loans to banks and other financial institutions, loans to customers, leases or investments, guarantee for others with fixed assets; loans from and to banks and other financial institutions and other legal businesses or businesses approved by CRBC. (the proportion of foreign capital is lower than 25%).(projects need approvals under the law, shall be operated after the approvals of relevant department)	Jianlin Huang	100,000	East Avenue 101, Suzhou	13775872-8
Suzhou Trust Co., Ltd	Limited company (Sino foreign joint venture)	Capital trust; chattel trust; real estate trust; priced bond trust; other property trust or property right trust; funds' investments as sponsors of the fund investments or fund management corporates; operation of capital restructure, merger and acquisition and financing, corporate wealth management and financial consulting, securities underwriting services approved by relevant department of the State Council, servicing in intermediary, consulting, credit investigations etc., generation custody and safe-deposit box businesses, use fixed assets through due from banks and other institutions, loans to banks and other financial institutions, loans to customers, leases or investments, guarantee for others with fixed assets; loans from and to banks and other financial institutions and other legal businesses or businesses approved by CRBC. (the proportion of foreign capital is lower than 25%).(projects need approvals under the law, shall be operated after the approvals of relevant department)	Lijiao Zhu	120,000	Zhuhui Road 383, Canglang District, Suzhou	13770573-0
Suzhou Yingcai Investment Group Co., Ltd	Ownership by the whole people	Major businesses: real estate investment. Simultaneous businesses: construction materials, mantellic materials, chemical raw materials (except dangerous materials), decoration materials, hardware, electric materials, office automation equipment; disposal of confiscated goods (groceries, hardware); house lease and property management. Operation ways: retails, wholesales, purchase or sale as agents.	Jianguan Zhu	18,769	Renmin Road 905, Suzhou	13776444-X

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Soo Chow Securities Co., Ltd	Share limited company (listed)	Securities brokerage; security investment consultant; financial advisors relevant to security transactions or security investments; security underwriting and sponsoring; self-support securities; security asset management; security investment fund sales; offer intermediary businesses for future companies; margin trading; sales of financial products as an agent. (the projects which need approval under the law shall be operated after the approval of relevant departments).	Li Fan	270,000	Xinyang Street 5, Industrial Park , Suzhou	13772051-9
Suzhou Infrastructure Investment Management Co., Ltd	Limited Company	Permitted businesses: None. General businesses: infrastructure project investments	Wenhua Lu	6,000	Renmin Road 905, Suzhou	71680837-1
Zking Property and Casualty Insurance Co., Ltd	Share limited Company	Property damage insurance; liability insurance; credit insurance and guarantee insurance; short-term health insurance; accident insurance; reinsurance of the above businesses; insurance fund uses under the approvals of the China Insurance Regulatory Commissions. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Jian Xu	250,000	Xinglong Avenue 188, Jianye District, Nanjing	68918496-1
Suzhou Guofa SME guarantee investment Co., Ltd.	Limited company	Guarantee for loans, acceptance bills, trading finance and for other financing guarantees; guarantees for the preservation of proceedings, bidding guarantees, prepayment guarantees, engineering performance guarantees, final payment guarantees, and finance consultants relevant to guarantees or agent services like financial advisors, investments by using self-owned funds and other services approved by relevant supervisory department. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Wenjun Min	81,600	Tongjing South Road 800, Canglang District, Suzhou	73441051-9
Suzhou International Development Venture Capital Holding Co., Ltd	Limited Company	Permitted businesses: None. General businesses: venture investments, proxy for other venture investment institutions or personal venture investments, venture investment consultant, offering venture management services to venture companies, participate to launch advisory institutions for venture companies or venture managements; corporate management consultant, financial advisors, merger and acquisition advisors, financing plans, listing plans and other planning for capital operations.	Xiaoyong Chen	50,000	Taihu East Road 290, Suzhou	67489021-4

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Association of Jiangsu Listed Companies	Society	<p>The operation, management, transfer and investment of state owned assets under authorisation of local government, corporate hosting, asset restructures, estate leases, and other approved businesses (businesses with specific regulation are operated by following the regulation). Hotel management; delegate of guest rooms, automobiles, flight, coach and train tickets; delegate of ordering meals and attraction tickets; meeting services; consultant of travel information. Wholesale and retail of prepackaged and bulk food. (operation by verified permissions). (The projects which need approval under the law shall be operated after the approval of relevant departments)</p> <p>Permitted businesses: None. General businesses: operate and manage the local assets of heating power, electric power, develop local electric and heating power resources, power grid investment, development of electric power equipment, energy saving equipment, metallic equipment (excluding precious metal), construction material development and sales, electric, energy and energy saving technologies promotions and consultants, sales of instruments and apparatuses, mechanical and electrical products, energy materials (except patrol), chemical products (except dangerous products), and thermal materials.</p> <p>Development, production and operation of electric and thermal power; wholesale and retail of metallic materials (excluding franchise), and construction materials; promotion of electrical, energy and energy saving technologies, and consulting services, coal transactions.</p>	Hong Zuo		, 18th floor, Huatai Security Building, Zhongshan East Road 90, Nanjing	50918328-4
Yangzhou Yangtze Investment & Development Group Co., Ltd	Limited company (sole proprietorship of legal person) domestic invested		Yuanhao Zhu	68,000	Fengleshang Street 1, Yangzhou	75732337-0
Yangzhou Electric Power Center	State owned		Yuliang Cai	6,000	Wenchang Middle Road 492, Yangzhou	71154951-8
Yangzhou Thermal Power Co., Ltd	State owned		Yuliang Cai	1,800	Wenchang Wet Road, 55, Yangzhou	71410883-0

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Yangzhou Modern Financial Investment Group Co., Ltd	Ownership by the whole people	Invests and manages financial institutions; operates non-security investments and relevant consultants; venture investment management relevant consultants, proxy of other venture investment management services; operation and management of policy funds authorised by the government. (The projects which need approval under the law shall be operated after the approval of relevant departments)	Yuanhao Zhu	60,000	17th floor, Qionghua Building, Pifang Street 3, Yangzhou	59693961-6
Yangzhou Venture Capital Co., Ltd	State owned	Venture investments, proxy for other venture investment institutions or personal venture investments, venture investment consultant, offering venture management services to venture companies, participate to launch advisory institutions for venture companies or venture managements; corporate management consultant, financial advisors, merger and acquisition advisors, financing plans, listing plans and other planning for capital operations.	Rong Xiang	15,500	Rm 19, office building of ICBC Yangzhou Branch, Yangzijaing Middle Road 756, Yangzhou	66175826-5
Jiangsu Rural Credit Union	Collective ownership (Cooperatives)	Permitted businesses: perform the obligation of industrial management to the union members; transfer of funds among members; finance funds for union members in the financial market approved by the PBC; operate capital settlements and clearings for union members; operate other businesses approved by the PBC. General businesses: None.	Chenxi Wang	3,720	Zhognshan South Road 368, Baixia District, Nanjing	73225117-1

As at 31 December 2013, there are 17 companies considered as the Group's related parties due to chairmen or general managers of these corporations are also the key management personnel of the Group (mainly its directors). And other related companies are list below

Currency Unit: RMB ten-thousand

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organization code
Jiangsu Shagang Group Co., Ltd	Limited company (controlled by natural person)	Iron and steel smelting, steel rolling, metal rolling equipment accessories, production of refractory products, metal frameworks and its components, acquisition and process of wasted iron and steel, sales of the products of the company. (If the business has specific regulation by the State, the company can operate the business after register the permission). Exports the relevant productions and technologies produced by the company and its member companies; operating the production of the company and its member companies, produce the raw and auxiliary materials for scientific researches, mechanical equipment, accessories and relevant imports of technologies; international trading (except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). Contract to overseas metallurgy and inbound international tenders of projects; imports of equipment and materials needed by the above projects; send labours overseas to implement the above projects. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Wenrong Shen	132,100	Jinfeng County, Zhangjiagang	13478927-0
Yangzhou Thermal Power Co., Ltd	State owned	Development, production and operation of electric and thermal power; wholesale and retail of metallic material (excluding franchise), and construction materials; promotion of electrical, energy and energy saving technologies, and consulting services, coal transactions.	Yuliang Cai	1,800	Wenchang Wet Road, 55, Yangzhou	71410883-0
Yangzhou Yangtze Investment & Development Group Co., Ltd	Limited company (sole proprietorship of legal person) domestic invested	The operation, management, transfer and investment of state owned assets under authorisation of local government, corporate hosting, asset restructures, estate leases, and other approved businesses (businesses with specific regulation are operated by following the regulation). Hotel management; delegate of guest rooms, automobiles, flight, coach and train tickets; delegate of ordering meals and attraction tickets; meeting services; consultant of travel information. Wholesale and retail of prepackaged and bulk food. (operation by verified permissions) (The projects which need approval under the law shall be operated after the approval of relevant departments)	Yuanhao Zhu	68,000	Fengleshang Street 1, Yangzhou	75732337-0

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organization code
Yangzhou Electric Power Center	State owned	Permitted businesses: None. General businesses: operate and manage the local assets of heating power, electric power, develop local electric and heating power resources, power grid investment, development of electric power equipment, energy saving equipment, metallic equipment (excluding precious metal), construction material development and sales, electric, energy and energy saving technologies promotions and consultants, sales of instruments and apparatuses, mechanical and electrical products, energy materials (except patrol), chemical products (except dangerous products), and thermal materials. Venture investments, proxy for other venture investment institutions or personal venture investments, venture investment consultant, offering venture management services to venture companies, participate to launch advisory institutions for venture companies or venture managements; corporate management consultant, financial advisors, merger and acquisition advisors, financing plans, listing plans and other planning for capital operations.	Yuliang Cai	6,000	Wenchang Middle Road 492, Yangzhou	71154951-8
Yangzhou Venture Capital Co., Ltd	State owned		Rong Xiang	15,500	Rm 19, office building of ICBC Yangzhou Branch, Yangzijaing Middle Road 756, Yangzhou	66175826-5
Yangzhou Modern Financial Investment Group Co., Ltd	Ownership by the whole people	Invests and manages financial institutions; operates non-security investments and relevant consultants; venture investments and relevant consultants, proxy of other venture investment management services; operation and management of policy funds authorised by the government. (The projects which need approval under the law shall be operated after the approval of relevant departments)	Yuanhao Zhu	60,000	17th floor, Qionghua Building, Pifang Street 3, Yangzhou	59693961-6
Changjiang Runfa Machinery Co., Ltd	Share limited company (listed, natural person control)	Permitted businesses: None. General businesses: production, processes and sales of lifting moving machines, harbour portal cranes, lift accessories, automobile profiles and the accessories; imports and exports the self-operated or proxy products (except imports or exports of commodities and technologies limited or prohibited by the State).	Xiaqiu Yu	19,800	Zhenshan East Road, Jingang County	71412337-9

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organization code
Changzhou Hi-tech Group Co., Ltd	State Owned	State owned assets operation, assets management (except financial industries), investment consultant(except security and future investment consultant), self-owned house leasing services, sales of industrial production materials, construction materials and decoration materials (The projects which need approval under the law shall be operated after the approval of relevant departments) . Production and processing of knitwear and textile, cotton acquisition, processing and sales; self-operate or proxy of commodities and technology imports and exports (commodities and technologies limited and prohibited by the State are excepted); sales of construction materials, decoration materials, groceries (except fireworks), hardware and electrics, chemical products (except dangerous products) and textile etc. (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Liwei Jin	100,500	Building6, Hi-tech Park, Xinbei District, Changzhou	13717195-1
Black Peony (Group) Co., Ltd	Share Limited Company (listed)		Yafang Ge	79552.27	Jiyang North Road 47, Changzhou	13718760-3
Changzhou State-owned Assets Investment & Operation Co., Ltd	State owned	State owned assets operation, assets management (except financial industries), investment consultant (except security and future investment consultant) (the projects which need improvements under the law shall be operated after the improvements of relevant departments).	Li Wang	25000	Building6, Hi-tech Park, Xinbei District, Changzhou	13720383-7
China Orient Asset Management Corporation, Nanjing office	Limited Company (Stated Owned))	Permitted businesses: conduct businesses under the authorisation of head office, in the range approved by the PBC. General businesses: None.	Jiaqin Yu		Hongwu Road 29, Nanjing	72057952-4
Nanjing Bangxin Hi-tech Micro-credit Co., Ltd	Limited Company	Issuing loans to technology and middle or small size companied, entrepreneurship investments, offering financing guarantees, conduct business proxies of financial institutions, and other businesses approved by the relevant supervisory departments. (The projects which need approval under the law shall be operated after the approval of relevant departments)	Jiaqin Yu	30,000	The 3rd floor of Zhiyuan Building, Tianyuan Middle Road 118, Jiangning District, Nanjing	58944597-6

Major businesses

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organization code
Jiangsu Dongxing Properties Co., Ltd	Limited Company	House leases, property management, sales of construction materials, decoration materials and hardware accessories, industry investments and investment consultants. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Chuanbiao Zhao	5,000	Hongwu Road 29, Baixia District, Nanjing	69785904-1
Shanghai Meishan Steel Co., Ltd	Share limited company	Ferrous metal smelting and rolling processes; power productions; sales of self-produced productions, cold rolled products, minerals, steels, hardware, construction materials, instruments and meters and other metallic products; economic information consultants; processes of minerals, mineral-ash, pig iron, billet steel and hot rolled plate; self-operates and proxy of imports and exports of the productions(except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Yongxiang Li	708,143	Zhonghuamen, Yuhuatai District, Nanjing	13487285-9
Southern Fund Management Co., Ltd	Limited liability company	Fund raising and sales, asset management, and other businesses approved by SEC.	Wanshan Wu	30,000	The 31st, 32nd and 33rd floor of Duty-free business building, Fuhua 1st Road 6, Futian District, Shenzhen	27953313-7
Huatai United Security Co., Ltd	Limited liability company	Underwriting of securities and sponsor businesses (excluding government bonds, debt financing instruments for non-financial corporates and finance bond underwritings); financial advices relevant to security transactions or security investments; other businesses approved by SEC.	Xiaodong Wu	100,000	5th floor (01A、02、03、04)、17A、18A、24A、25A、26A) of CTS building, Central Square, Futian District, Shenzhen	27943491-3
Jiangsu Equity Exchange Centre Co., Ltd	Limited Company	Permitted businesses: None. General businesses: offering sites, properties and services for the approval of raising and listing, registers, hosting, transactions, financing, settlements, transfers, dividend payments and pledges of the shareholdings, bonds, assets and relevant financial derivatives in non-listed companies, organise and supervise market transactions, issue market information, proxy of transaction services of listed products in the transaction market, offer consultant service to the market participants.	Jian Jiang	20,000	The 11th floor, Lushan Road 188, Nanjing	07274120-3

2. Related parties transactions and balance

The transactions carried out with the Group's related parties are conducted in the normal course of business. These transactions include absorbing deposits and offering loans. The transactions which are carried out with the aforementioned authorities are conducted in the normal course of business, with prices based on normal transaction prices and under normal commercial terms.

2.1 Transactions with shareholders holding 5% share or more of the Bank and their related enterprises:

(1) Balance of loans and advances

Related party	31 December 2014	31 December 2013
Wuxi Construction and Development Investment Co., Ltd	1,312,569	921,981
Proportion in same kind	0.27%	0.22%
Interest rate range	6.15%~6.8775%	5.94%~7.83%

(2) Interest income from loans and advances

Related party	2014	2013
Wuxi Construction and Development Investment Co., Ltd	92,562	79,671
Total	92,562	79,671

(3) Balance of held-for-maturity investments

Related party	31 December 2014	31 December 2013
Jiangsu Phoenix Publishing & Media Group Co., Ltd		80,000
Proportion in same kind		0.20%
Interest rate range		5.40%

NB: the second mid-term security of Jiangsu Phoenix Publishing & Media Group Co., Ltd in 2009 is held from 31 December 2011 to 15 December 2014, with the abbreviation of 09 Feng Media MTN2, with a value of RMB 80,000 thousand.

(4) Interest income from held-to-maturity investments

Related party	2014	2013
Jiangsu Phoenix Publishing & Media Group Co., Ltd	4,119	4,320
Total	4,119	4,320

(5) Balance of investments on receivables

Related party	31 December 2014	31 December 2013
Jiangsu International Trust Co., Ltd	8,827,300	100,000
Huatai Securities Co., Ltd	850,000	50,000
Total	9,677,300	150,000
Proportion in same kind	5.42%	0.50%
Interest rate range	4.83%~8.68%	7.22%~8.2%

(6) Interest income from receivables

Related party	2014	2013
Jiangsu International Trust Co., Ltd	194,283	296
Huatai Securities Co., Ltd	45,495	90
Total	239,778	386

(7) Balance of deposits from banks and other financial institutions

Related party	31 December 2014	31 December 2013
Jiangsu International Trust Co., Ltd	981,529	630,081
Huatai Securities Co., Ltd	2,780	1,328
Total	984,309	631,409
Proportion in same kind	0.48%	0.98%
Interest rate range	0.1%~6.00%	0.385%~6.98%

(8) Interest expenses on deposit from banks and other financial institutions

Related party	2014	2013
Jiangsu International Trust Co., Ltd	23,697	412
Huatai Securities Co., Ltd	21	71
Total	23,718	483

(9) Balance of related parties' deposits

Related party	31 December 2014	31 December 2013
Wuxi Construction and Development Investment Co., Ltd	1,847,904	2,479,473
Huatai Securities Co., Ltd	22,598	
Total	1,870,502	2,479,473
Proportion in same kind	0.27%	0.42%
Interest rate range	0.385%~1.71%	0.36%~2.86%

(10) Interest expense from related parties' deposits

Related party	2014	2013
Wuxi Construction and Development Investment Co., Ltd	26,152	19,393
Total	26,152	19,393

(11) Trust services business

Trust service business for Jiangsu International Trust Co., Ltd

Item	31 December 2014	31 December 2013
Trust agent and promotion business		590,580
Trust plan, paying and collecting agent business		750,000
Trust plan and custody business	3,450,000	9,071,820
Direct investment structured financing channel service		1,650,000
Total	3,450,000	12,062,400

Trust service business for Huatai Securities Co., Ltd

Item	31 December 2014	31 December 2013
Trust agent and promotion business	50,000	
Total	50,000	

(12) Commission income from trust services

Related party	2014	2013
Jiangsu International Trust Co., Ltd	1,242	17,341
Huatai Securities Co., Ltd	200	
Total	1,442	17,341

2.2 Transactions with key management people

Transactions	2014	2013
Remuneration paid to key management personnel	28,654	29,687

2.3 Transactions with other related parties

Categories	31 December 2014	31 December 2013
Loans and advances to customers	587,100	
Discount assets	202,061	
Due to customers	1,095,988	179,402
Bond investment	500,000	500,000
Investment on receivables (trusts and asset management plans)	300,000	
Acceptances	200,000	
Trust plan custodies	2,963,230	
Structured financing guarantee businesses		
Agent promotion fund trust plans	698,410	
Credit asset transfers	489,630	274,886

Interest rate range	2014	2013
Loans and advances to customers	5.6%-7.2%	
Discount assets	4.1%-4.11%	
Bond investment	6.28%	6.28%
Investment on receivables (trusts and asset management plans)	8.50%	
Bank acceptances commission rate	0.50%	
Due to customers	0.385%-3.08%	0.36%~2.86%
Intermediation (commission rate)	0.3047%-1.20%	

Income	2014	2013
Interest income of Loans and advances to customers	57,494	
Interest income of discount assets	4,965	
Interest income of bonds	31,400	31,400
Investment on receivables (trusts and asset management plans)	24,486	
Bank acceptances commissions	100	
Interest expenses of due to customers	5,481	196
Intermediation income	9,974	

XIV. Risk Management

Summary of Risk Management of Financial Instrument

1. Major financial risks

The major financial instrument risks of the Group during operation are credit risk, liquidity risk and market risk, the market risk is including interest rate risk, exchange rate risk and other pricing risks.

2. Target of Financial Risk Management

The target of financial risk management of the Group is in the acceptable range of risks, to optimize capital distribution and to maximize shareholders' equity, on the premise of the requirement of steady operating with satisfying supervisory departments, customers and other stakeholders.

3. Framework of Financial Risk Management

The Board of Directors are responsible for constructing the overall risk preference, make deliberation and approval of target and strategies of the risk management of the Group, and undertake the final obligation of the monitoring to financial risk management.

The senior managers are responsible for the whole risk management, and need to manage all aspects of the risks, including implementing the risk management strategies, measures and credit policies. They are also responsible for approving internal systems, measures and proceeds. The relevant departments such as risk management department and the accounting department are responsible for managing the financial risks.

The Group manages the risks of branches through directly report from branches to the risk management department, monitors the business departments by setting up risk management teams in business departments to supervise the risks of business lines, and will appoint several members in the board or risk committee to supervise risk management of subsidiaries.

1. Credit Risks

Credit risks refer to the risks where borrowers or trading counterparties cannot perform their obligations in accordance with agreements reached in advance. Under the plan of internal control and risk management committee, through the collaboration of the head office, other branches and sub-branches, the Group formed the whole procedure in before investigation, loan verification, post loan supervision, assets recovery and preservation. Meanwhile, the Group carried out complete oversight of the credit risk control mechanism in internal and external business.

During the reporting period, the Group continued to build and improve the system of credit risk. The Group revised the credit risk management system in several aspects, including the top leader be in charge of the quality of credit assets, communicated with clients, the customer managers full-time and part-time be in charge of assets recovery, monitor and warn before the loan matures. Moreover, strengthen credit risk management and quota management, implement the key monitoring to the key industries, clients and business, implement the quota management to the real estate loan and government financing vehicles, strengthen the quality management of credit assets, strengthen the management of major credit risk issues report, carry out the survey of credit risk and management check of credit basis, strengthen the construction of credit risk control technology, improve the credit business related system function, and promote the clients rating and risk pre-warning of the Group's system construction.

According to the five –grade loans classification issued by CBRC, the Group's credit assets are classified into five categories, which are normal, concerned, secondary concerned, doubtful and losing. The Group applies different management policies to the loans in accordance with their respective loan categories.

Risks arising from financial guarantees and contingent liabilities are similar to those associated with loans and advances. Transactions of financial guarantees and contingent liabilities are, therefore, subject to the same portfolio management and the same requirements for application and collateral as loans and advances to customers.

1.1 Maximum credit risk exposure

Without considering the available collaterals or other credit enhancements, the amount of maximum credit risk exposure at the balance sheet date means the book value is set after deducting impairment provisions from book balance of financial assets. Amount of maximum credit risk exposure of the Group are listed as follows:

Item	The Group	
	31 December, 2014	31 December, 2013
Cash and balances at central banks	130,080,765	123,733,250
Due from banks and other financial institutions	92,550,450	70,429,333
Funds lent to banks and other financial institutions	8,595,168	6,505,595
Financial assets designated at fair value through profit and loss	5,513,037	1,642,982
Derivative financial assets	39,502	787
Reverse repurchase agreements and other similar secured lending	49,933,917	62,840,457
Interest receivables	6,017,740	3,422,388
Loans and advances to customers	453,816,201	381,257,264
Available-for-sale financial assets(excluding share investment)	8,778,031	10,735,288
Held-to-maturity investments	74,844,513	40,020,539
Investment on receivables	172,311,669	30,226,101
Long-term equity investment		
Other assets	3,645,100	3,048,994
Total on-balance sheet credit risk exposure	1,006,126,093	733,862,978
Financial guarantee and other contingent liability about creditworthiness	81,402,027	79,213,802
Loan commitment and other commitment about creditworthiness	1,330,651	2,268,648
Off-balance sheet credit risk exposure	82,732,678	81,482,450
Total credit exposure	1,088,858,771	815,345,428

Item	The Bank	
	31 December, 2014	31 December, 2013
Cash and balances at central banks	130,016,450	123,677,344
Due from banks and other financial institutions	92,949,612	70,938,605
Funds lent to banks and other financial institutions	8,595,168	6,505,595
Financial assets designated at fair value through profit and loss	5,513,037	1,642,982
Derivative financial assets	39,502	787
Reverse repurchase agreements and other similar secured lending	49,933,917	62,840,457
Interest receivables	6,013,140	3,417,997
Loans and advances to customers	452,791,134	380,157,866
Available-for-sale financial assets(excluding share investment)	8,778,031	10,735,288
Held-to-maturity investments	74,844,513	40,020,539
Investment on receivables	172,311,669	30,226,101
Long-term equity investment		
Other assets	3,630,528	3,038,304
Total on-balance sheet credit risk exposure	1,005,416,701	733,201,865
Financial guarantee and other contingent liability about creditworthiness	81,402,027	79,213,802
Loan commitment and other commitment about creditworthiness	1,330,651	2,268,648
Off-balance sheet credit risk exposure	82,732,678	81,482,450
Total credit exposure	1,088,149,379	814,684,315

1.2 Risk concentration of the maximum exposure to credit risk

When a certain amount of clients is concentrated on the same operating activity, geographic location or have comparable economic characteristics on industry, the capacity of the client to fulfill the contracts that will be affected by the same economic change. The concentration degree of the credit risks reveals the sensitivity of the Group's achievements to the specific trade or geographic area. Please refers to NOTE IX.8 for an analysis of loans and advances by industry, characteristic, loans portfolio and concentration of geographical region.

1.3 Collateral and other credit enhancements

The amount and type of collateral required are determined by the Group based on its assessment of the credit risk of the counterparty.

The main types of collateral obtained are as follows:

- For reverse repurchase transactions, mainly bills, beneficial right of trust, or securities
- For commercial lending, mainly charges over real estate properties, inventories, shares or trade receivables
- For retail lending, mainly mortgages over residential properties.

Managers will monitor the market value of collateral, requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the provision for impairment losses.

1.4 Credit quality

(1) The situations of the credit quality of the credit risk in financial assets are as follows:

Item	The Group				
	31 December, 2014				
	Neither past due nor impaired	Past due but not impaired	Impaired financial assets (NB)	Provisions	Total
Due from banks and other financial institutions	92,550,450				92,550,450
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	39,502				39,502
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	6,016,989	751			6,017,740
Loans and advances to customers	475,861,287	6,298,830	6,351,728	-13,148,296	475,363,549
Available-for-sale financial assets(excluding share investment)	8,778,031				8,778,031
Fixed maturity investments	74,844,513				74,844,513
Investment on receivables	172,461,392			-149,723	172,311,669
Long-term equity investment					
Other assets	3,764,833		11,816	-119,733	3,656,916
Total	898,359,119	6,299,581	6,363,544	-13,417,752	897,604,492

Item	The Group				
	31 December, 2013				
	Neither past due nor impaired	Past due but not impaired	Impaired financial assets (NB)	Provisions	Total
Due from banks and other financial institutions	70,429,333				70,429,333
Funds lent to banks and other financial institutions	6,505,595				6,505,595
Financial assets designated at fair value through profit and loss	1,642,982				1,642,982
Derivative financial assets	787				787
Reverse repurchase agreements and other similar secured lending	62,840,457				62,840,457
Interest receivables	3,422,114	274			3,422,388
Loans and advances to customers	403,658,891	3,308,968	4,722,750	-10,617,342	401,073,267
Available-for-sale financial assets(excluding share investment)	10,735,288				10,735,288
Fixed maturity investments	40,020,539				40,020,539
Investment on receivables	30,226,101				30,226,101
Long-term equity investment					-
Other assets	3,019,157		122,457	-93,407	3,048,207
Total	632,501,244	3,309,242	4,845,207	-10,710,749	629,944,944

Item	The Bank				
	31 December, 2014				
	Neither past due nor impaired	Past due but not impaired	Impaired financial assets (NB)	Provisions	Total
Due from banks and other financial institutions	92,949,612				92,949,612
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	39,502				39,502
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	6,013,140				6,013,140
Loans and advances to customers	474,880,132	6,239,015	6,320,121	-13,100,786	474,338,482
Available-for-sale financial assets(excluding share investment)	8,778,031				8,778,031
Fixed maturity investments	74,844,513				74,844,513
Investment on receivables	172,461,392	0		-149,723	172,311,669
Long-term equity investment	73,800				73,800
Other assets	3,750,261		11,816	-119,733	3,642,344
Total	897,832,505	6,239,015	6,331,937	-13,370,242	897,032,215

Item	The Bank				
	31 December, 2013				
	Neither past due nor impaired	Past due but not impaired	Impaired financial assets (NB)	Provisions	Total
Due from banks and other financial institutions	70,938,605				70,938,605
Funds lent to banks and other financial institutions	6,505,595				6,505,595
Financial assets designated at fair value through profit and loss	1,642,982				1,642,982
Derivative financial assets	787				787
Reverse repurchase agreements and other similar secured lending	62,840,457				62,840,457
Interest receivables	3,417,997				3,417,997
Loans and advances to customers	402,536,294	3,303,968	4,722,750	-10,589,143	399,973,869
Available-for-sale financial assets(excluding share investment)	10,735,288				10,735,288
Fixed maturity investments	40,020,539				40,020,539
Investment on receivables	30,226,101				30,226,101
Other assets	3,008,467		122,457	-93,407	3,037,517
Total	631,873,112	3,303,968	4,845,207	-10,682,550	629,339,737

NB: Impaired financial assets were actual depreciated financial assets as confirmed by the individual assessment.

(2) Loans and Advances to customers

1) Neither past due nor impaired loans and advances

Item	The Group			
	31 December, 2014		31 December, 2013	
	Corporate loans and advances	Personal loans	Corporate loans and advances	Personal loans
Normal	397,968,783	73,235,304	338,207,491	59,672,199
Concerned	4,626,722	30,478	5,602,025	177,176
Total	402,595,505	73,265,782	343,809,516	59,849,375

Item	The Bank			
	31 December, 2014		31 December, 2013	
	Corporate loans and advances	Personal loans	Corporate loans and advances	Personal loans
Normal	397,074,937	73,154,887	337,206,091	59,551,002
Concerned	4,619,922	30,386	5,602,025	177,176
Total	401,694,859	73,185,273	342,808,116	59,728,178

2) Past due but not impaired loans and advances

The Group

31 December, 2014			
Expires	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (included) days	2,978,105	244,467	3,222,572
Overdue more than 90 days	3,047,711	28,547	3,076,258
Total	6,025,816	273,014	6,298,830

31 December, 2013			
Expires	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (included) days	1,975,511	126,766	2,102,277
Overdue more than 90 days	1,206,691	0	1,206,691
Total	3,182,202	126,766	3,308,968

The Bank

31 December, 2014			
Expires	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (included) days	2,941,416	239,684	3,181,100
Overdue more than 90 days	3,029,368	28,547	3,057,915
Total	5,970,784	268,231	6,239,015

31 December, 2013			
Expires	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (included) days	1,970,511	126,766	2,097,277
Overdue more than 90 days	1,206,691		1,206,691
Total	3,177,202	126,766	3,303,968

The Group believes that the above overdue loans can be repaid through operation by the creditors, compensations by guarantors or disposal of collaterals etc., hence they are temporarily overdue and the Group has not recognise the loans and advances as impaired loans.

3) Impaired loans and advances

Impaired loans and advances are defined as those loans and advances having with objective evidence of impairment as a result of one or more events that occur after initial recognition, resulting in an impact on the estimated future cash flows of loans and advances that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and the situation where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Item	The Group	
	31 December 2014	31 December 2013
Unsecured loan	167,673	93,272
Guaranteed loan	3,327,894	2,600,474
Secured by mortgages loan	2,446,227	1,970,170
Secured by monetary assets loan	409,934	58,834
Total	6,351,728	4,722,750

Item	The Bank	
	31 December 2014	31 December 2013
Unsecured loan	167,673	93,272
Guaranteed loan	3,296,287	2,600,474
Secured by mortgages loan	2,446,227	1,970,170
Secured by monetary assets loan	409,934	58,834
Total	6,320,121	4,722,750

4) Collateral Value

Item	The Group and the Bank	
	31 December 2014	31 December 2013
Fair value of collaterals of Past due but not impaired loans and advances	7,950,425	2,641,813
Fair value of collaterals of impaired loans and advances	4,506,241	4,378,866

5) The Restructured Loans

Item	The Group	
	31 December 2014	31 December 2013
Restructured loans and advances to customers	175,473	31,670
Including impaired loans and advances to customers	136,771	

Item	The Bank	
	31 December 2014	31 December 2013
Restructured loans and advances to customers	175,473	31,670
Including impaired loans and advances to customers	136,771	

(3) Credit Quality of Bonds and Investments on Receivables

1) At the balance sheet date, analysis on credit quality of bonds investment and investment on receivables are presented as follows:

Items	The Group and the Bank	
	31 December 2014	31 December 2013
Government bonds	30,576,777	8,474,778
Financial bonds	34,703,586	27,544,350
Interbank certificate of deposit	4,454,366	
Corporate bonds	17,595,287	17,656,770
Investments in wealth management products	77,819,260	10,652,280
Subordinated bonds	1,579,880	1,349,878
Local government bonds	2,089,799	499,775
Asset supportive securities	1,358,743	
Other investments	91,419,275	16,447,079
Total	261,596,973	82,624,910

NB: The impairment provision is included.

2) As at balance sheet date, the rating analysis of the credit quality of bonds and receivables on investment classified by sponsors is presented as following:

The Group and the Bank:

31 December 2014						
Sponsors	Unrated	AAA	AA	A	Below A	Total
The government	32,666,576					32,666,576
Policy banks	28,269,009					28,269,009
Financial institutions	106,431,454	7,243,445	4,262,814	198,242		118,135,955
Corporates	65,207,020	10,337,268	6,734,758	196,156	50,231	82,525,433
Total	232,574,059	17,580,713	10,997,572	394,398	50,231	261,596,973

31 December 2013						
Sponsors	Unrated	AAA	AA	A	Below A	Total
The government	8,974,553					8,974,553
Policy banks	20,633,549					20,633,549
Financial institutions		6,180,681	212,372	445,515		6,838,568
Corporates	28,827,929	9,790,955	7,319,953	190,038	49,365	46,178,240
Total	58,436,031	15,971,636	7,532,325	635,553	49,365	82,624,910

2. Market Risks

Market risk is the risk of loss that is caused by adverse movements in fair value of the Group's financial instruments and future cash flows arising from adverse movements in market variables observed such as exchange rate, interest rate, commodity price, and stock price. The principal market risk faced by the Group comes from interest rate and the position of exchange rate products. The target of market risk management is to avoid uncontrollable loss of revenue or equity caused by market risk, and to offset the impact of volatility risk of financial instruments on the Group.

The Board of Directors of the Group is responsible for managing overall market risks including the approval of strategy, procedure, quantitative standard, risk limits, etc. The senior management is responsible for formulating, periodic inspecting and supervising the implementation of risk management policies, procedures and detailed operating procedures.

The management model adopted by the Group in market risk is "Centralized and unified management, hierarchical authorization implementation". The market risk management policy, authorization management and market risk limit scheme are under the unified establishment by the Group. Risk Management Department is the top management department that in charge of the market risk for the Group. It is responsible for managing works related to market risk, controlling activity compliances in relation to market risk and risk limit at medium length, reporting and handling unusual market risk and the violation of rules to supervise and manage market risk, and submitting to the Board of Directors and senior management the market risk report periodically. The Financial Market Department, Financial Interbank Department and Investment Bank

Department are the major executive departments for risk management and they are responsible for on-the-counter capital deals according to market risk management methods and market risk limit approved by the Group.

The Group manages capital through trading account and bank account. Financial instruments available for free transaction and hold for the purpose of transactions of for risk evasion incurred by trading accounts or other items are accounted into trading account with others accounted into bank accounts.

The Group through the three categories, business limits, stop-loss limits and risk limits, overall monitored and managed the market risk of RMB and foreign exchange derivative business. The design covered the pressure test plan of all the assets' market risk factors in trading account and bank account. After the examination and approval procedures, the Group carried out the pressure test work of the two accounts quarterly.

In the opinion of management, as the market risk of the Group's trading business activities is not material, the Group has not separately disclosed quantitative information about exposure to market risk arising from the trading portfolio.

2.1 Interest rate risk

本The Group's interest rate exposures comprise primarily those arising from mismatches in durations and structures of assets and liabilities in its banking operations and from positions undertaken for trading purposes.

The Group manages its interest rate risk by adjusting the composition of assets and liabilities, monitoring indicators such as the interest rate sensitivity gap on a regular basis and measuring risk exposure in accordance with the re-pricing characteristics of assets and liabilities. The Asset and Liability Management Committee meets regularly and manages interest rate risk exposures by adjusting the composition of the assets and liabilities in accordance with movement in market interest rates.

(1) The Group

As at 31 December 2014, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2014	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance with central banks	128,369,465				3,685,081	132,054,546
Due from banks and other financial institutions	76,643,282	15,657,168	250,000			92,550,450
Funds lent to banks and other financial institutions	5,603,608	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss	2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending	45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances to customers	105,284,270	368,791,011	843,226	445,042		475,363,549
Available-for-sale financial assets	19,986	3,163,734	3,997,748	1,596,563	47,840	8,825,871
Fixed maturity investments	1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables	51,293,710	96,654,592	22,983,687	1,379,680		172,311,669
Long-term equity investment						
Property, plant and equipment					4,929,161	4,929,161
Other assets					13,387,169	13,387,169
Total assets	416,823,216	494,595,071	75,917,805	28,923,707	22,049,251	1,038,309,050
Due to customers	408,530,797	190,419,013	82,347,519			681,297,329
Borrowing from the central banks	5,050,000					5,050,000
Repurchase agreements and other similar secured borrowing	40,598,155	247,306				40,845,461
Due to banks and other financial institutions	98,154,153	99,492,049	7,673,333			205,319,535
Loans and advances From banks	1,921,553	321,772				2,243,325
Bond payables	4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities					18,509,521	18,509,521
Total liabilities	559,233,451	290,480,140	99,020,852	15,000,000	18,509,521	982,243,964
Interest rate risk gap	-142,410,235	204,114,931	-23,103,047	13,923,707	N/A	N/A

As at 31 December 2013, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2013	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance with central banks	122,225,499				3,793,922	126,019,421
Due from banks and other financial institutions	56,885,843	12,319,490	1,224,000			70,429,333
Funds lent to banks and other financial institutions	3,205,595	3,300,000				6,505,595
Financial assets designated at fair value through profit and loss	199,740	649,499	98,396	695,347		1,642,982
Reverse repurchase agreements and other similar secured lending	45,095,840	15,544,617	2,200,000			62,840,457
Loans and advances to customers	95,023,683	304,469,847	1,029,034	550,703		401,073,267
Available-for-sale financial assets		2,407,611	5,324,985	3,002,692	46,328	10,781,616
Fixed maturity investments	1,397,925	3,118,109	26,225,426	9,279,079		40,020,539
Investment on receivables	5,200,605	14,588,759	9,086,859	1,349,878		30,226,101
Long-term equity investment						
Property, plant and equipment					4,585,090	4,585,090
Other assets					9,527,772	9,527,772
Total assets	329,234,730	356,397,932	45,188,700	14,877,699	17,953,112	763,652,173
Due to customers	270,627,993	255,460,358	58,575,400	11,890,173		596,553,924
Borrowing from the central banks	100,000					100,000
Repurchase agreements and other similar secured borrowing	28,061,379	471,456				28,532,835
Due to banks and other financial institutions	47,864,379	12,977,306	3,423,000			64,264,685
Loans and advances From banks	6,565,748	130,000				6,695,748
Bond payables				5,000,000		5,000,000
Other liabilities					14,609,853	14,609,853
Total liabilities	353,219,499	269,039,120	61,998,400	16,890,173	14,609,853	715,757,045
Interest rate risk gap	-23,984,769	87,358,812	-16,809,700	-2,012,474	N/A	N/A

(2) The Bank

As at 31 December 2014, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2014	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance with central banks	128,305,150				3,682,143	131,987,293
Due from banks and other financial institutions	77,042,444	15,657,168	250,000			92,949,612
Funds lent to banks and other financial institutions	5,603,608	2,991,560	0			8,595,168
Financial assets designated at fair value through profit and loss	2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending	45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances to customers	105,085,764	367,964,450	843,226	445,042		474,338,482
Available-for-sale financial assets	19,986	3,163,734	3,997,748	1,596,563	47,840	8,825,871
Fixed maturity investments	1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables	51,293,710	96,654,592	22,983,687	1,379,680		172,311,669
Long-term equity investment					73,800	73,800
Property, plant and equipment					4,926,181	4,926,181
Other assets					13,370,977	13,370,977
Total assets	416,959,557	493,768,510	75,917,805	28,923,707	22,100,941	1,037,670,520
Due to customers	408,324,041	190,245,029	82,257,889			680,826,959
Borrowing from the central banks	5,000,000					5,000,000
Repurchase agreements and other similar secured borrowing	40,598,155	247,306				40,845,461
Due to banks and other financial institutions	98,201,374	99,492,049	7,673,333			205,366,756
Loans and advances From banks	1,921,553	321,772				2,243,325
Bond payables	4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities					18,490,472	18,490,472
Total liabilities	559,023,916	290,306,156	98,931,222	15,000,000	18,490,472	981,751,766
Interest rate risk gap	-142,064,359	203,462,354	-23,013,417	13,923,707	N/A	N/A

As at 31 December 2013, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2013	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance with central banks	122,169,593				3,792,038	125,961,631
Due from banks and other financial institutions	57,395,115	12,319,490	1,224,000			70,938,605
Funds lent to banks and other financial institutions	3,205,595	3,300,000				6,505,595
Financial assets designated at fair value through profit and loss	199,740	649,499	98,396	695,347		1,642,982
Reverse repurchase agreements and other similar secured lending	45,095,840	15,544,617	2,200,000			62,840,457
Loans and advances to customers	94,858,787	303,535,345	1,029,034	550,703		399,973,869
Available-for-sale financial assets		2,407,611	5,324,985	3,002,692	46,328	10,781,616
Fixed maturity investments	1,397,925	3,118,109	26,225,426	9,279,079		40,020,539
Investment on receivables	5,200,605	14,588,759	9,086,859	1,349,878		30,226,101
Long-term equity investment					73,800	73,800
Property, plant and equipment					4,582,647	4,582,647
Other assets					9,515,133	9,515,133
Total assets	329,523,200	355,463,430	45,188,700	14,877,699	18,009,946	763,062,975
Due to customers	270,493,987	255,325,914	58,485,526	11,890,173		596,195,600
Borrowing from the central banks						
Repurchase agreements and other similar secured borrowing	28,061,379	471,456				28,532,835
Due to banks and other financial institutions	47,900,457	12,977,306	3,423,000			64,300,763
Loans and advances From banks	6,565,748	130,000				6,695,748
Bond payables				5,000,000		5,000,000
Other liabilities					14,592,204	14,592,204
Total liabilities	353,021,571	268,904,676	61,908,526	16,890,173	14,592,204	715,317,150
Interest rate risk gap	-23,498,371	86,558,754	-16,719,826	-2,012,474	N/A	N/A

NB1 The remaining days to expire date of the financial assets designated at fair value through profit and loss in the investment is not the intended held till that date by the Group.

Interest rate risk in banking operations is inherent in many business segments of the Group, and arises from factors such as differences in timing between contractual maturities or re-pricing of assets and liabilities. Similar risk in trading positions arises mainly from investment portfolio undertaken by treasury operation. Because those trading positions quantities are extremely small, this kind of interest rate risk is insignificant to the Group.

The Group regularly monitors such interest rate risk positions and it regularly performs interest rate sensitivity analysis on these interest rate positions for the purpose of measuring and managing the risk in order to limit potential negative effects of movements in interest rate on net interest income, maintain stable growth in net

interest income. With regard to trading positions, the Group will measure at fair value through profit or loss to reflect an actual profit and loss situation.

As the reference interest rates for RMB deposits and loans are determined by the PBC, the Group follows the interest rates set by the PBC when carrying out loaning and depositing activities. The Group's financial assets and liabilities are all denominated in RMB.

The following lists the results of gap analysis on financial assets and liabilities (except to financial assets and liabilities at fair value through profit or loss) by each 31 December 2014, 31 December 2013 and 31 December 2012:

Item	The Bank			
	31 December 2014		31 December 2013	
Change interest rate of basic point	Increase 200bp	Decrease 200bp	Increase 200bp	Decrease 200bp
Changing of interest rate cause net interest income increase or decrease	412,595	-412,595	228,563	-228,563
Changing of interest rate cause equity increase or decrease	-3,696,128	3,696,128	-1,748,508	1,748,508

The above gap analysis is based on financial assets and liabilities (except to financial assets and liabilities at fair value through profit or loss), expect within one year, changing of interest rate has the effects on net interest income.

The above analysis is based on the following assumptions: all within three months or three months to one year re-pricing or maturity assets and liabilities, which assuming at the relevant middle period to re-pricing or maturity, and the yield curve parallel moving according to the interest rate changes.

Based on the above assumptions, increase or decrease of interest rate may cause the differences between the Group's real net interest income & equity and the results of sensitivity analysis.

2.2 Exchange rate Risks

Foreign exchange risk refers to the fair value of financial instruments or future cash flow fluctuates arising from the movements of foreign currency exchange rate. The Group mainly engages in RMB business with the rest being in US dollar, HK dollar and other foreign currency business. Currently the Group's foreign currency business is major in settlement and sale business. Therefore, the Group's exchange rate risks mainly come from the currency mismatch of asset and liability from proprietary business and agent business for clients, as well as currency position mismatch from foreign currency trade.

In order to manage currency risk, the Group applied several methods to avoid and control the currency risk formed by currency exposure, such as the match of currency between the spot, forward foreign exchange transaction and borrowing; setting limits on positions by currency, filling in position by currency on the same day and etc.

The Group monitors daily foreign currency transactions and positions closely. The following tables show the balance amount of Group's assets and liabilities by major currencies and exchange risk exposure at the balance sheet date.

(1) The Group

31 December 2014	RMB	USD Converted to RMB	Other currencies Converted to RMB	Offset	Total
Assets:					
Cash and balance with central banks	130,626,695	1,402,681	25,170		132,054,546
Due from banks and other financial institutions	87,973,171	4,293,899	283,380		92,550,450
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	69,692				69,692
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	5,945,440	69,005	3,295		6,017,740
Loans and advances	465,358,773	9,942,406	62,370		475,363,549
Available-for-sale financial assets	8,825,655	216			8,825,871
Held-to-maturity investments	74,844,513				74,844,513
Investment on receivables	172,311,669				172,311,669
Long-term equity investment					
Property, plant and equipment	4,929,161				4,929,161
Intangible assets	727,151				727,151
Deferred tax assets	2,561,085				2,561,085
Other assets	45,507	9,084,972	213,649	-5,332,627	4,011,501
Total assets	1,018,260,634	24,793,179	587,864	-5,332,627	1,038,309,050
Liabilities:					
Borrowing from the central banks	5,050,000				5,050,000
Due to banks and other financial institutions	203,985,062	1,334,473			205,319,535
Loans and advances From banks	1,181,894	981,491	79,940		2,243,325
Derivative financial liabilities	30,190				30,190
Repurchase agreements and other similar secured borrowing	40,845,461				40,845,461
Due to customers	659,389,702	21,557,416	350,211		681,297,329
Employee benefit payables	3,276,043				3,276,043
Tax payables	1,090,675	39	1		1,090,715
Interest payables	11,345,381	132,619	79		11,478,079
Provisions	2,081				2,081
Bond payables	28,978,793				28,978,793
Deferred tax liabilities					
Other liabilities	7,727,705	84,558	152,777	-5,332,627	2,632,413
Total liabilities	962,902,987	24,090,596	583,008	-5,332,627	982,243,964
Net position	55,357,647	702,583	4,856		56,065,086

31 December 2013	RMB	USD Converted to RMB	Other currencies Converted to RMB	Offset	Total
Assets:					
Cash and balance with central banks	124,382,070	1,615,643	21,708		126,019,421
Due from banks and other financial institutions	66,808,124	2,877,655	743,554		70,429,333
Funds lent to banks and other financial institutions	6,354,853	150,742			6,505,595
Financial assets designated at fair value through profit and loss	1,642,982				1,642,982
Derivative financial assets	787				787
Reverse repurchase agreements and other similar secured lending	62,840,457				62,840,457
Interest receivables	3,370,443	49,305	2,640		3,422,388
Loans and advances	391,887,944	9,127,788	57,535		401,073,267
Available-for-sale financial assets	10,781,406	210			10,781,616
Held-to-maturity investments	40,020,539				40,020,539
Investment on receivables	30,226,101				30,226,101
Long-term equity investment					
Property, plant and equipment	4,585,090				4,585,090
Intangible assets	723,384				723,384
Deferred tax assets	2,001,636				2,001,636
Other assets	405,930	3,099,969	93,086	-219,408	3,379,577
Total assets	746,031,746	16,921,312	918,523	-219,408	763,652,173
Liabilities:					
Borrowing from the central banks	100,000				100,000
Due to banks and other financial institutions	63,865,489	399,196			64,264,685
Loans and advances From banks	4,700,000	1,970,710	25,038		6,695,748
Repurchase agreements and other similar secured borrowing	28,532,835				28,532,835
Due to customers	583,379,970	12,834,027	339,927		596,553,924
Employee benefit payables	3,204,644				3,204,644
Tax payables	1,369,701	38	1		1,369,740
Interest payables	7,242,532	56,466	55		7,299,053
Provisions	51,385				51,385
Bond payables	5,000,000				5,000,000
Deferred tax liabilities					
Other liabilities	1,567,135	793,037	544,267	-219,408	2,685,031
Total liabilities	699,013,691	16,053,474	909,288	-219,408	715,757,045
Net position	47,018,055	867,838	9,235		47,895,128

(2) The Bank

31 December 2014	RMB	USD Converted to RMB	Other currencies Converted to RMB	Offset	Total
Assets:					
Cash and balance with central banks	130,559,442	1,402,681	25,170		131,987,293
Due from banks and other financial institutions	88,372,333	4,293,899	283,380		92,949,612
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	69,692				69,692
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	5,940,840	69,005	3,295		6,013,140
Loans and advances	464,333,706	9,942,406	62,370		474,338,482
Available-for-sale financial assets	8,825,655	216			8,825,871
Held-to-maturity investments	74,844,513				74,844,513
Investment on receivables	172,311,669				172,311,669
Long-term equity investment	73,800				73,800
Property, plant and equipment	4,926,181				4,926,181
Intangible assets	726,998				726,998
Deferred tax assets	2,558,968				2,558,968
Other assets	36,185	9,084,972	213,649	-5,332,627	4,002,179
Total assets	1,017,622,104	24,793,179	587,864	-5,332,627	1,037,670,520
Liabilities:					
Borrowing from the central banks	5,000,000				5,000,000
Due to banks and other financial institutions	204,032,283	1,334,473			205,366,756
Loans and advances From banks	1,181,894	981,491	79,940		2,243,325
Derivative financial liabilities	30,190				30,190
Repurchase agreements and other similar secured borrowing	40,845,461				40,845,461
Due to customers	658,919,332	21,557,416	350,211		680,826,959
Employee benefit payables	3,273,467				3,273,467
Tax payables	1,084,547	39	1		1,084,587
Interest payables	11,335,379	132,619	79		11,468,077
Provisions	2,081				2,081
Bond payables	28,978,793				28,978,793
Deferred tax liabilities					
Other liabilities	7,727,362	84,558	152,777	-5,332,627	2,632,070
Total liabilities	962,410,789	24,090,596	583,008	-5,332,627	981,751,766
Net position	55,211,315	702,583	4,856		55,918,754

31 December 2013	RMB	USD Converted to RMB	Other currencies Converted to RMB	Offset	Total
Assets:					
Cash and balance with central banks	124,324,280	1,615,643	21,708		125,961,631
Due from banks and other financial institutions	67,317,396	2,877,655	743,554		70,938,605
Funds lent to banks and other financial institutions	6,354,853	150,742			6,505,595
Financial assets designated at fair value through profit and loss	1,642,982				1,642,982
Derivative financial assets	787				787
Reverse repurchase agreements and other similar secured lending	62,840,457				62,840,457
Interest receivables	3,366,052	49,305	2,640		3,417,997
Loans and advances	390,788,546	9,127,788	57,535		399,973,869
Available-for-sale financial assets	10,781,406	210			10,781,616
Held-to-maturity investments	40,020,539				40,020,539
Investment on receivables	30,226,101				30,226,101
Long-term equity investment	73,800				73,800
Property, plant and equipment	4,582,647				4,582,647
Intangible assets	723,204				723,204
Deferred tax assets	2,001,584				2,001,584
Other assets	397,914	3,099,969	93,086	-219,408	3,371,561
Total assets	745,442,548	16,921,312	918,523	-219,408	763,062,975
Liabilities:					
Borrowing from the central banks					
Due to banks and other financial institutions	63,901,567	399,196			64,300,763
Loans and advances From banks	4,700,000	1,970,710	25,038		6,695,748
Repurchase agreements and other similar secured borrowing	28,532,835				28,532,835
Due to customers	583,021,646	12,834,027	339,927		596,195,600
Employee benefit payables	3,202,705				3,202,705
Tax payables	1,366,345	38	1		1,366,384
Interest payables	7,230,621	56,466	55		7,287,142
Provisions	51,385				51,385
Bond payables	5,000,000				5,000,000
Deferred tax liabilities					
Other liabilities	1,566,692	793,037	544,267	-219,408	2,684,588
Total liabilities	698,573,796	16,053,474	909,288	-219,408	715,317,150
Net position	46,868,752	867,838	9,235		47,745,825

(3) According to the above analysis of exchange position, the Group adopted the sensitivity test to measure the sensitivity of the value of the Group arising from the movement of foreign exchange rate. Assume a 5% change in each foreign currency against RMB to see the effect at the balance sheet date:

Change of Foreign Currency against RMB	The Bank	
	Net interest income sensitivity	
	2014	2013
Rise 5%	1,210	-1,657
Fall 5%	-1,210	1,657

Change of Foreign Currency against RMB	The Bank	
	Equity Sensitivity	
	31 December 2014	31 December 2013
Rise 5%	40,646	15,259
Fall 5%	-40,646	-15,259

When the Group is undertaking the foreign exchange rate sensitivity analysis, it is on the basis of the on-balance sheet net position and the net position of loans off-balance sheet, and under the assumption that the impact on profit and loss from foreign exchanges is at the 5% of absolute fluctuation of the intermediate price on balance sheet date on all currencies.

The above assumptions is not considering: the changes of businesses at pro balance sheet date; the impact of changes of exchange rate on customers; the complicated relationship between the complex structured productions and the changes of exchange rate; the impact of exchange rate on market price and off-balance sheet productions.

3. Liquidity risk

Liquidity risk refers to the risk that a commercial bank has the solvency but cannot obtain sufficient fund in a timely manner or cannot obtain sufficient fund in time with reasonable cost to deal with business development or pay off due debts.

The Group set up the liquidity risk governance structure composed by the Group's Risk Management Committee, Senior Management and Asset-liability Committee. The Group's Risk Management Department heads up managing liquidity risk, finance department administers centrally to the overall liquidity risk. The Group's liquidity risk measurement adopts liquidity indicators and liquidity gap calculation method, uses regular stress test and temporary special stress test to analyse its capacity to withhold liquidity incident or crisis. To deal with liquidity, the Group enhanced limit management and monitoring; formulated targeted contingent plan for different liquidity incident and crisis, set up liquidity contingent lending team, set up liquidity risk reporting mechanism, implements monthly RMB and foreign currencies liquidity risk monitoring and reporting system, and quarterly liquidity stress tests.

Most of the Group's assets are funded by customer deposits, mainly including deposits from enterprises, retail deposits and deposits from banks and other financial institutions. These customer deposits, which have been growing in recent years, are widely diversified in types and maturities and represent a stable source of funds.

3.1 Cash flow analysis for Non-derivative Financial Assets

At the balance sheet date of 31 December 2014, the maturity situation and analysis on the Group's financial assets and liabilities is as follows

31 December 2014	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance with central banks		37,718,940					94,335,606	132,054,546
Due to banks and other financial institutions		5,065,870	71,577,412	15,657,168	250,000			92,550,450
Loans and advances From banks		294,158	5,309,450	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss			2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending			45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances	12,236,254		99,808,975	238,678,137	67,281,368	70,507,111		488,511,845
Available-for-sale financial assets			19,986	3,163,734	3,997,748	1,656,054		8,837,522
Financial assets held-to-maturity			1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables			51,182,743	97,040,659	22,458,310	1,779,680		172,461,392
Other assets		3,901,575	5,643,461	272,425	22,562			9,840,023
Total assets	12,236,254	46,980,543	283,150,922	365,140,689	141,853,132	99,445,267	94,335,606	1,043,142,413
Due to customers		232,641,466	175,889,331	190,419,013	82,347,519			681,297,329
Borrowing from the central banks		50,000	5,000,000					5,050,000
Repurchase agreements and other similar secured borrowing			40,598,155	247,306				40,845,461
Due to banks and other financial institutions		974,528	97,179,624	99,492,049	7,673,334			205,319,535
Loans and advances From banks			1,921,553	321,772				2,243,325
Bond payables			4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities		434,790	5,243,586	6,389,130	3,343,961			15,411,467
Total liabilities		234,100,784	330,811,042	296,869,270	102,364,814	15,000,000		979,145,910
Net position	12,236,254	-187,120,241	-47,660,120	68,271,419	39,488,318	84,445,267	94,335,606	63,996,503

At the balance sheet date of 31 December 2013, the maturity situation and analysis on the Group's financial assets and liabilities is as follows:

31 December 2013	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance with central banks		22,774,876					103,244,545	126,019,421
Due to banks and other financial institutions		9,720,473	47,165,371	12,319,489	1,224,000			70,429,333
Loans and advances From banks			3,205,595	3,300,000				6,505,595
Financial assets designated at fair value through profit and loss			199,740	649,499	98,396	695,347		1,642,982
Reverse repurchase agreements and other similar secured lending			45,095,840	15,544,617	2,200,000			62,840,457
Loans and advances	7,850,686	48,798	109,025,383	173,771,207	114,446,310	6,548,226		411,690,610
Available-for-sale financial assets				2,407,611	5,324,985	3,049,020		10,781,616
Financial assets held-to-maturity			1,397,925	3,118,109	26,225,426	9,279,079		40,020,539
Investment on receivables			5,200,605	14,588,759	9,086,859	1,349,878		30,226,101
Other assets		3,161,986	2,814,979	578,976				6,555,941
Total assets	7,850,686	35,706,133	214,105,438	226,278,267	158,605,976	20,921,550	103,244,545	766,712,595
Due to customers		222,133,712	48,494,281	255,460,358	58,575,400	11,890,173		596,553,924
Borrowing from the central banks		100,000						100,000
Repurchase agreements and other similar secured borrowing			28,061,379	471,456				28,532,835
Due to banks and other financial institutions		2,925,980	44,938,399	12,977,306	3,423,000			64,264,685
Loans and advances From banks			6,565,748	130,000				6,695,748
Bond payables						5,000,000		5,000,000
Other liabilities		733,658	3,763,832	5,318,589	1,355,599	245,623		11,417,301
Total liabilities		225,893,350	131,823,639	274,357,709	63,353,999	17,135,796		712,564,493
Net position	7,850,686	-190,187,217	82,281,799	-48,079,442	95,251,977	3,785,754	103,244,545	54,148,102

At the balance sheet date of 31 December 2014, the maturity situation and analysis on the Bank's financial assets and liabilities is as follows:

31 December 2014	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance with central banks		37,716,002					94,271,291	131,987,293
Due to banks and other financial institutions		5,065,032	71,977,412	15,657,168	250,000			92,949,612
Loans and advances From banks		294,158	5,309,450	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss			2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending			45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances	12,148,203		99,667,541	237,838,478	67,277,935	70,507,111		487,439,268
Available-for-sale financial assets			19,986	3,163,734	3,997,748	1,656,054		8,837,522
Financial assets held-to-maturity			1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables			51,182,743	97,040,659	22,458,310	1,779,680		172,461,392
Other assets		3,899,244	5,638,861	272,425	22,562			9,833,092
Total assets	12,148,203	46,974,436	283,404,888	364,301,030	141,849,699	99,445,267	94,271,291	1,042,394,814
Due to customers		232,491,896	175,832,145	190,245,029	82,257,889			680,826,959
Borrowing from the central banks			5,000,000					5,000,000
Repurchase agreements and other similar secured borrowing			40,598,155	247,306				40,845,461
Due to banks and other financial institutions		1,021,749	97,179,624	99,492,049	7,673,334			205,366,756
Loans and advances From banks			1,921,553	321,772				2,243,325
Bond payables			4,978,793	0	9,000,000	15,000,000		28,978,793
Other liabilities		434,790	5,231,008	6,389,130	3,343,961			15,398,889
Total liabilities		233,948,435	330,741,278	296,695,286	102,275,184	15,000,000		978,660,183
Net position	12,148,203	-186,973,999	-47,336,390	67,605,744	39,574,515	84,445,267	94,271,291	63,734,631

At the balance sheet date of 31 December 2013, the maturity situation and analysis on the Bank's financial assets and liabilities is as follows:

31 December 2013	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance with central banks		22,772,991					103,188,640	125,961,631
Due to banks and other financial institutions		9,719,745	47,675,371	12,319,489	1,224,000			70,938,605
Loans and advances From banks			3,205,595	3,300,000				6,505,595
Financial assets designated at fair value through profit and loss			199,740	649,499	98396	695347		1,642,982
Reverse repurchase agreements and other similar secured lending			45,095,840	15,544,617	2,200,000			62,840,457
Loans and advances	7,845,686	0	108,910,009	172,816,481	114,442,610	6,548,226		410,563,012
Available-for-sale financial assets				2,407,611	5,324,985	3,060,671		10,793,267
Financial assets held-to-maturity			1,397,925	3,118,109	26,225,426	9,279,079		40,020,539
Investment on receivables			5,200,605	14,588,759	9,086,859	1,349,878		30,226,101
Other assets		3,067,524	2,810,588	578,976				6,457,088
Total assets	7,845,686	35,560,260	214,495,673	225,323,541	158,602,276	20,933,201	103,188,640	765,949,277
Due to customers		222,035,655	48,458,332	255,325,914	58,485,526	11,890,173		596,195,600
Borrowing from the central banks								
Repurchase agreements and other similar secured borrowing			28,061,379	471,456				28,532,835
Due to banks and other financial institutions		2,962,058	44,938,399	12,977,306	3,423,000			64,300,763
Loans and advances From banks			6,565,748	130,000				6,695,748
Bond payables						5,000,000		5,000,000
Other liabilities		733,658	3,774,088	5,443,346	1,429,037			11,380,129
Total liabilities		225,731,371	131,797,946	274,348,022	63,337,563	16,890,173		712,105,075
Net position	7,845,686	-190,171,111	82,697,727	-49,024,481	95,264,713	4,043,028	103,188,640	53,844,202

NB1 For cash and balance with the central bank, the ageing over 5 year's amount represents statutory deposit reserves and fiscal deposits balances maintained with the PBC.

NB2 The remaining days to expire date of the financial assets designated at fair value through profit and loss in the investment is not the intended held till that date by the Group.

NB3 Amount payable on demand includes time deposits matured but waiting to be indicated by customers.

3.2 Cash Flow analysis of Derivative Financial Assets

The financial derivative instruments held by the Group including:

Foreign exchange derivative instruments: forward contracts

The following presents the distribution of expiration of financial derivative instruments whose transactions are completed with net full price

31 December 2014				
Foreign exchange derivative instruments	Within 3 months	3 months to 1 year	1 year to 5 years	Total
--Cash outflow	-6,249,243	-3,569,164		-9,818,408
--Cash inflow	6,262,916	3,583,357		9,846,273
Total	13,672	14,193		27,865

31 December 2013				
Foreign exchange derivative instruments	Within 3 months	3 months to 1 year	1 year to 5 years	Total
--Cash outflow	-723,392	-1,533,973		-2,257,366
--Cash inflow	718,645	1,540,531		2,259,175
Total	-4,747	6,558		1,809

4. Fair value of financial instruments

4.1 Assets and Liabilities Measured at Fair Value

There are 3 classes for input values to conduct fair value measurement:

- The first class input value is the obtainable unadjusted price of identical assets or liabilities in the active market at evaluation day, including securities in stock exchanges and some government bonds.
- The second class is the direct or indirect observable input value of the relevant assets or liabilities excluding the ones in the first class, including most out market derivative contracts, the source of input is from price suppliers or the website of China bond.
- The third class is the unobservable input value of the relevant assets or liabilities.

When the public price cannot be obtained, the Group confirms the fair value of the financial instruments through value estimation or inquiry.

The continuous measurement of assets at fair value are presented at the 3 classes as following:

Item as at 31 December 2014	The Group and the Bank			
	1 st class	2 nd class	3 rd class	Total
I. Sustainable fair value measurement	12,999	14,291,068		14,304,067
1. Financial assets measured at fair value through profit and loss		5,513,037		5,513,037
1) Tradable financial assets		5,513,037		5,513,037
a) Liability instrument investment		5,513,037		5,513,037
b) Equity instrument investment				
c) Derivative financial assets				
2) Financial assets designated at fair value through profit and loss				
a) Liability instrument investment				
b) Equity instrument investment				
2. Available-for-sale financial assets	12,999	8,778,031		8,791,030
a) Liability instrument investment		8,778,031		8,778,031
b) Equity instrument investment	12,999			12,999
c) Others				
Total assets sustainably measured by fair value				
II. Non-sustainable fair value measurement				
1. Assets held-for-sale				
Total asset by non-sustainable fair value measurement				

Item as at 31 December 2013	The Group and the Bank			
	1 st class	2 nd class	3 rd class	Total
I. Sustainable fair value measurement	11,487	12,378,270		12,389,757
1. Financial assets measured at fair value through profit and loss		1,642,982		1,642,982
1) Tradable financial assets		1,642,982		1,642,982
a) Liability instrument investment		1,642,982		1,642,982
b) Equity instrument investment				
c) Derivative financial assets				
2) Financial assets designated at fair value through profit and loss				
3) Liability instrument investment				
4) Equity instrument investment				
2. Available-for-sale financial assets	11,487	10,735,288		10,746,775
a) Liability instrument investment		10,735,288		10,735,288
b) Equity instrument investment	11,487			11,487
c) Others				
II. Non-sustainable fair value measurement				
1. Assets held-for-sale				
Total asset by non-sustainable fair value measurement				

The Group has no fair value measured by the public price or through estimation techniques.

The Group recognise the occurrence date of matters those lead converts between the classes as the time point of the converts among the classes. The Group has no converts between the 1st class and 2nd class for the year.

For financial instruments in the active market, the Group recognise the fair value at the price in active market; for financial instruments those are not traded in active market, the Group recognise the fair value through estimation techniques. The models used to estimate fair value are cash flow discount model and Market Comparable Company Model etc. The input values of estimation techniques are mainly including risk-free rate, basic rate, exchange rate, credit spreads, the liquidity premium, EBITDA multiplier and deficient liquidity discount

4.2 Fair value at 2nd Class

The financial instruments classified at the 2nd class by the Group are mainly including bond investments, interbank deposit receipts, foreign exchange forward and swaps, as well as interest rate swaps etc. Fair value of RMB bonds are recognised by following the estimation result by China bond. The foreign exchange forward and swaps, interest rate swaps are estimated by using Cash Flow Discount Model and Black-Scholes Model. All material estimation parameters are using techniques with observable market information.

Item	The Group	
	31 December 2014	31 December 2013
Government bond	1,436,018	3,456,369
Financial bond	7,924,362	6,006,385
Interbank deposit receipts	2,318,591	
Corporate bond	2,597,397	2,688,044
Asset supportive securities	14,700	
Total	14,291,068	12,150,798

15.3 The Group has no situations those assets and liabilities measured sustainably at fair value converted among the three classes.

15.4 Financial Instruments not Measured at Fair Value

The financial assets and liabilities those are not measured at fair value are mainly including deposit with the central bank, due from banks and other financial institutions, funds lent to banks and other financial institutions, reverse repurchase agreements and other similar secured lending, loans and advances to customers, fixed maturity investment, investments on receivables, borrowing from the central bank, due to banks and other financial institutions, loans and advances from banks, repurchase agreements and other similar secured borrowing, due to customers under amortise cost and bond payables.

The followings presents book value and the appropriate fair value of fixed maturity investment and bond payables:

Financial assets	31 December 2014		
	Book value	Fair value	Class
Fixed maturity investment	74,844,513	76,695,167	2 nd
Bond payables	28,978,793	29,530,788	2 nd

Financial assets	31 December 2013		
	Book value	Fair value	Class
Fixed maturity investment	40,020,539	38,705,256	2 nd
Bond payables	5,000,000	4,935,773	2 nd

Despite the above financial assets and liabilities, for other financial assets and liabilities those

Are not measured at fair value, their fair value shall be confirmed under cash flow discounting, and their book value and fair value are similar

Assets	Liabilities
Deposit with the central bank	Borrowing from the central banks
Due from banks and other financial institutions	Due to banks and other financial institutions
Funds lent to banks and other financial institutions	Loans and advances From banks
Reverse repurchase agreements and other similar secured lending	Repurchase agreements and other similar secured borrowing
Loans and advances to customers	Due to customers
Investments on receivables	Other financial liabilities
Other financial assets	

4.5 Impact of Assets and Liabilities Measured at Fair Value on Profit and Loss and Equity

Item	1 January 2014	Impact of changes of fair value on profit and loss	Cumulative changes of fair value accounted in equity	Provision of impairment	31 December 2014
Financial assets					
1.financial assets measured at fair value through profit and loss (excluding derivative financial assets)	-31,426	38,322			6,896
2.Derivative financial assets	787	38,715			39,502
3. Available-for-sale financial assets	-366,737		423,951		57,214
Total	-397,376	77,037	423,951		103,612

Item	1 January 2013	Impact of changes of fair value on profit and loss	Cumulative changes of fair value accounted in equity	Provision of impairment	31 December 2013
Financial assets					
1.financial assets measured at fair value through profit and loss (excluding derivative financial assets)	-3,432	-27,994			-31,426
2.Derivative financial assets		787			787
3. Available-for-sale financial assets	26,736		-393,473		-366,737
Financial assets	23,304	-27,207	-393,473		-397,376

XV. Capital Management

The primary objectives of the Group's capital management are to ensure the Group complies with regulatory capital requirements, to maximize shareholders' value and to support the continuous growth in business. The Group will check capital position and other relevant capital management strategy regularly, and through the positive capital management to protect medium and long-term business objectives' realisation and improving the use efficiency of capital. The required information of capital adequacy is filed with the CBRC by the Group on a quarterly basis.

The risk-weighted assets are measured according to the nature of individual assets and counterparty, reflecting an estimate of related credit, market and other risks after taking into account of any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with adjustment made to reflect the contingent nature of any potential losses.

The Group calculated and reported the core capital adequacy ratio and capital adequacy ratio in accordance with the "Regulation Governing Capital Adequacy Ratio of Commercial Banks" (CBRC [2004] No. 2) issued by CBRC and other related regulations.

On 1 January 2013, the Group started performing the "Commercial Bank Capital Management Method (trial)" (CBRC [2012] No. 1).

According to "With decision to amend <Regulation Governing Capital Adequacy Ratio of Commercial Banks>" issued by CBRC on 3 July 2007, the disclosure is as follows:

Item	The Group	
	31 December 2014	31 December 2013
Net core capital	55,961,103	47,877,815
Supplementary capital	24,653,773	13,569,906
Net capital	80,591,977	61,430,199
Risk-Weighted Capital and market risk capital adjustment	569,665,756	456,891,477
Core capital adequacy ratio	9.82%	10.48%
Capital adequacy ratio	14.15%	13.45%

Item	The Bank	
	31 December 2014	31 December 2013
Net core capital	55,777,871	47,687,593
Supplementary capital	24,623,400	13,541,807
Net capital	80,341,473	61,170,957
Risk-Weighted Capital and market risk capital adjustment	569,109,337	456,257,937
Core capital adequacy ratio	9.80%	10.45%
Capital adequacy ratio	14.12%	13.41%

According to the "Commercial Bank Capital Management Method (trial)" which starts performing on 1 January 2013 and other related regulations, the disclosure is as follows:

Item	The Group	
	31 December 2014	31 December 2013
Net Tier 1 core capital	55,966,339	47,840,524
Net Tier 1 capital	55,968,208	47,841,666
Tier 2 capital	21,811,429	10,751,277
Net capital	77,779,637	58,592,943
Risk-Weighted Capital	635,386,113	502,251,417
Tier 1 core capital adequacy ratio	8.81%	9.53%
Tier 1 capital adequacy ratio	8.81%	9.53%
Capital adequacy ratio	12.24%	11.67%

Item	The Bank	
	31 December 2014	31 December 2013
Net Tier 1 core capital	55,790,115	47,627,409
Net Tier 1 capital	55,790,115	47,627,409
Tier 2 capital	21,780,665	10,739,182
Net capital	7,7570,780	58,366,591
Risk-Weighted Capital	634,864,690	501,800,384
Tier 1 core capital adequacy ratio	8.79%	9.49%
Tier 1 capital adequacy ratio	8.79%	9.49%
Capital adequacy ratio	12.22%	11.63%

The CBRC requires that capital adequacy ratio and tier one capital adequacy ratio for commercial banks shall not lower than 10.5% and 8.5% respectively, as well as the core tier one capital ratio shall not lower than 7.5%. At present, the Group is fully compliant with legal and regulatory requirements.

1、Constitution of Tier 1 Capital

Item	The Group	
	31 December 2014	31 December 2013
Paid-in capital	10,390,000	10,390,000
Countable part of capital reserve	10,140,284	9,822,320
Surplus reserves	7,288,454	5,601,891
General reserves	11,777,885	8,442,837
Retained profits	16,338,585	13,506,449
Countable part of non-controlling interest	86,123	113,782
Others	-	-
Total Tier 1 core capital	56,021,331	47,877,279
Tier 1 core capital adjustments	-54,992	-36,755
Net Tier 1 core capital	55,966,339	47,840,524
Other Tier 1 Capital	1,869	1,142
Net Tier 1 Capital	55,968,208	47,841,666

Item	The Bank	
	31 December 2014	31 December 2013
Paid-in capital	10,390,000	10,390,000
Countable part of capital reserve	10,140,284	9,822,320
Surplus reserves	7,288,454	5,601,891
General reserves	11,761,797	8,431,561
Retained profits	16,338,220	13,500,053
Countable part of non-controlling interest	-	-
Others	-	-
Total Tier 1 core capital	55,918,755	47,745,825
Tier 1 core capital adjustments	-128,640	-118,416
Net Tier 1 core capital	55,790,115	47,627,409
Other Tier 1 Capital	-	-
Net Tier 1 Capital	55,790,115	47,627,409

2、Constitution of Tier 2 Capital

Item	The Group	
	31 December 2014	31 December 2013
Tier 2 capital instruments and the countable premium	15,000,000	5,000,000
Excess provision for loan impairment	6,796,569	5,743,774
Countable part for non-controlling interests	14,861	7,502
Adjustment of Tier 2 capital	-	-
Net Tier 2 capital	21,811,429	10,751,277
Net capital	77,779,637	58,592,943

Item	The Bank	
	31 December 2014	31 December 2013
Tier 2 capital instruments and the countable premium	15,000,000	5,000,000
Excess provision for loan impairment	6,780,665	5,739,182
Countable part for non-controlling interests	-	-
Adjustment of Tier 2 capital	-	-
Net Tier 2 capital	21,780,665	10,739,182
Net capital	7,7570,780	58,366,591

3、Constitution of Risk Assets

Item	The Group	
	31 December 2014	31 December 2013
Credit risk-weighted assets	592,685,026	465,245,712
Market risk-weighted assets	1,265,535	890,179
Operation risk-weighted assets	41,435,552	36,115,526
Total risk-weighted assets	635,386,113	502,251,417

Item	The Bank	
	31 December 2014	31 December 2013
Credit risk-weighted assets	592,274,675	464,873,744
Market risk-weighted assets	1,265,535	890,179
Operation risk-weighted assets	41,324,480	36,036,461
Total risk-weighted assets	634,864,690	501,800,384

Since the establishment of the Group, it always pays high attention to the work of capital management, adhere to the management theory of connotative and denotative, ensure smooth running of the capital adequacy ratio. The Group predicts, plans, and manages the capital adequacy ratio by using scenario models and stress tests based on its strategic development plans, business expansion needs, and risk exposure trends, which start-up capital supplement program. The Group ensures the capital needs of the operation and development through issuing subordinated bonds and increasing share capital. At 2009, 2010 and 2013, the Group increased the

registered capital in three times amounted to RMB 2,540 million, raised equity capital for RMB 11,930 million. Meanwhile, the Group issued the total amounts of subordinated bonds for RMB 7,000 million from 2008 to 2012 in three times; it chose to exercise the right to redeem all of the bonds at face value for a total amount of RMB 4,000 million on 6 September 2013, 13 September 2013 and 27 October 2014 respectively. As at 31 December 2013, the book balance of subordinated bonds is RMB 5,000 million. At 2014, the Group issued Tier 2 capital instrument of RMB 12,000 million, at 31 December 2014, the balance of countable Tier 2 capital instrument is RMB 15,000 million.

In order to comply with the "Commercial Bank Capital Management Method (trial)" and other related regulations promulgated by the CBRC, the Group is accelerating the implementation of new capital agreement, strengthening the formulation and real-time revision of the internal capital management system, revising the capital management plan to lead the balanced development across the business, deepening capital management in resource allocation, expense allocation and the performance appraisal, strengthening the capital management guidance, guiding the business structure adjustment and transformation, using capital to bind the expansion of risk and promoting the assets structure optimization.

XVI. Pro Balance Sheet Date Event

The 2014 Profit Distribution Proposal was approved by the 10th meeting of the 3rd session Board of Directors of the Bank on 26 March 2015:

1. An appropriation to the statutory surplus reserve of 10% of the net profit for the year 2014 amounted to RMB 868.62million;
2. According to Issues on "Provision for measures for the administration of financial companies' reserve" (Caijin [2012] No.20), an appropriation to the general risk reserves at 1.5% of the increased amount of risk assets, with a total value of RMB 3,330.24 million.
3. Suggest an appropriation to the discretionary surplus reserves of 10% of the net profit for the year 2014 amounted to RMB 868.62million;
4. Suggest a cash dividend distribution in 2014; cash of RMB 0.08 per share with 8% payment ratio would be distributed, amounting to RMB 831.20 million.

XVII. Approval of financial statements

The financial statements have been approved by Board of Directors of the Bank on 26 March 2015.

BANK OF JIANGSU CO., LTD

The notes to the financial statements from page 98 to page 254 are signed by the following leading officials




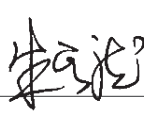
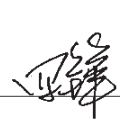
Legal representative:



Chief Finance Officer:



Finance Director:

Sign:  Sign:  Sign: 

BANK OF JIANGSU CO., LTD

Supplementary Information of Financial Statements in 2014

一、 I. Net Profit after Non-recurring Profit and Loss

According to the regulation of *For Companies Offering Public Securities the Information Disclosure Descriptive Announcement1 Non-recurring Profit and Loss [2008]*, the non-recurring profit and loss is the profit and loss raised from transactions and situations those are not directly relevant to the normal operation of the Group, or though they are relevant to normal operations, they can affect the judgement of the financial statement users to the operation achievement and profitability of the Group due to their unusual nature or contingent.

The net profit after non-recurring profit and loss for the Group and the Bank at 2013 and 2014 are as the following:

Item	The Group	
	2014	2013
Equity attributable to owners of the parent company	8,684,947	8,185,502
Add/ less: non-recurring profit and loss	-25,380	-127,408
-Provision restitution of receivables under specific impairment test		
-Non operation income	-81,394	-184,355
-Non operation costs	42,352	21,975
-Taxed affected by non-recurring profit and loss	13,662	34,972
Net profit after non-recurring profit and loss	8,659,567	8,058,094

Item	The Bank	
	2014	2013
Equity attributable to owners of the parent company	8,686,165	8,175,870
Add/ less: non-recurring profit and loss	-18,789	-120,452
-Provision restitution of receivables under specific impairment test		
- Non operation income	-72,584	-174,951
-Non operation costs	42,330	21,845
-Taxed affected by non-recurring profit and loss	11,465	32,654
Net profit after non-recurring profit and loss	8,667,376	8,055,418

II. Information Disclosure for Capital Constitution

The following appendices of supervisory item and the appropriate balance sheet are disclosed in accordance with *The Supervisory Requirement to Commercial Banks of Information Disclosure for Capital Constitutions in Chinese CBRC on Issuing commercial bank capital Inform the regulatory supporting policy documents (CBRC Issuing [2013] No. 33)*.

Appendix 1: Capital Constitution Disclosure

Unit: Million/%

Tier 1 Core Capital:		Amount
1	Paid-in Capital	10,390
2	Retained earnings	35,405
2a	Surplus reserves	7,288
2b	General risk reserves	11,779
2c	Undistributed profit	16,338
3	Other cumulative comprehensive income and open reserves	10,140
3a	Capital reserves	10,140
3b	Others	-
4	Accountable Tier 1 core capital during phase-in period	-
5	Accountable non-controlling interests	86
6	Tier 1 core capital before supervisory adjustment	56,021
Tier 1 Core Capital: regulatory Adjustment		
7	Estimation adjustment in prudence	
8	Goodwill(excluding deferred tax liabilities)	-
9	Other intangible assets (excluding land-use rights and deferred tax liabilities)	55
10	Deferred tax raise from operation loss dependent on future income	-
11	Reserves raised from cash flow hedges for items not measured at fair value	-
12	Loan loss reserve gap	-
13	Sales income from securitization	-
14	Unrealised profit and loss from changes for fair value of liabilities due to its own credit risks	-
15	Net beneficial pensions(excluding deferred tax liabilities)	-
16	Direct or indirect holding shares of the Bank	-
17	Tier 1 core capital mutually held by banks or other financial institutions through agreements	-
18	Deductible amount from small investments in unconsolidated financial institutions	-
19	Deductible amount from large amount investments in unconsolidated financial institutions	-
20	Mortgage servicing rights	
21	Deductible amount in net deferred tax assets dependent on future income	-
22	The tier 1 core capital in the minority large amount invested unconsolidated capital and the deductible amount exceeding 15% of the tier 1 core capital in undedicated amount of deferred tax assets which is dependent on the future income of the Bank	-
23	Including: deductible amount in minority investment capital with large amount in financial institutions	-
24	Including: deductible amount of mortgage loan service rights	-
25	Including: deductible amount in other net deferred tax assets which is dependent on future income of the Bank	-
26a	Tier 1 core capital of unconsolidated financial institutions with control rights	-
26b	Tier 1 core capital gap of unconsolidated financial institutions with control rights	-
26c	Other total deductible amount in Tier 1 core capital	-
27	Undeducted gap of deductible amount in other tier 1 and tier 2 capital	-
28	Total regulatory adjustment of Tier 1 core capital	55
29	Tier 1 core capital	55,966

Other tier 1 capital:		
30	Other tier 1 capital and the premium	-
31	Including: equity part	-
32	Including: liability part	-
33	Instruments unaccountable to other tier 1 capital at pro phase-in period	-
34	Accountable part of non-controlling interests capital	2
35	Including: the part unaccountable into other tier 1 capital at pro phase-in period	-
36	Other tier 1 capital before regulatory adjustment	2
Other tier 1 capital: regulatory adjustment		
37	Other tier 1 capital of the Bank directly or indirectly held	-
38	Other tier 1 capital mutually held by banks or other financial institutions through agreements	-
39	Deductible amount of other tier 1 capital from small investments in unconsolidated financial institutions	-
40	Deductible amount of other tier 1 capital from large amount with minority investments in unconsolidated financial institutions	-
41a	Other tier 1 capital of unconsolidated financial institutions with control rights	-
41b	Other tier 1 capital gap of unconsolidated financial institutions with control rights	-
41c	Other deductible amount in other tier 1 capital	-
42	Unreducible gap of deductible amount in tier 2 capital	-
43	Total regulatory adjustment of other tier 1 capital	-
44	Other tier 1 capital	2
45	Tier 1 capital (Tier 1 core capital + other Tier 1 capital)	55,968
Tier 2 capital:		
46	Tier 2 capital and the premium	15,000
47	Amount unaccountable into Tier 2 capital at pro phase-in period	-
48	Accountable part of non-controlling interests	15
49	Including: unaccountable part after phase in period	-
50	Accountable part of exceeded loan provisions	6,797
51	Tier 2 capital before supervisory adjustment	21,811
Tier 2 capital: regulatory adjustment		
52	Tier 2 capital of the Bank directly or indirectly held	-
53	Tier 2 capital mutually held by banks or other financial institutions through agreements	-
54	Deductible amount of tier 2 capital from small investments in unconsolidated financial institutions	-
55	Deductible amount of tier 2 capital from large amount with minority investments in unconsolidated financial institutions	-
56a	Tier 2 capital investment of unconsolidated financial institutions with control rights	-
56b	Tier 2 capital gap of unconsolidated financial institutions with control rights	-
56c	Other deductible amount in tier 2 capital	-
57	Total regulatory adjustment of tier 2 capital	-
58	Tier 2 capital	21,811
59	Total capital (tier 1 capital + tier 2 capital)	77,780
60	Total risk-weighted assets	635,386

The capital adequacy ratio and reserve capital requirement

61	Tier 1 core capital adequacy ratio	8.81%
62	Tier 1 capital adequacy ratio	8.81%
63	Capital adequacy ratio	12.24%
64	Institutional specific capital requirement	2.5%
65	Including: reserve capital requirement	2.5%
66	Including: reverse cycle capital requirement	
67	Including: significant global system banking additional capital requirement	
68	Proportion of tier 1 core capital satisfied in buffer to risk-weighted assets	

Domestic minimum regulatory requirement

69	Tier 1 core capital adequacy ratio	7.5%
70	Tier 1 capital adequacy ratio	8.5%
71	Capital adequacy ratio	10.5%

Undeducted part in minimum deductions

72	Undeducted amount of tier 1 core capital from small investments in unconsolidated financial institutions	46
73	Undeducted amount from large amount investments in unconsolidated financial institutions	-
74	Mortgage loan service rights (excluding deferred tax liabilities)	
75	Other net deferred tax assets dependent on the future income of the bank(excluding deferred tax liabilities)	2,561
76	Undeducted amount of tier 2 capital from minority investments with small amount in unconsolidated financial institutions	2,511

Limits of exceeded loans impairment provisions accountable to tier 2 capital

77	Actual loans impairment provision underweight based approach	13,148
78	Exceeded loan provisions accountable into tier 2 capital underweight based approach	6,797
79	Actual loans impairment provision under internal rating based approach	
80	Exceeded loan provisions accountable into tier 2 capital under internal rating based approach	

Capital instruments satisfied with quit arrangement

81	Amount accountable to current tier 1 core capital due to phase-in arrangements	
82	Amount unaccountable to current tier 1 core capital due to phase-in arrangements	
83	Amount accountable to current other tier 1 capital due to phase-in arrangements	
84	Amount unaccountable to current other tier 1 capital due to phase-in arrangements	
85	Amount accountable to current tier 2 capital due to phase-in arrangements	3,000
86	Amount unaccountable to current tier 2 capital due to phase-in arrangements	

Appendix 2: explanation of relevant categories

	Balance sheet under regulatory consolidation requirements	Code
Goodwill	-	a
Intangible assets	727	b
Including: land-use rights	672	c
Deferred tax liabilities	167	
Including: deferred tax liabilities related to goodwill	-	d
Including: deferred tax liabilities related to other intangible assets (excluding land-use rights)	-	e
Paid in capital	10,390	
Including: amount accountable into tier 1 core capital	10,390	f
Including: amount accountable into other tier 1 core capital	-	g
Capital reserves	10,140	h
Hedging reserves	-	i
Surplus reserves	7,288	j
Statutory general reserves	11,779	k
Retained earnings	16,338	l
Bond payables	24,000	
Including: issued bonds accountable into tier 2 capital instruments and the premiums	15,000	m

Appendix 3: corresponding relationship between all disclosed items in appendix 2 and capital constitutional items in appendix 1

		value	code
Tier 1 core capital			
1	Paid in capital	10,390	f
2a	Surplus reserves	7,288	j
2b	General risk reserves	11,779	k
2c	Retained earnings	16,338	l
3a	Capital reserves	10,140	h+i
8	Goodwill (excluding deferred tax liabilities)	-	a-d
9	Other intangible assets (excluding land-use rights) (excluding deferred tax liabilities)	55	b-c-e
46	Tier 3 capital instruments and the premium	15,000	m

Appendix 4: major characteristics of capital instruments

1	Issue institutions	Bank of Jiangsu	Bank of Jiangsu
2	Identification code		
3	Law applications	Mainland of China	Mainland of China
Regulatory management			
4	Including: phase-in regulations applied to Capital Administrations for Commercial Banks (trial)	Account into tier 2 capital under diminishing rules	Account into tier 2 capital under diminishing rules

5	Including: pro phase-in regulations applied to Capital Administrations for Commercial Banks (trial)	Not accountable	Not accountable
6	Including: applications to legal persons/ groups	Legal person/ the Group	Legal person/ the Group
7	Instrument types	Tier 2 capital instruments and the premium	Tier 2 capital instruments and the premium
8	Amount accountable to regulatory capital (unit: million, as at the latest reporting date)	3,000	12,000
9	Par value of instruments(unit: million)	3,000	12,000
10	Accounting method	Bond payables	Bond payables
11	Initial issuing day	2011-09-09	2014-9-24
12	Whether have expiring date (have expire date or sustainable)	Have expire date	Have expire date
13	Including: expired date	2026-09-09	2024-9-24
14	Redeem by issuer (need regulatory approvals)	yes	yes
15	Including: redeem date (contingent redeem time or date) and value (unit: million)	2021-09-09, full amount	2019-9-24, full amount
16	Including: subsequent redeem date(if have)	N/A	N/A
Dividends or interests			
17	Including: fixed or fluctuated interest payments/dividends	Fixed interest rate	Fixed interest rate
18	Including: the coupon rate and relevant indices	6.48%	6.18%
19	Including: whether it exists dividend system or motivation system	None	None
20	Including: whether could cancel the dividend or interest payment autonomously	No discretion	No discretion
21	Including: whether has redeem motivation system	No	Yes
22	Whether can convert equity	No	No
23	Write-downs	No	Yes
24	If writing down, explain the trigger point of the write-downs	The advanced one of the following: 1) when the CRBC think the issuer will not alive if the write-downs are not taken; 2) when relevant department considers if there is no capital injections or supports with similar effects, the issuer shall not alive.	
25	Including: if writing down, explain whether it is partial or all		All
26	Including: if writing down, explain whether it is permanently or temporarily		Permanent
27	The clear-off order when taking clearings (explain the instrument type with higher level of the clear-off orders)	The order of clear-off is after deposit customers and general debtors	The order of clear-off is after deposit customers and general debtors, and has the same order with other subordinate debt instruments
28	Whether contains temporary unqualified characteristics	No	No
29	Including: if have, explain the character	N/A	N/A



Address: No. 55, Hongwu North Road, Nanjing, Jiangsu, China.
PC: 210005
Tel: 025-58587122
Web: www.jsbchina.cn



WeChat QR Code of Jiangsu Bank