



**BANK OF JIANGSU**  
**ANNUAL REPORT 2023**

A-share Stock Code: 600919

SMARTIZATION

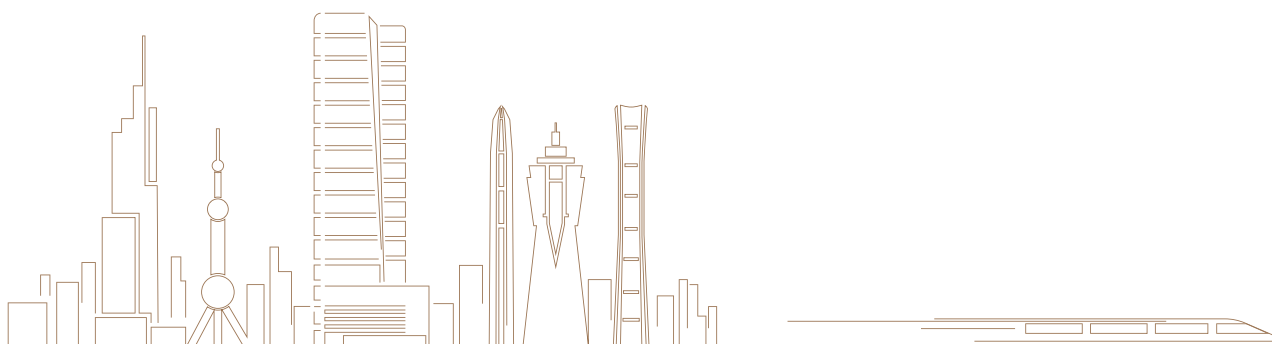
CHARACTERISTIC

INTERNATIONAL

COMPREHENSIVE

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# Important Notice

**I. The board of directors, the board of supervisors, directors, supervisors and senior managers of the Company hereby certify that the contents of the Annual Report are authentic, accurate and complete, and will be individually and jointly liable for any false representations, misleading statements or important omissions.**

**II. The *Proposal on the 2023 Annual Report of Bank of Jiangsu and the Abstracts* were deliberated and ratified in the 8<sup>th</sup> meeting of the 6<sup>th</sup> board of directors of the Company on April 25, 2024. 11 of the 11 directors who shall attend the meeting attended the meeting in person.**

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

**IV. Mr. GE Renyu, the Legal Representative and Chairman of the Company, together with Mr. YUAN Jun, the President and Head of Accounting, and Mr. LU Songsheng, the Secretary of the Board and General Manager of Planning and Finance Department, hereby acknowledge that the financial statements contained in the Annual Report are authentic, accurate and complete.**

**V. Plan for profit distribution of this Reporting Period or proposal for converting the capital reserve into share capital deliberated by the board of directors.**

The Company intends to distribute cash dividends to all A-share common stock shareholders with information as follows: By the cardinal number of 18,351,324,463 common stock shares as of the end of 2023, distribute cash dividends of RMB 4.7 (tax-inclusive) to all shareholders per 10 shares, with a total of RMB 8,625,105,619, accounting for 30% of the net profits attributable to parent company. The scheme above is still required to be deliberated and approved by shareholders' meeting. Details will be announced separately.

## **VI. Declaration of risks on forward-looking statements**

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

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

## **VIII. Significant risk warning**

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

# Definitions

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

## Definitions of commonly-used words and expressions

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

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GE Renyu  
Chairman



# Chairman's Speech

Dear shareholders,

The past time has witnessed our painstaking struggle, the history of development has seen the magnificent journey toward the future. In 2023, Bank of Jiangsu Co., Ltd. fully implemented the spirit of the 20<sup>th</sup> CPC National Congress, practiced the new development concept in depth, adhered to the strategic guidance of serving a leading bank with "Four Modernizations", fostered the comparative advantages of "high efficiency, strong coordination and excellent service", and rejuvenated the cultural system the core values of which are "integrated innovation, stability and far-reaching, integrity and professionalism, unity and struggle"; completed the transition of the Party committee and the board of directors smoothly, and converted convertible bond into common shares released by the Company successfully, so as to inject new momentum to our sustainable development. The Bank's business performance, shareholder returns, brand influence, etc. scaled to a new height on the basis of a high starting point.

At the end of the reporting period, the Group's total assets exceeded RMB 3.4 trillion, various deposits amounted to RMB 1.88 trillion, and various loans amounted to RMB 1.8 trillion. The growth rate of scale indicators was further accelerated on the basis of realizing "Three Doubles" (Double Targets, Double Combination and Double Engines), the operating efficiency and asset quality maintained at a good level, and earnings per share increased steadily after conversion. For the very first time, the Bank ranked among the top 500 global enterprises with strong brand value, rose to the 68<sup>th</sup> place in the ranking of the top 1,000 global banks, was shortlisted in the domestic systemically important banks continuously, and was included into the LPR floor quotation bank successfully. Based on the favorable development trend, the board of directors suggested distributing cash dividends continuously at 30% of the net profit attributable to the parent company in order to repay the concern and support of the shareholders.

**Focus on "five business sectors" (S&T finance, green finance, inclusive finance, pension finance and digital finance) with the ambition of serving the country by finance, achieve new achievements for serving the real economy.** In terms of S&T finance, the Bank actively served the national strategy and facilitated the independent development of high-level S&T. By the end of 2023, the loan for S&T enterprises increased by 32.56% compared with those at the end of last year, served more than 30,000 S&T enterprises, ranking 1<sup>st</sup> in Jiangsu Province in terms of the quantity, including more than 15,000 specialized, refinement, differential and innovation (SRDI) enterprises. As for green finance, the Bank continued to accelerate the development of green finance collectivization and constantly maintained the "domestic leading and world influential" green finance brand. By the end of 2023, the green credit was increased by 42.50% compared with the end of last year, and the proportion of various loans maintained a leading status among 21 commercial banks directly managed by the Head Office of the People's Bank of China. Suyin Financial Leasing Co., Ltd. reached a volume of RMB 100 billion gold lease, and the scale of green lease investment increased by more than 80%. In terms of inclusive finance, by adhering to the market positioning of "serving small and medium-





sized enterprises, local economy and urban and rural residents", the Company constantly explored and solved the financing difficulties of small and medium-sized enterprises. By the end of 2023, the small and micro loans exceeded RMB 620 billion, and the Bank still took the lead in market share within the whole Jiangsu Province, among which the inclusive small and micro loans increased by 25.27% compared with the end of last year. As for pension finance, the Bank have made efforts to build a pension finance brand of "enjoying happiness with finance", made comprehensive layout on pension, pension industry, pension services, etc., created aging outlets and mobile banking "care version", and launched "finance happiness card" debit card for the elderly, with a total of nearly 1 million cards issued, so as to contribute financial strength to ensure that "the elderly could be looked after properly, have a pleasant life, accomplish things significant and enjoy the services". In terms of digital finance, the Bank continued to accelerate the exploration of "digital intelligence and intelligent digitalization", and strived to continuously improve customer experience and enable the development of the industry while strengthening its own digital intelligence transformation. Moreover, the Bank actively explored the use of the emerging technologies such as big data, artificial intelligence (AI) and Internet of Things (IoT), and strived to meet the ubiquitous financial needs of G, B and C customers.

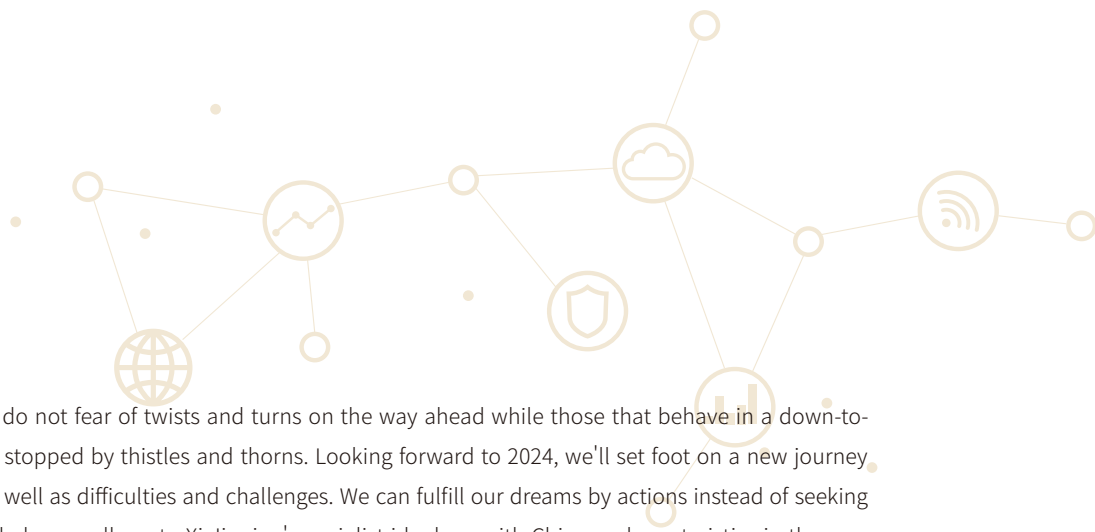
**Insist on improving value creation ability with integration and coordination, reflect a new pattern of comprehensive operation.** The Bank has built the "AUM+FPA+FICC" service system with its characteristics in depth, and developed three power sources of "mutual promotion by and among big wealth, transaction bank, and direct & indirect financing" with more efforts, so as to meet customers' diversified and multilateral financial needs with more adaptable, coordinated and resilient financial services, and provide its own sustainable development. At the end of the Reporting Period, the retail AUM reached RMB 1.24 trillion, ranking 1<sup>st</sup> among urban commercial banks in both scale and increment. The balance of wealth management products managed by Suyin Wealth Management Co., Ltd. exceeded RMB 520 billion, and its scale continued to rank 1<sup>st</sup> among urban commercial financial institutions. The Bank also ranked 1<sup>st</sup> among urban commercial financial institutions with comprehensive financial management ability in PYSTANDARD for 8 consecutive years. The annual settlement fund of the "SU YIN JIN GUAN JIA" system reached RMB 7 trillion. The underwriting of corporate bonds continued to maintain a good level in the industry, the direct investment business kept a good development trend, a number of innovative businesses were launched successfully, and the FPA structure and flow on and off the balance sheet were further improved. The contribution degree of FICC's major business categories was further improved, the financial investment income grew steadily, and the asset custody scale, public fund custody scale and custody business green income ranked 1<sup>st</sup> among the urban commercial banks. After years of active strategic layout and iterative optimization, the Bank has achieved certain outcome in innovation and transformation gradually, and improved the value creation ability dramatically.

**Lead high-quality development through digital intelligence, explore new advantages by virtue of financial**

**S&T.** The Bank included "intellectualization" into its strategy in 2013 and further promoted it to the top of the "Four Modernizations" strategy in 2018. On the basis of integrating "experience, efficiency and security", the Bank continued to promote the iterative improvement from "system construction type" to "service operation type" and "function realization type" to "user experience type", contributing to the achievements of digital transformation continuously. The Bank has made efforts to promote "centralizing management, decentralizing operation", deepened sensitive collaborative R&D and service mechanisms, enhanced the synergy among head office and branches, parent and subsidiary companies and departments, continuously improved the empowerment strength and reach efficiency of S&T to operations, and further released frontline productivity. Meanwhile, the Bank strengthened the construction of digital bases, successfully tackled key technologies such as large language models, completed the transformation of "one cloud and multiple cores" on the basis of the "Su Yinyun" computing center, built a number of new growth engines including AI technology, and created a number of unique and quick response digital products and services, contributing to the more solid foundation of digital operation. Relying on the first-mover advantage in the field of financial S&T, we have accelerated the expansion of smart scenario application and strengthened the deep integration of "finance + scenario". The Bank has more than 18 million mobile banking customers and more than 6 million monthly active customers, ranking 1<sup>st</sup> among urban commercial banks.

**Insist on releasing development vitality through reform and innovation, improve operation governance level**

**further.** The Bank continued to deepen the reform of corporate governance and operation management system and mechanism, and strived to improve the integrated and professional governance and management level, so as to lay a solid foundation for ensuring the correct development orientation and improving efficiency. Through optimizing the asset-liability management system continuously, the Bank has formed a flexible and efficient decision-making mechanism with unified coordination of asset-liability strategies, which effectively improves the risk management ability, highlights the penetration to edges and corners, and moves the gateway forward. We have also established a tight risk prevention and control safety network, reduced the non-performing rate year by year over the past eight years since listing, and increased the provision coverage rate year by year; dynamically improved the assessment and evaluation system, implemented a new scientific and reasonable performance appraisal system in an all-round way, and further stimulated the entrepreneurial enthusiasm of all staff. The Bank has also continuously strengthened the problem-oriented working mechanism and promoted the head office's further and better management for front-line workers. On the "customer-oriented" principle, the Bank makes more efforts to satisfy needs, help them solve problems, create value and realize their expectations. By fully practicing the "struggle" concept, the Bank has widely gathered and cultivated excellent talents, guided all staff to work hard and solve problems, and fostered deeper atmosphere that everyone strives to and can become a talent.



Those who pursue dreams do not fear of twists and turns on the way ahead while those that behave in a down-to-earth manner will never be stopped by thistles and thorns. Looking forward to 2024, we'll set foot on a new journey, full of glory and dreams, as well as difficulties and challenges. We can fulfill our dreams by actions instead of seeking for shortcuts. The Bank will always adhere to Xi Jinping's socialist ideology with Chinese characteristics in the new era, keep in mind the principle of the "Eight do's", always maintain the mental state of being prepared for danger in times of peace and working hard, and strive to build a community of high-quality development destiny of the Bank of Jiangsu with a shared future, and repay shareholders with more excellent performance.

Chairman: **Ge Renyu**



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Section 1

# Company Profile



# Company Profile

## I. Basic Information

Type	A share	Preferred share
Abbreviation	Bank of Jiangsu	Suyin You 1
Code	<b>600919</b>	<b>360026</b>
Listing location	Shanghai Stock Exchange	Shanghai Stock Exchange
Chinese Name of the Company	江苏银行股份有限公司	
Abbreviation of the Chinese Name of the Company	江苏银行	
English Name of the Company	Bank of Jiangsu Co., Ltd.	
Abbreviation of the English Name of the Company	Bank of Jiangsu	
Registered Address/Office Address	No. 26, Zhonghua Road, Nanjing City	
Post Code of Registered Address/ Office Address	210001	
Legal representative	GE Renyu	
Secretary of the Board	LU Songsheng	
Securities affairs representative	GE Chaohao	

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

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

## II. Securities Service Institution

<b>Accounting firm invited by the Company</b>	Name	KPMG (Special General Partnership)
	Office address	Floor 8, KPMG Tower, Oriental Plaza, No. 1, East Chang'an Street, Beijing
	Name of signatory accountant	XUE Chenjun and FU Tiantian
<b>Sponsor institution performing continuous supervision duty during the Reporting Period</b>	Name	BOCI Securities Co., Ltd. Huatai United Securities Co., Ltd.
	Office address	Floor 39, No. 200, Middle Yincheng Road, Pudong New Area, Shanghai Floor 6, Tower A, Fengming International Building, No. 22, Fengsheng Alleyway, Xicheng District, Beijing
	Name of signatory sponsor representative	DONG Wendan, LI Qingwen, SUN Xuan and XU Ke
	Period of continuous supervision	Consistent with the term of convertible bonds



### III. Company Profile

Bank of Jiangsu was officially opened for business on January 24, 2007 and is one of the 20 systematic important banks nationwide and the largest corporate bank within the whole Jiangsu Province. Headquartered in Nanjing, Jiangsu Province, the Bank was listed on the main board of Shanghai Stock Exchange (stock code: 600919) on August 2, 2016.

Bank of Jiangsu has always adhered to the mission of "Creating a Better Life" and is committed to building a leading bank with "intelligent, characteristic, international and comprehensive" services. At the end of the Reporting Period, the Bank's total assets had amounted to RMB 3.4 trillion, ranking 68<sup>th</sup> among the top 1,000 global banks and among the top 100 global banks. The Bank was also included into the 500 listed companies in China in the *Fortune*, ranking 197<sup>th</sup>, and also 1<sup>st</sup> among domestic urban commercial banks. In particular, the Bank ranked 489<sup>th</sup> among the top 500 global brand values and 69<sup>th</sup> among the top 500 global bank brands and also serves as the Central and East Asian Council Member Representative of the Bank Council of the "United Nations Environment Programme Finance Initiative (UNEP FI).

The Bank has 17 branches, 4 subsidiaries (Suyin Financial Leasing Co., Ltd., Suyin Wealth Management Co., Ltd., Suyin KGI Consumer Finance Co., Ltd. and Jiangsu Danyang Suyin County Bank Co., Ltd.) and 537 institutions at different levels, covering all counties within Jiangsu Province and influencing three economic circles: Yangtze River Delta, Beijing-Tianjin-Hebei Region, and Guangdong-Hong Kong-Macao Greater Bay Area.

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

As of the end of 2023

Total Asset

**RMB 3.4 trillion**

Institutions At Different Levels

**537**



The top 1,000 global banks



The 500 listed companies in China in the *Fortune*



The top 500 global brand values



The top 500 global bank brands





## IV. Scope of Business

With approval of the State Financial Regulatory Administration and examined and approved by the company registration authority, the Bank enjoys the scope of business of: taking public deposit; issuing short-term, medium-term and long-term loans; handling domestic settlement; handling bills acceptance and discount; issuing financial bond; issuing, cashing and underwriting government bonds as an agent, underwriting short-term financing bonds; buying and selling government bonds, financial bonds and enterprise bonds; handling inter-bank borrowing; providing service and guarantee for letters of credit; handling collection, payment and insurance service as an agent, dealing with wealth management for the customers, fund sales as an agent, precious metal sales as an agent, handling receipt and payment and taking care of assembled funds trust plan as an agent; providing safe deposit box service; handling entrusted deposit and loan service; engaging in bank card business; undertaking foreign exchange deposits; foreign exchange loans; foreign exchange remittance; foreign currency exchange; foreign exchange settlement and sale at sight and forwards; handling international settlement; undertaking self-operation and agency for foreign exchange trading; handling inter-banking foreign exchange lending; trading and acting trading foreign currency securities other than stocks; undertaking credit investigation, consulting, witness services; providing online banking; handling other businesses approved by China's banking regulatory authorities and related departments. (Operating activities can be carried out only after the approval is obtained from the relevant authorities for the items required to be approved in accordance with the laws.

## V. Company Culture

- Mission:** To Create a Better Life
- Vision:** To Build itself into a leading service bank that is "smartization, characteristic, international and comprehensive"
- Core Values:** Integration of Innovation, Stability and Far-reaching, Integrity and Professionalism, Unity and Struggle





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

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|-----------------|---|
| ● April<br>2023 | "Best Digital Bank of the Year 2022" Award by the <i>Financial News</i> . |
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| ● May<br>2023 | "2022 Top 100 Enterprises with Brand Influence in Yangtze River Delta" Award jointly awarded by the Enterprise Federation of Yangtze River Delta Three Provinces and One City. |
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|----------------|---|
| ● July<br>2023 | <p>"2023 China Banking ESG Practice Tianji Award" by the Securities Times.</p> <p>Ranked 68<sup>th</sup> in Top 1,000 Global Banks in 2023 in <i>The Banker</i>.</p> <p>Ranked 173<sup>rd</sup> in China Top 500 in 2023 in <i>Fortune</i>.</p> |
|----------------|---|
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|------------------|--|
| ● August<br>2023 | <p>Top 20 of ESG comprehensive performance of Bank of China Insurance Media Co., Ltd.</p> <p>"2023 Financial Technology Innovation Bank" Award by Tsinghua Financial Review.</p> <p>Cover Design Award of the 37<sup>th</sup> ARC International Annual Report Award.</p> <p>"Platinum Award" and "Technical Achievement Award" in the online category of LACP 2022 Annual Report Vision Award.</p> |
|------------------|--|
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| ● September<br>2023 | 2022 Love Enterprise by China Charity Federation. |
|---------------------|---|
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- **December 2023**

5A evaluation by the board secretary, best practice case of board office and best practice of 2022 annual report performance explanation meeting by China Association for Public Companies.

"2023 Board of Excellence Award" by the *21<sup>st</sup> Century Business Herald*.

"ESG Financial Pioneer Award" by the *National Business Daily*.

"Annual Outstanding Bank for Consumer Protection" Award by Jiemian.com.

"Annual ESG Financial Award" by Cailian Press.

"Outstanding Mobile Silver" and "Outstanding Retail Bank" Awards by Hexun.com in 2023.

"Outstanding Green Finance Award" in the financial industry.

Excellent Case of Rural Revitalization by the *China Investment Network*.

"Annual Outstanding Brand Bank Award" and "Annual Outstanding Urban Commercial Bank Award" by Stockstar.com.

The 1<sup>st</sup> place among urban commercial banks & wealth management organizations with comprehensive wealth management capacity by PYSTANDARD for eight consecutive years.
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Section 2

## **Financial Summary**



# Financial Summary

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

Business Performance Indicators (RMB 1,000)	2023	2022	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year (%)	2021
Operating income	74,293,433	70,570,422	5.28	63,771,353
Net profit attributable to shareholders of listed company	28,750,352	25,385,993	13.25	19,694,365
Net profit attributable to shareholders of listed companies after deducting nonrecurring profits and losses	28,244,751	24,957,456	13.17	19,294,182
Net cash flow from operating activities	213,598,870	-3,812,962	5,701.91	64,984,527

Index per Share (RMB/share)	2023	2022	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year (%)	2021
Basic earnings per share	1.69	1.60	5.63	1.21
Diluted earnings per share	1.52	1.36	11.76	1.05
Basic earnings per share after deducting non-recurring profits and losses	1.66	1.57	5.73	1.18
Net assets attributable to general shareholders of listed company	11.47	11.42	0.44	10.31

Financial Ratio Indicator (%)	2023	2022	Increase/Decrease Compared Between the Reporting Period and the Same Period of Previous Year	2021
Weighted average return on equity	14.52	14.79	Drop by 0.27%	12.60
Weighted average return on net assets after deducting non-recurring profits and losses	14.25	14.52	Drop by 0.27%	12.32

Scale Indicators (RMB 1,000)	End of 2023	End of 2022	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2021
Total assets	3,403,361,837	2,980,294,692	14.20	2,618,874,260
Total liabilities	3,144,245,806	2,764,863,353	13.72	2,420,818,512
Shareholder's equity	259,116,031	215,431,339	20.28	198,055,748
Owner's equity attributable to shareholders of listed companies	250,409,988	208,632,730	20.02	192,227,078

Indicators of Deposits and Loans (RMB 1,000)	End of 2023	End of 2022	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2021
Enterprise current deposit	426,758,520	353,815,271	20.62	394,930,625
Enterprise time deposit	504,587,720	528,402,432	-4.51	523,295,304
Savings current deposit	92,580,154	108,814,392	-14.92	81,803,215
Savings time deposit	615,536,668	446,360,871	37.90	341,314,896
Other deposits	235,872,102	187,753,577	25.63	109,872,164
<b>Subtotal: Various deposits</b>	<b>1,875,335,164</b>	<b>1,625,146,543</b>	<b>15.39</b>	<b>1,451,216,204</b>
Interest accrued	39,613,273	33,531,109	18.14	27,596,156
<b>Deposit taking</b>	<b>1,914,948,437</b>	<b>1,658,677,652</b>	<b>15.45</b>	<b>1,478,812,360</b>
Enterprise loan	1,024,890,487	854,854,202	19.89	726,056,690
Retail loans	645,539,194	604,515,998	6.79	561,440,233
Discount	131,367,335	144,819,210	-9.29	112,674,831
<b>Subtotal: Various loans</b>	<b>1,801,797,016</b>	<b>1,604,189,410</b>	<b>12.32</b>	<b>1,400,171,754</b>
Interest accrued	7,347,777	6,663,236	10.27	5,537,141
Minus: Provision for impairment	61,667,577	54,681,677	12.78	46,581,404
<b>Loans and advances issued</b>	<b>1,747,477,216</b>	<b>1,556,170,969</b>	<b>12.29</b>	<b>1,359,127,491</b>

Capital Indicators (RMB 1,000)	End of 2023	End of 2022	Increase or Decrease as of the End of This Period over the Same Period of Last Year (%)	End of 2021
Net capital	301,547,084	255,236,331	18.14	236,445,596
Core tier 1 capital	214,344,456	171,772,399	24.78	155,111,387
Other tier 1 capital	40,576,197	40,456,447	0.30	40,364,388
Tier 2 capital	46,626,431	43,007,485	8.41	40,969,821
Total weighted risk assets	2,266,040,689	1,953,237,519	16.01	1,766,603,079

Regulatory Indicators (%)	2023	2022	2021
Capital adequacy ratio	13.31	13.07	13.38
Tier 1 capital adequacy ratio	11.25	10.87	11.07
Core tier 1 capital adequacy ratio	9.46	8.79	8.78
Non-performing loan ratio (NPLR)	0.91	0.94	1.08
Loan-to-deposit ratio	89.79	93.52	93.21
Liquidity ratio	96.94	93.08	93.80
Ratio of the largest single customer loan in net capital	2.07	2.08	2.05
Ratio of the largest 10 customer loans in net capital	10.98	12.26	12.51
Provision coverage	378.13	371.66	318.93
Loan allocation ratio	3.45	3.50	3.45
Cost to income ratio	23.99	24.52	22.44

## II. Main Quarterly Financial Data

Unit: RMB 1,000 Currency: RMB

Key Financial Data	Q1	Q2	Q3	Q4
Operating income	18,795,415	20,047,456	19,834,976	15,615,586
Net profit attributable to shareholders of listed company	8,218,847	8,801,282	8,633,684	3,096,539
Net profit after deducting nonrecurring profits and losses attributable to shareholders of listed companies	8,145,297	8,541,487	8,513,761	3,044,206
Net cash flow from operating activities	111,269,873	14,952,468	66,697,777	20,678,752



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

Unit: RMB 1,000 Currency: RMB

Non-recurring Profit and Loss Items	Amount
Profits and losses on disposal of non-current assets	19,433
Documents that are authorized beyond authority or without formal approval, or occasional tax rebates and reductions	-
Government subsidies included in the current profits and losses, except for government subsidies that are closely related to the company's normal business operations, comply with national policy regulations, and are continuously enjoyed by a fixed amount or amount according to a certain standard	752,386
Other profit and loss items that meet the definition of non-recurring profits and losses	-58,540
Influence amount of minority shareholders' equity	-20,386
Influence amount of income tax	-187,292
<b>Total</b>	<b>505,601</b>

### IV. Items Measured at Fair Value

Unit: RMB 1,000 Currency: RMB

Items	Open Balance	Closing Balance	Changes in Current Period (%)
Derivative financial assets	1,708,980	2,667,228	56.07
Trading financial assets	377,571,282	421,179,950	11.55
Other creditor's rights investment	158,751,177	254,668,286	60.42
Other equity instruments investment	224,024	195,737	-12.63
Loans and advances issued	164,221,714	165,915,944	1.03
Total assets measured at fair value	702,477,177	844,627,145	20.24
Derivative financial liabilities	1,804,609	2,573,990	42.63
Trading financial liabilities	9,072,932	7,903,526	-12.89
Total liabilities measured at fair value	10,877,541	10,477,516	-3.68



## V. Capital Composition as of the End of the Reporting Period

Unit: RMB 1,000 Currency: RMB

Item	Group	The Bank
1. Net gross capital	301,547,084	280,043,028
1.1 Core tier 1 capital	214,396,023	202,896,568
1.2 Core tier 1 capital deductions	51,567	6,930,886
1.3 Core tier 1 net capital	214,344,456	195,965,682
1.4 Other tier 1 Capital	40,576,197	39,974,758
1.5 Other tier 1 capital deductions	0	0
1.6 Tier 1 net capital	254,920,653	235,940,440
1.7 Tier 2 capital	46,626,431	44,102,588
1.8 Tier 2 capital deductions	0	0
2. Credit risk weighted assets	2,059,307,798	1,952,309,644
3. Market risk weighted assets	78,179,271	78,179,271
4. Operational risk weighted assets	128,553,620	117,463,751
5. Total risk weighted assets	2,266,040,689	2,147,952,666
6. Core tier 1 capital adequacy ratio (%)	9.46	9.12
7. Tier 1 capital adequacy ratio (%)	11.25	10.98
8. Capital adequacy ratio (%)	13.31	13.04

## VI. Leverage Ratio

Unit: %

Item	December 31, 2023	December 31, 2022
Group	6.64	6.24
The Bank	6.41	6.02

## VII. Liquidity Coverage Rate

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2023
Group	Liquidity coverage ratio (%)	208.96
	Qualified and high-quality current assets	271,402,405
	Ending value of net cash outflow amount in the next 30 days	129,883,081
The Bank	Liquidity coverage ratio (%)	214.67
	Qualified and high-quality current assets	268,620,972
	Ending value of net cash outflow amount in the next 30 days	125,131,073

## VIII. Net Stable Funding Ratio

The net stable funding ratio aims to ensure that commercial banks have sufficient stable capital sources to meet the demand for stable capital for various assets and off-balance sheet risk exposures. The net stable funding ratio is the ratio of available stable funds to required stable funds. Available stable funds refer to the sum of the products of the book values of various capital and liability items of commercial banks and their corresponding available stable funds coefficients. The required stable capital refers to the sum of the book value of various asset items of commercial banks and the product of off-balance sheet risk exposure and its corresponding required stable capital coefficient. As of the end of reporting during, the Group's net stable capital ratio was 108.19%, available stabilization fund was RMB 1.874083 trillion and required stabilization fund was RMB 1.732217 trillion. All those met the regulatory requirements.

Unit: RMB 1,000 Currency: RMB

Item		December 31, 2023	December 31, 2022
Group	Net stable funding ratio (%)	108.19	111.09
	Available stable funds	1,874,083,170	1,651,258,207
	Required stable funds	1,732,217,466	1,486,413,276

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

During the Reporting Period, the Group's net interest margin (NIM) and net interest spread (NIS) were 1.98% and 1.95% respectively. The yield of interest-bearing assets was 4.35%. To be specific, the average interest rate of loan and advances was 5.18% while that of financial investment, deposit from the Central Bank and other interest-bearing assets was 3.32%, 1.45% and 2.53% respectively. The rate of interest-bearing liabilities was 2.40%. Among which, the average interest rate of deposit taking was 2.33% while that of issued debt securities, borrowings from the Central Bank and other interest-bearing liabilities was 2.60%, 2.58% and 2.43% respectively.

Reasons for the change of net interest margin and net interest spread: During the Reporting Period, PBC maintained a prudent monetary policy, strengthened counter-cyclical adjustment, coordinated interest rate policies to continuously reduce financing costs, promoted commercial banks to transfer profits to the real economy, lowered the market interest rates and LPR, and superimposed on the re-pricing effect after the decline of LPR since last year and the adjustment of stock mortgage interest rates; the yield of interest-bearing assets of commercial banks was under certain pressure, and the net interest margin was narrowed. Looking forward to the future, the net interest margin of commercial banks may still decline further under the influence of lower LPR. The Group will continue to optimize the asset structure, actively carry out the projects for expanding customers and consolidating the foundation, seize high-quality assets and stabilize the asset income level; continue to reduce the cost of liabilities, diversify and expand the sources of low-cost general deposits, adhere to the principle of "controlling both price and quantity", optimize the deposit structure, and further reduce the deposit interest rate; meanwhile, the Bank will accurately grasp the market fluctuation window and flexibly adjust the duration of inter-bank liabilities, striving to further reduce the comprehensive cost of interest-bearing liabilities.

Unit: RMB 1,000 Currency: RMB

Item	2023		
	Average Balance	Interest Income/ Expense	Average Interest Rate (%)
<b>Assets</b>			
Issue of loans and advances <sup>1</sup>	1,822,481,894	94,346,826	5.18%
Financial investment	754,489,729	25,074,153	3.32%
Deposit with Central Bank	146,681,348	2,128,529	1.45%
Other interest-bearing assets	174,620,831	4,422,849	2.53%
Including: Inter-bank deposits and offers <sup>2</sup>	135,858,946	3,736,527	2.75%
Financial assets purchased for resale	38,761,885	686,322	1.77%
Total interest-bearing assets	2,898,273,802	125,972,357	4.35%
<b>Liabilities</b>			
Deposit taking	1,831,072,315	42,654,610	2.33%
Issued debt securities	462,544,852	12,024,905	2.60%
Borrowings from Central Bank	195,917,374	5,057,002	2.58%
Other interest-bearing liabilities	559,739,512	13,590,997	2.43%
Including: Interbank borrowing <sup>3</sup>	484,985,907	11,504,765	2.37%
Selling and repurchasing financial assets	73,545,634	1,911,027	2.60%
Total interest-bearing liabilities	3,049,274,053	73,327,514	2.40%
Net interest income		52,644,843	
Net interest margin <sup>4</sup>			1.95%
Net interest spread <sup>4</sup>			1.98%

Note: 1. Loans and advances include long-term receivables; 2. Deposited and released interbank assets include interbank deposits and lending funds; 3. Interbank borrowing liabilities include deposits and borrowing funds from interbank and other financial institutions; 4. After the implementation of the new Financial Instrument Standards, the income generated during the holding period of financial assets measured at fair value and whose changes are included in the profits and losses of the current period will no longer be included in interest income. The Net interest spread and Net interest margin are calculated according to the net interest income of the reduction caliber. 5. Average balance of interest-bearing assets and interest-bearing liabilities are the mean value of daily balance.

## X. Changes in Shareholders' Equity

Unit: RMB 1,000 Currency: RMB

Item	Open Balance	Increase and Decrease in Current Period	Closing Balance	Fluctuation Margin (%)
Capital stock	14,769,657	3,581,667	18,351,324	24.25
Other equity instruments	42,762,595	-2,787,837	39,974,758	-6.52
Capital reserve	27,699,781	20,205,429	47,905,210	72.94
Other comprehensive income	993,917	1,174,868	2,168,785	118.21
Surplus reserve	26,519,192	4,659,890	31,179,082	17.57
General risk reserve	42,027,725	5,003,710	47,031,435	11.91
Undistributed profit	53,859,863	9,939,531	63,799,394	18.45
Total amount of shareholders' equity vested in the parent company	208,632,730	41,777,258	250,409,988	20.02
Minority stockholder's equity	6,798,609	1,907,434	8,706,043	28.06
<b>Total shareholders' equity</b>	<b>215,431,339</b>	<b>43,684,692</b>	<b>259,116,031</b>	<b>20.28</b>

BANK OF JIANGSU

ANNUAL REPORT  
2023



Section 3

## **Business Discussion and Analysis**



# Business Discussion and Analysis

## I. Core Competitiveness

In 2023, the Bank continued to strengthen the development situation according to the major policies and policies of the Party and the state, comprehensively revised the Five-year Development Strategic Plan (2021-2025), and laid more emphases on the five strategic objectives of "most valuable bank", "service-leading bank", "intelligent-innovation bank" and "employee-satisfaction bank" and "politically competent bank"; promoted the six business development strategies: "Strengthen the corporate services and create the industry expertise; increase the scale of retail business and focus on the wealth management; optimize the financial market business and establish leading advantages; accelerate the development of digital finance and enhance the contribution of scientific and technological values; deepen regional layout and promote comprehensive management; implement ESG strategy and promote sustainable development", and accelerated the construction of "Intelligent, Characteristic, International and Comprehensive service-leader bank".

**1. The main business is concentrated in economically developed Jiangsu featured by abundant financial resources, which exerts impacts on three critical economic circles across the country and holds significant location advantages.** Jiangsu is economically developed and rich in financial resources. As the largest legal person bank in Jiangsu Province, the Bank roots its business in Jiangsu, with county-wide coverage of outlets. The business layout exerts impacts on three critical economic circles of Yangtze River Delta, Beijing-Tianjin-Hebei Region and Guangdong-Hong Kong-Macao Greater Bay Area, creating solid customer bases.

**2. The flexible and efficient systems and mechanisms are established to improve the collaborative service capability continuously.** The Bank has not only the scale and strength of large banks but also the characteristics of flexibility, convenience and high efficiency of small ones. Centering on customers, the Bank establishes and improves systems and mechanisms in quick response to the market. A cross-plate and cross-regional coordination mechanism



has been formed within the Group to continuously increase the comprehensive strength. With the complete business qualifications, the Bank is able to address various business needs of customers.

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

**4. The financial technology is intensively pushed and is accelerating for breakthrough, and the digital transformation is deeply promoted.** The Bank is endeavoring to build itself into a "premier bank of Internet big data gene". The financial technology reaches ongoing breakthroughs in innovation dominance, experience improvement and autonomous control; optimizes organizational structure, promotes management centralization, process optimization and product creativity & design and realizes in-depth integration between business and technology; identifies digital talent training, keeps enhancing innovation strengths and product vitality, creates a series of competitive products and boosts high-quality development comprehensively

**5. Internal control mechanism is sound, risk control system is complete and comprehensive risk management is both accurate and effective.** The Bank keeps up with the latest external changes, optimizes internal control prevention mechanism constantly and promotes risk management system reform in depth; continues to improve the "1 + 3 + N" risk control management system; the Bank has iterated intelligent prevention and control system rapidly which has become mature gradually, constantly improved assets quality and managed risks comprehensively and effectively.

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

## II. Operation Overview during the Reporting Period

In 2023, the Bank thoroughly implemented the spirit of the 20<sup>th</sup> CPC National Congress and the Central Financial Work Conference, stuck to the original aspiration of serving the real economy and finance for the people, practiced the new development concept in depth, strived to promote transformation and development, continuously forged the comparative advantages of "high efficiency, strong coordination and excellent service", speeded up the construction of a leading bank in "Four Modernizations" services, and continued to maintain a good development trend of making progress while maintaining stability and outperforming the general trend.

**Insist on customer-centered principle, improve both the quality and efficiency of serving real economy continuously.** The Bank seriously fulfilled the responsibilities of local corporate bank, gave strong support for the region to "go ahead, take the lead and make more contributions", continuously improved the capacity of serving real economy by finance, continuously increased credit investment in key fields such as advanced manufacturing, scientific



innovation, green and small and micro enterprises, obtained certain achievements in the assistance of "improving the unavailable or weak link in the industry chain and enhancing the overall competitiveness of the industry chain", "intelligent and digital transformation" and "self-reliance in science and technology" and was selected as LPR quotation bank by the PBC. At the end of the reporting period, the total assets of the Bank had amounted to RMB 3.403362 trillion, an increase of 14.20% over the end of last year; the balance of various deposits was RMB 1.875335 trillion, an increase of 15.39% over the end of last year; and the balance of various loans was RMB 1.801797 trillion, an increase of 12.32% over the end of last year.

**Adhere to the principle of creating value by profession, maintain steady and healthy growth of operation benefits.**

The Bank stuck to the right and essential path, made innovations, took actions in a down-to-earth manner, continued to optimize the reform in KPI assessment, asset and liability allocation, risk prevention and control, product and scientific and technological innovation, improved the agile and efficient working mechanism constantly, and promoted the optimization and upgrading of business structure in a coordinated manner, with favorable operation performance achieved. During the Reporting Period, the operating income of the Bank was RMB 74.293 billion, with a YoY growth of 5.28%; the net profit attributable to shareholders of listed companies was RMB 28.75 billion, with a YoY growth of 13.25%.

**Stick to the bottom line of risk compliance, further improve asset quality.** Adhering to the bottom-line thinking, the Bank strived to build a "1+3+N" risk control management system, made risk prevention and control network cover every border and corner both horizontally and vertically, continuously strengthened risk management and control in key fields, constantly consolidated the asset quality and steadily enhanced risk compensation ability. At the end of the reporting period, the non-performing loan ratio of the Bank was 0.91%, still maintaining a decline status year by year since the listing 8 years ago; the provision coverage ratio was 378.13%, which increases year by year since its listing 8 years ago.

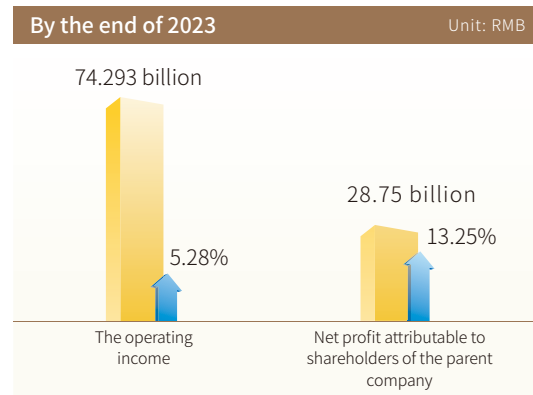
**Adhere to the long-term philosophy, create sustainable returns for shareholders.** To create values for shareholders, the Bank further implemented its medium and long-term development strategy, continuously improved its professional operation capability, and continuously created more returns for shareholders with efforts. During the Reporting Period, the Bank completed converting RMB 20 billion convertible bond into shares, further enhancing its capital strength, facilitating its stable and sustainable development and creating more value returns for shareholders. If the conversion of convertible bond into shares is considered, the Bank's basic earnings per share were RMB 1.69, which implies the steady growth.



## III. Income and Cost Analysis

### (I) Major items of income statement

During the Reporting Period, the Group realized the operating income of RMB 74.293 billion, with a YoY growth of 5.28%. To be specific, net interest income was RMB 52.645 billion, with a YoY growth of 0.73%; net income of handling charges and commissions was RMB 4.276 billion, with a YoY drop of 31.6%. Operating expenses were RMB 35.541 billion with a YoY drop of 6.22%. The business and management fees were RMB 17.826 billion with a YoY growth of 3%. Net profit attributable to shareholders of the parent company was RMB 28.75 billion with a YoY growth of 13.25%.



Unit: RMB 1,000 Currency: RMB

Items	2023	2022	Increase/Decrease Changes	YoY Increase or Decrease (%)
I. Operating income	74,293,433	70,570,422	3,723,011	5.28
Including: net interest income	52,644,843	52,263,908	380,935	0.73
Net income of handling charges and commissions	4,276,255	6,251,853	-1,975,598	-31.60
II. Operating expenses	35,540,602	37,896,448	-2,355,846	-6.22
Including: business and management fees	17,825,614	17,306,731	518,883	3.00
III. Operating profit	38,752,831	32,673,974	6,078,857	18.60
IV. Total profit	38,694,291	32,628,790	6,065,501	18.59
V. Net profit	30,013,140	26,351,988	3,661,152	13.89
Including: net profit attributable to shareholders of the company	28,750,352	25,385,993	3,364,359	13.25

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

Unit: RMB 1,000 Currency: RMB

Item	2023	2022	Range of Increase/ Decrease (%)	Main Reason
Handling charges and commission expenses	1,931,886	629,658	206.82	Increase in handling charges and commission expenses
Net income of handling charges and commission	4,276,255	6,251,853	-31.60	Decrease in the net income of handling charges and commission
Other income	752,386	568,228	32.41	Increase in other income
Net gain on changes in fair value	3,819,625	148,477	2,472.54	Increase in net gain on changes in fair value
Other business income	217,876	148,872	46.35	Increase in other business income
Gains from asset disposal	19,433	69,266	-71.94	Decrease in gains from asset disposal
Non-operating income	16,888	43,823	-61.46	Decrease in non-operating income
Income tax expense	8,681,151	6,276,802	38.31	Increase in income tax expense
Minority interests	1,262,788	965,995	30.72	Increase in minority interests
Net after-tax amount of other comprehensive income	1,191,493	-1,268,713	193.91	Increase in net after-tax amount of other comprehensive income
Net after-tax amount of other comprehensive income attributable to shareholders of the company	1,174,868	-1,272,657	192.32	Increase in net after-tax amount of other comprehensive income attributable to shareholders of parent company
Changes in fair value of investment in other equity instruments	-21,216	5,315	-499.17	Decrease in changes in fair value of investment in other equity instruments
Changes in fair value of investment in other creditor's rights	2,377,232	-1,974,304	220.41	Increase in changes in fair value of investment in other creditor's rights
Credit impairment provision for other debt investments	-1,202,019	695,632	-272.80	Decrease in credit impairment provision for other debt investments
Cash flow hedge reserve	20,666	0	100.00	Increase in cash flow hedging reserve
Translation reserves of foreign currency statements	205	700	-70.71	Decrease in translation reserves of foreign currency statements
Total comprehensive income attributable to minority shareholders	1,279,413	969,939	31.91	Increase in total comprehensive income attributable to minority shareholders

## (III) Net interest income

During the Reporting Period, the Group achieved a net interest income of RMB 52.645 billion, with a YoY growth of 0.73%. To be specific, the interest income was RMB 125.972 billion, with a YoY growth of 8.87%; interest expenditure was RMB 73.328 billion, with a YoY growth of 15.58%. In regard of the interest income, the income from loans and advances issued was RMB 88.586 billion, with a YoY growth of 10.55%; income from debt instrument investment was RMB 25.074 billion, with a YoY drop of 0.51%; income from long-term receivable interest was RMB 5.761 billion, with a YoY growth of 18.66%. In regard of the interest expenditure, the expenditure of deposit taking was RMB 42.655 billion, with a YoY

growth of 14.64%; expenditure of issued debt securities was RMB 12.025 billion, with a YoY drop of 6.45%; interest expenses on deposits from other banks and financial institutions was RMB 6.6 billion, with a YoY growth of 53.42%.

Unit: RMB 1,000 Currency: RMB

Item	2023		2022	
	Amount	Ratio (%)	Amount	Ratio (%)
<b>Interest income</b>				
Issuance of loans and advances	88,585,941	70.33	80,131,581	69.25
-Enterprise loan	43,642,679	34.64	38,676,918	33.43
-Personal loans	42,704,939	33.91	38,741,144	33.48
-Notes discounted	2,238,323	1.78	2,713,519	2.34
Debt instrument investment	25,074,153	19.91	25,203,811	21.78
Long-term receivables	5,760,885	4.57	4,855,007	4.20
Lending funds	3,204,082	2.54	2,589,270	2.24
Deposits in the Central Bank	2,128,529	1.69	1,976,580	1.71
Funds deposited in interbank and other financial institutions	532,445	0.42	476,964	0.41
Financial assets purchased for resale	686,322	0.54	473,334	0.41
Total of interest income	125,972,357	100.00	115,706,547	100.00
<b>Interest expenditure</b>				
Deposit taking	42,654,610	58.17	37,208,723	58.65
-Corporate customers	24,676,617	33.65	23,027,566	36.30
-Individual customers	17,977,993	24.52	14,181,157	22.35
Issued debt securities	12,024,905	16.40	12,854,339	20.26
Funds deposited by interbank and other financial institutions	6,599,736	9.00	4,301,702	6.78
Borrowings from the Central Bank	5,057,002	6.90	5,081,793	8.01
Borrowing funds	4,940,590	6.74	2,929,527	4.62
Financial assets sold for repurchase	1,911,027	2.61	955,578	1.51
Others	139,644	0.18	110,977	0.17
Total of interest expenditure	73,327,514	100.00	63,442,639	100.00
<b>Net interest income</b>	<b>52,644,843</b>		<b>52,263,908</b>	



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

During the Reporting Period, the Group realized a net income from handling fees and commissions of RMB 4.276 billion, with a YoY drop of 31.6%. To be specific, the fees and commissions income was RMB 6.208 billion, with a YoY drop of 9.79%; fees and commission expenses were RMB 1.932 billion, with a YoY growth of 206.82%. In regard of the fees and commissions income, agency fee income was RMB 3.986 billion, with a YoY growth of 14.96%. Credit commitment fee and commission income was RMB 1.176 billion, with a YoY growth of 16.21%; the commission income from custody and other entrusted business was RMB 747 million with a YoY drop of 14.1%. In regard of the handling fees and commissions, settlement and clearing fee expenses were RMB 547 million, with a YoY growth of 77.04%; card handling fee expenses were RMB 166 million, with a YoY growth of 109.59%.

Unit: RMB 1,000 Currency: RMB

Items	2023	2022
Agency fee income	3,986,054	4,687,365
Credit commitment fee and commission income	1,176,198	1,011,687
Commission income from custody and other entrusted businesses	747,037	869,667
Bank card handling fee income	166,585	163,228
Income from settlement and clearing fees	114,581	110,956
Income from consultants and consulting fees	2,927	2,470
Others	14,759	36,138
<b>Fees and commissions income</b>	<b>6,208,141</b>	<b>6,881,511</b>
Settlement and clearing fee expenses	547,197	309,075
Card handling fee expenses	165,575	78,998
Others	1,219,114	241,585
<b>Fees and commission expenses</b>	<b>1,931,886</b>	<b>629,658</b>
<b>Net income of handling charges and commissions</b>	<b>4,276,255</b>	<b>6,251,853</b>

#### (V) Business and management fees

During the Reporting Period, the Group's expenditure of business and management fees was RMB 17.826 billion, with a YoY growth of 3% and the cost to income ratio was 23.99%. The Group insisted on the "Intelligent, Characteristic, International and Comprehensive" strategy, advanced "intelligent" transformation in depth and intensified allocation of resources in fields such as Fintech; it has supported operation management comprehensively in the whole process, and kept a reasonable level of cost to income ratio on the basis of rapid improvement of operation management in both quality and efficiency.

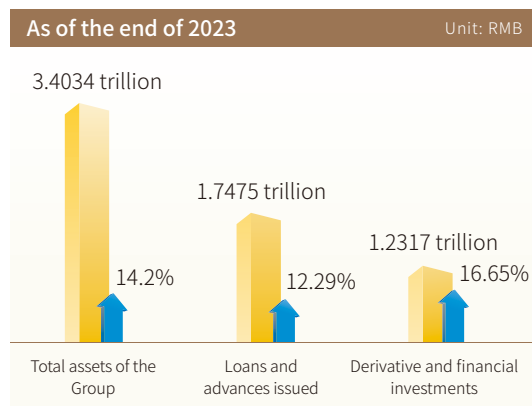
Unit: RMB 1,000 Currency: RMB

Items	2023	2022
Employee costs	11,260,228	9,999,293
-Wages and bonuses	8,599,377	7,584,201
-Social insurance premiums and supplementary insurance	1,464,060	1,358,706
- Others	1,196,791	1,056,386
Expenses on property and equipment	2,032,618	1,899,025
-Depreciation and amortization	1,300,860	1,219,544
-Leasing and property management fees	158,625	143,857
-Public utility fees	78,567	74,841
-Others	494,566	460,783
Other office and administrative expenses	4,532,768	5,408,413
<b>Total</b>	<b>17,825,614</b>	<b>17,306,731</b>

## IV. Analysis of Assets and Liabilities

### (I) Major balance sheet items

At the end of the Reporting Period, the total assets of the Group had been RMB 3.4034 trillion, 14.2% higher compared with that at the end of last year. To be specific, the loans and advances had been RMB 1.7475 trillion, 12.29% higher compared with that at the end of last year; derivative and financial investments reached RMB 1.2317 trillion, 16.65% higher compared with that at the end of last year; cash and deposits in the Central Bank was RMB 154.2 billion, 8.18% higher compared with that at the end of last year; inter-bank assets were RMB 141.3 billion, 19.37% higher compared with that at the end of last year.



The total liabilities of the Group had been RMB 3.1442 trillion, 13.72% higher compared with that at the end of last year. To be specific, the deposits absorbed had been RMB 1.9149 trillion, 15.45% higher compared with that at the end of last year; debt securities issued had been RMB 392.4 billion, 17.96% lower compared with that at the end of last year; inter-bank liabilities had been RMB 539.1 billion, 37.74% higher compared with that at the end of last year, and loans from the Central Bank had been RMB 222.2 billion, 19.03% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023	December 31, 2022	Range of Increase/ Decrease (%)
Cash and deposits in the Central Bank	154,237,837	142,569,502	8.18
Interbank Assets <sup>1</sup>	141,334,009	118,400,766	19.37
Derivatives and financial investments <sup>2</sup>	1,231,715,327	1,055,896,758	16.65
Issued loans and advances	1,747,477,216	1,556,170,969	12.29
<b>Total assets</b>	<b>3,403,361,837</b>	<b>2,980,294,692</b>	<b>14.20</b>
Borrowings from Central Bank	222,190,940	186,674,842	19.03
Interbank liabilities <sup>3</sup>	539,118,574	391,408,404	37.74
Deposit taking	1,914,948,437	1,658,677,652	15.45
Issued debt securities	392,410,499	478,305,197	-17.96
<b>Total liabilities</b>	<b>3,144,245,806</b>	<b>2,764,863,353</b>	<b>13.72</b>

Note: 1. Interbank assets include deposits in interbanks and other financial institutions, lending funds and purchase of reselling financial assets;  
2. Derivative and financial investments include derivative financial assets, transactional financial assets, creditor's rights investments, other creditor's rights investments and other equity instrument investments  
3. Interbank liabilities include funds deposited by or borrowed from interbank and other financial institutions and the repurchased financial assets sold.

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

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023	December 31, 2022	Range of Increase/ Decrease (%)	Main Reason
Lending funds	97,340,987	69,656,507	39.74	Increase in lending funds
Derivative financial assets	2,667,228	1,708,980	56.07	Increase in derivative financial assets
Financial assets bought for resale	7,023,804	4,619,628	52.04	Increase in financial assets bought for resale
Other debt investments	254,668,286	158,751,177	60.42	Increase in other debt investments
Construction in progress	342,702	1,087,010	-68.47	Decrease in construction in progress
Fixed assets	8,342,206	5,975,149	39.62	Increase in fixed assets
Other assets	16,119,220	9,325,105	72.86	Increase in other assets
Deposits from other banks and financial institutions	293,584,875	196,071,080	49.73	Increase in deposits from other banks and financial institutions
Borrowing funds	151,206,453	102,060,245	48.15	Increase in borrowing funds
Derivative financial liabilities	2,573,990	1,804,609	42.63	Increase in derivative financial liabilities
Other liabilities	44,335,871	17,928,547	147.29	Increase in other liabilities
Capital reserve	47,905,210	27,699,781	72.94	Increase in capital reserve
Other comprehensive income	2,168,785	993,917	118.21	Increase in other comprehensive income



### (III) Major asset items

#### 1. Issued loans and advances

##### (I) Analysis on loans and advances as of the end of the Reporting Period based on nature

As of the end of the Reporting Period, the book value of loans and advances issued by the Group had been RMB 1.7475 trillion, 12.29% higher compared with that at the end of last year. The loans amounted to RMB 1.8018 trillion, 12.32% higher compared with that at the end of last year. To be specific, the corporate loan was RMB 1.0249 trillion, 19.89% higher compared with that at the end of last year. The retailing loan was RMB 645.5 billion, 6.79% higher compared with that at the end of last year and the notes discounted were RMB 131.4 billion, 9.29% lower compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023	December 31, 2022
<b>Measured at amortized cost</b>		
Enterprise loans and advances	990,197,253	835,245,949
Personal loans and advances	645,539,194	604,515,998
- Individual consumption loans	314,414,135	274,275,875
- Housing mortgage loans	244,710,032	245,012,741
- Personal operating loan	53,285,407	49,447,916
- Credit card	33,129,620	35,779,466
Bills discounted	144,625	205,749
Subtotal	1,635,881,072	1,439,967,696
<b>Measured at fair value with its changes included in other consolidated income</b>		
Enterprise loans and advances	34,693,234	19,608,253
Bills discounted	131,222,710	144,613,461
Subtotal	165,915,944	164,221,714
<b>Loans</b>	<b>1,801,797,016</b>	<b>1,604,189,410</b>
Accrued interest	7,347,777	6,663,236
Minus: Impairment provision	61,667,577	54,681,677
<b>Book value</b>	<b>1,747,477,216</b>	<b>1,556,170,969</b>

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

The top 3 industries of the Group's loans issued as of the end of the Reporting Period were leasing and commercial service industry, manufacturing industry and wholesale and retail trade. To be specific, the loan of leasing and commercial service industry was RMB 254.5 billion, accounting for 14.12%; loans of manufacturing were RMB 240.2 billion, accounting for 13.33%; and loans of water conservancy, environment and public facilities management was RMB 125.4 billion, accounting for 6.96%.

Unit: RMB 1,000 Currency: RMB

Industries	December 31, 2023		December 31, 2022	
	Amount	Ratio (%)	Amount	Ratio (%)
Leasing and commercial service	254,540,166	14.12	204,898,591	12.77
Manufacturing industry	240,201,773	13.33	193,238,235	12.04
Water conservancy, environment and public facilities management	125,393,121	6.96	97,823,555	6.10
Wholesale and retail industry	120,028,731	6.66	107,620,092	6.70
Real estate industry	82,130,460	4.56	89,296,925	5.57
Construction industry	50,902,487	2.83	43,569,462	2.72
Agriculture, forestry, animal husbandry, sideline occupations and fishery	28,256,198	1.57	22,733,194	1.42
Scientific research and technical service industry	26,411,224	1.47	17,906,867	1.12
Transportation, storage and postal service industry	25,786,570	1.43	21,642,772	1.35
Information transmission, software and information technology service industry	20,455,744	1.14	14,263,500	0.89
Electricity, heat, gas and water production and supply	20,385,967	1.13	16,738,336	1.04
Residential services, repairs and other services	8,341,737	0.46	6,090,441	0.38
Culture, sports and entertainment industry	5,825,729	0.32	5,333,485	0.33
Financial industry	5,326,375	0.30	4,412,989	0.28
Health and social work	3,219,309	0.18	3,126,022	0.19
Accommodation and F&B industry	3,119,927	0.17	3,659,718	0.23
Mining industry	2,930,569	0.16	921,902	0.06
Others	1,634,400	0.09	1,578,116	0.10
Subtotal of corporate loans and advances	1,024,890,487	56.88	854,854,202	53.29
Personal loans and advances	645,539,194	35.83	604,515,998	37.68
Notes discounted	131,367,335	7.29	144,819,210	9.03
<b>Various loans</b>	<b>1,801,797,016</b>	<b>100.00</b>	<b>1,604,189,410</b>	<b>100.00</b>

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

As of the end of the Reporting Period, of the Group's various loans, the balance of loan in Jiangsu area and Yangtze River Delta (excluding Jiangsu area) had been RMB 1.5422 trillion and RMB 122.6 billion with a ratio of 85.59% and 6.8% respectively; The loan balance in Guangdong-Hong Kong-Macao Greater Bay Area and Beijing-Tianjin-Hebei region had been RMB 69.5 billion and RMB 67.5 billion with a ratio of 3.86% and 3.75% respectively.

Unit: RMB 1,000 Currency: RMB

Region	December 31, 2023		December 31, 2022	
	Amount	Ratio (%)	Amount	Ratio (%)
Jiangsu area	1,542,230,716	85.59	1,366,732,229	85.20
Yangtze River Delta Region (excluding Jiangsu area)	122,606,425	6.80	106,551,344	6.64
Guangdong-Hong Kong-Macao Greater Bay Area	69,491,079	3.86	68,508,184	4.27
Beijing-Tianjin-Hebei region	67,468,796	3.75	62,397,653	3.89
<b>Total loans</b>	<b>1,801,797,016</b>	<b>100.00</b>	<b>1,604,189,410</b>	<b>100.00</b>

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

As of the end of the Reporting Period, of the Group's various loans, the amount of loan with collateral had been RMB 443.6 billion with a ratio of 24.62% while that of credit loan and guaranteed loan had been RMB 687.7 billion and RMB 670.5 billion with a ratio of 38.17% and 37.21% respectively.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023		December 31, 2022	
	Amount	Ratio (%)	Amount	Ratio (%)
Credit loan	687,677,492	38.17	610,037,542	38.03
Guaranteed loan	670,469,753	37.21	530,402,768	33.06
Loan with collateral	443,649,771	24.62	463,749,100	28.91
Including: Mortgage loan	385,182,351	21.38	395,145,710	24.63
Pledged loan	58,467,420	3.24	68,603,390	4.28
<b>Total loans</b>	<b>1,801,797,016</b>	<b>100.00</b>	<b>1,604,189,410</b>	<b>100.00</b>

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

Among the Group's different loans as of the end of the Reporting Period, the balance of loans of the top 10 customers amounted to RMB 33.1 billion, accounting for 1.84% of the total loans and 11% of the net amount of capital.

Unit: RMB 1,000 Currency: RMB

No.	Borrower	Loan Balance	Proportion of Total Loans (%)	Proportion of Net Capital (%)
1	Customer A	6,228,039	0.35	2.07
2	Customer B	4,702,500	0.26	1.56
3	Customer C	3,874,226	0.22	1.28
4	Customer D	3,640,000	0.20	1.21
5	Customer E	3,440,298	0.19	1.14
6	Customer F	2,762,324	0.15	0.92
7	Customer G	2,495,000	0.14	0.83
8	Customer H	2,000,000	0.11	0.66
9	Customer I	1,989,313	0.11	0.66
10	Customer J	1,981,000	0.11	0.66

### 2. Financial assets purchased for resale

As of the end of the Reporting Period, the book value of financial assets bought and resold by the Group had been RMB 7.024 billion, 52.04% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023	December 31, 2022
Securities		
- Bonds of banks and other financial institutions	6,433,163	3,999,970
- Chinese government bonds	588,335	24,179
- Corporate bonds	0	600,000
Subtotal	7,021,498	4,624,149
Accrued interest	3,309	1,812
Minus: Depreciation reserves	1,003	6,333
<b>Total</b>	<b>7,023,804</b>	<b>4,619,628</b>

### 3. Financial investment

#### (1) Trading financial assets

As of the end of the Reporting Period, the book value of the Group's transactional financial assets had been RMB 421.2 billion, 11.55% higher compared with that at the end of last year. To be specific, investment fund was RMB 248 billion, 26.61% higher compared with that at the end of last year. Bond investment was RMB 129.8 billion, 14.22% higher compared with that at the end of last year. Wealth management investment was RMB 3.53 billion, with a drop of 84.67% in comparison to that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
- Government	20,932,349
- Policy banks	41,602,221
- Commercial banks and other financial institutions	7,559,778
- Other institutions	57,089,448
Subtotal	127,183,796
<b>Beyond the Chinese border</b>	
- Government	0
- Policy bank	0
- Commercial banks and other financial institutions	2,450,674
- Other institutions	207,659
Subtotal	2,658,333
Subtotal of bond investment	129,842,129
Investment fund	247,997,006
Asset-backed securities	4,972,779
Investment of wealth management products	3,528,816
Asset management plan and trust plan investments	2,545,782
Equity investment	353,194
Other investments	31,940,244
<b>Total</b>	<b>421,179,950</b>



## (2) Creditor's right investment

At the end of the Reporting Period, the book value of the Group's creditor's rights investment had been RMB 553 billion, 6.83% higher compared with that at the end of last year. Among the balance of creditor's rights investment, bond investment had been RMB 481.9 billion, 16.56% higher compared with that at the end of last year. Investment in asset management plans and trust plans had been RMB 51 billion, 34.38% lower compared with that at the end of last year. Investment in asset-backed securities had been RMB 17.7 billion, with a drop of 35.24% in comparison to that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
-Governments	390,756,401
- Policy banks	18,197,005
-Commercial banks and other financial institutions	1,150,000
-Other institutions	26,418,215
Subtotal	436,521,621
<b>Beyond the Chinese border</b>	
- Government	468,743
- Policy banks	247,891
-Commercial banks and other financial institutions	8,738,057
-Other institutions	35,972,315
Subtotal	45,427,006
Subtotal of bond investment	481,948,627
Asset management plan and trust plan	51,023,251
Asset-backed securities	17,699,307
Other investments	4,484,886
Total	555,156,071
Accrued interest	6,406,694
Minus: Depreciation reserves	8,558,639
<b>Book value</b>	<b>553,004,126</b>

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

As of the end of the Reporting Period, the book value of the Group's other creditor's right investment was RMB 254.7 billion, 60.42% higher compared with that at the end of last year. Among the balance of other creditor's right investment, bond investment was RMB 244.6 billion, 62.66% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023
Bond investments (by issuer):	
<b>Within Chinese territory</b>	
-Governments	93,260,398
-Policy banks	61,474,720
-Commercial banks and other financial institutions	20,705,265
-Other institutions	40,672,963
Subtotal	216,113,346
<b>Beyond the Chinese border</b>	
Government	1,667,370
- Policy banks	183,121
- Commercial banks and other financial institutions	7,559,941
- Other institutions	19,063,822
Subtotal	28,474,254
Subtotal of bond investment	244,587,600
Asset-backed securities	1,956,207
Other investment	5,600,935
<b>Subtotal</b>	<b>252,144,742</b>
Accrued interest	2,523,544
<b>Total</b>	<b>254,668,286</b>

### (4) Other equity instruments investment

As of the end of the Reporting Period, the book value of the Group's investment in other equity instruments had been RMB 196 million.

## (IV) Major liabilities

### 1. Deposit taking

As of the end of the Reporting Period, the book value of the Group's deposit taking had been RMB 1.9149 trillion, 15.45% higher compared with that at the end of last year. The deposits had been RMB 1.8753 trillion, with an increase of 15.39% compared with that at the end of last year. To be specific, corporate deposit had been RMB 931.3 billion with a ratio of 49.67%, 5.57% higher compared with that at the end of last year. Individual deposit had been RMB 708.1 billion, with a ratio of 37.76%, 27.55% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023		December 31, 2022	
	Amount	Ratio (%)	Amount	Ratio (%)
<b>Corporate deposits</b>				
Current deposit	426,758,520	22.76	353,815,271	21.77
Fixed time deposit	504,587,720	26.91	528,402,432	32.51
Subtotal	931,346,240	49.67	882,217,703	54.28
<b>Personal deposits</b>				
Current deposit	92,580,154	4.94	108,814,392	6.70
Fixed time deposit	615,536,668	32.82	446,360,871	27.47
Subtotal	708,116,822	37.76	555,175,263	34.17
<b>Other deposits</b>				
Marginal deposit for security	216,267,566	11.53	166,477,148	10.24
Treasury deposit	18,650,000	0.99	20,805,000	1.28
Remittances outstanding	896,632	0.05	371,168	0.02
Outward remittance	55,599	0.00	94,220	0.01
Fiscal deposits	2,305	0.00	6,041	0.00
Subtotal	235,872,102	12.57	187,753,577	11.55
Various deposits	1,875,335,164	100.00	1,625,146,543	100.00
Interest accrued	39,613,273		33,531,109	
<b>Deposit taking</b>	<b>1,914,948,437</b>		<b>1,658,677,652</b>	

## 2. Deposit of interbank and other financial institutions

As of the end of the Reporting Period, the balance of the Group's deposit of interbank and other financial institutions had been RMB 293.6 billion, 49.73% higher compared with that at the end of last year.

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023	December 31, 2022
Within Chinese territory		
-Banks	24,734,684	17,183,421
-Other financial institutions	266,603,327	177,864,557
Overseas		
- Other financial institutions	3,785	-
<b>Subtotal</b>	<b>291,341,796</b>	<b>195,047,978</b>
<b>Interest accrued</b>	<b>2,243,079</b>	<b>1,023,102</b>
<b>Total</b>	<b>293,584,875</b>	<b>196,071,080</b>



## V. Loan Quality Analysis

### 1. Five-level classification of loans

Unit: RMB 1,000 Currency: RMB

Five-level Classification	Amount	Ratio (%)	Rise or Drop Compared with the End of Last Year (%)
Pass	1,761,191,309	97.75	Remain the same
Special-mention	24,163,314	1.34	Rise by 0.03%
Substandard	9,954,561	0.55	Rise by 0.03%
Doubtful	2,108,773	0.12	Drop by 0.12%
Loss	4,379,059	0.24	Rise by 0.06%
<b>Total</b>	<b>1,801,797,016</b>	<b>100.00</b>	

Note: According to the regulatory five-level classification policy, the Group's NPLs include loans classified as sub-standard, doubtful and loss. During the Reporting Period, the Group strengthened work for reducing existing risks and controlling the generation of new risks and had assets quality further kept in a sound trend. As of the end of the Reporting Period, the balance of the Group's non-performing loan had been RMB 16.442 billion and the ratio of NPL had been 0.91%, 0.03% lower compared with that at the beginning of this year.

### 2. Migration rate data

Unit: %

Item	2023	2022	2021
Migration rate of normal loans	2.13	1.54	2.08
Migration rate of special-mention loans	27.03	24.18	42.38
Migration rate of substandard loans	39.37	45.72	54.51
Migration rate of doubtful loans	82.86	43.64	78.32

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

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

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

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

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

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

Classification	Ratio (%)	Rise/Drop Compared with that of the End of Last Year (%)
Agriculture, forestry, animal husbandry, sideline occupations and fishery	0.26	-0.03
Mining	0.00	0.00
Manufacturing industry	1.12	-0.25
Production and supply of electricity, heat, gas and water	0.60	-0.68
Construction industry	1.40	0.44
Wholesale and retail industry	1.92	-0.61
Transportation, warehousing and mail business	0.08	-0.18
Accommodation and catering industry	0.54	-2.72
Information transmission, software and information technology services industry	0.92	-0.15
Finance industry	0.54	0.54
Real estate industry	2.54	0.67
Leasing and commercial service	0.45	0.15
Scientific research and technical services	0.97	-0.41
Water conservancy, environment and public facility management industry	0.13	-0.05
Neighborhood service, repair and other service industries	0.17	-0.06
Education	0.31	-0.09
Sanitation and social work	0.20	-0.28
Cultural, sports and entertainment industry	0.40	-0.82
Personal operating loan	1.79	0.28
<b>Personal loans</b>	<b>0.79</b>	<b>0.09</b>

### 4. Large exposure management

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

## 5. Refinance and overdue loans

As of the end of the Reporting Period, the ratio of balance of the loan for more than 90 days overdue and NPL had been 63.01%; the ratio of balance of the loan for more than 60 days overdue and non-performing loan had been 76.71%.

Unit: RMB 1,000 Currency: RMB

Classification	Open Balance	Closing Balance	Percentage (%)
Refinance	1,947,041	2,253,927	0.11
Overdue loans	16,285,755	19,229,908	1.07

Note: 1. Refinance refer to the adjustment of the original loan terms due to failure to repay the loan on schedule, including extending the loan term, borrowing for repaying, and conversion; 2. Overdue loans refer to the principal amount of loans whose principal or interest is overdue.

## 6. Disposal of NPL

The Bank has intensified the disposal of NPL by taking different measures at the same time. First, give full play to the concentration operation advantages of non-performing assets (NPA), intensify the head office's control for major and difficult projects and improve intensive, specialized, refined management ability for assets preservation business. Second, strengthen the management of NPL collection and lawsuit-based clearing & recovery, carry out litigation preservation in time through judicial ways, so as to achieve early intervention, seize the opportunity and deal with it quickly. Third, intensify cooperation with various kinds of assets management companies, carry out creditor's rights transfer business in strict accordance with market principles and improve disposal efficiency. Fourth, strengthen the management for write-off plan of bad debts, set strict identification conditions. Fifth, strengthen review and approval procedure and actively advance restructure of NPL customers that have basically normal production and operation and relatively simple liability structure with assets probably vitalized.

## 7. Changes in the provision for impairment of loans

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

Unit: RMB 1,000 Currency: RMB

Item	Changes in Provision for Impairment of Loans and Advances Measured at Amortized Cost				Changes in Provision for Impairment of Loans and Advances Measured at Fair Value with Changes Included in Other Comprehensive Income			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Opening Balance	32,268,638	9,312,436	13,100,603	54,681,677	1,444,920	4,080	-	1,449,000
Transfer of the current period:								
To Stage I	3,217,029	-3,217,029	-	-	-	-	-	-
To Stage II	-1,929,980	2,978,605	-1,048,625	-	-5,548	5,548	-	-
To Stage III	-	-1,094,633	1,094,633	-	-	-	-	-
Provision of the current period	3,751,062	3,854,643	13,773,209	21,378,914	-946,827	-3,822	-	-943,005
Write-off of the current period	-	-	-16,334,697	-16,334,697	-	-	-	-
Recovery of the original written	-	-	1,375,586	1,375,586	-	-	-	-
off loan in the current period	-	-	1,936,968	1,936,968	-	-	-	-
Other changes	3,092	957	666	4,715	-	-	-	-
Closing Balance	37,309,841	11,834,979	12,522,757	61,667,577	492,545	13,450	-	505,995

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

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

## VI. Analysis on Main Business

In 2023, the Bank implemented the fundamental policy of the central government as well as the decision and deployment of the provincial Party committee and provincial government in depth, actively practiced the idea of new development, stuck to the principle of improvement on the basis of ensuring stability, development through improvement and "establishing the new before abolishing the old", took serving the substantial economy as the basic purpose and high-quality development as the primary task, constantly deepened strategic transformation through tackling onerous and difficult work and focusing on customers, optimized business structure and intensified risk management and control, so as to forge the comparative advantage of "high efficiency, strong coordination and superior services". Thanks to the above, the Bank made positive progress in its business.

### 1. Corporate banking

Strongly focused on the strategic goal of "strengthening the corporate services, creating industry expertise", the Bank exerts certain influence on the three economic circles (Yangtze River Delta, Pearl River Delta and Bohai Sea Rim) on the basis of ensuring its business in Jiangsu Province, closely followed the development strategy of the state and the administrative region, took green, low carbon, advanced manufacturing, strategic emerging, new infrastructure, etc. as the main development orientations on the premise of facilitating the construction of independent, controllable, safe and efficient modern industrial system, and intensified the support granted for key enterprises such as leading enterprises, champion enterprises and "Specialized, Refinement, Differential and Innovation" enterprises to realize the high-end, intelligent and green development of manufacturing industry. It constantly developed core businesses such as trading bank, investment bank, cross-border finance, asset management, etc., intensified integrated operation of corporate banking and provided full-ecology and full-life cycle integrated service of "direct financing + indirect financing" and "finance + non-finance". As of the end of the Reporting Period, the balance of corporate deposits had been RMB 931.3 billion, 5.57% higher than that at the end of last year; the corporate loan balance was RMB 1.0249 trillion, 19.89% higher than that at the end of last year.

— **Serving real economy.** By undertaking the financial responsibility with firm resolution, the Bank launched and implemented the "15 items" of "4 new" major task action, and formulated and implemented a series of action plans such as "improving the unavailable or weak link in the industry chain, enhancing the overall competitiveness of the industry chain and extending the length of industry chain, supporting development and growth of private economy, and optimizing environment for foreign investment". We focused on the construction of Jiangsu "1650" Industry System, organized the service program competition for the Bank's industry chain, and formulated a total of 17 financial service programs such as new smart grid, integrated circuit and environmental equipment. The Bank expanded the medium and long-term projects vigorously in such infrastructure fields as ecological protection, people's livelihood and transportation logistics by taking the key provincial and municipal projects as core project and improved financial service quality and efficiency constantly. As of the end of the Reporting Period, the manufacturing loan balance had been RMB 240.2 billion, 24.30% higher than that at the end of last year, a 23.44% proportion in corporate actual loan balance (improving by 0.84% compared with that at the end of last year); the balance of infrastructure loan had been RMB 417.6 billion, increasing by 26.39% compared with that at the end of last year, a 39.52% proportion in corporate actual loan balance (2.37% higher than that at the end of year).

— **Green finance.** The Bank deeply promoted the "collectivized, professional and international" development of green finance, accelerated the speed in realizing the objective of "domestic leading and internationally influential" green finance brand, comprehensively promoted the collectivized development mechanism, and further speeded

up the diversified development such as green bond, green inclusion, green retail, green leasing and green wealth management. As of the end of the Reporting Period, the green investment and financing scale at group caliber had been RMB 450.1 billion, 40.5% higher than that at the end of last year. To be specific, the balance of green loan based on the calculation of the People's Bank of China was RMB 287 billion, 42.5% higher than that at the end of last year, and the ratio of each loan maintained a leading status in the 21 commercial banks directly managed by the People's Bank of China. We enriched and improved the professional management system, and constructed three featured operation sectors of "ecology finance, energy finance and transformation finance" mainly in such fields as ecological environmental protection, energy structure adjustment and low-carbon industrial transformation; took the lead in launching the transformational financial frame in the industry, innovated the linkage transformational financial products such as "ESG benefit loan", and implemented Jiangsu's first project loan of "gross ecosystem product (GEP) pledge" and "environmental protection guarantee". The Bank made efforts to enhance its international brand influence, actively performed the duty of the Central and East Asian Council Member of the Bank Council of the "United Nations Environment Programme Finance Initiative (UNEP FI)", deeply integrated into the internationally sustainable financial ecosystem, acted as the joint group leader of "2030 Core Working Group of Responsible Bank Principle" and "Working Group of Financial Health and Exclusion of Responsible Bank Principle", researched and formulated new framework standards in 2030 such as "Responsible Bank Principle" together with internationally well-known peers.

— **Trading banking.** In the key fields such as advanced manufacturing, green energy, medicine and health, grain and cotton agriculture, the Bank forged three modes of supply chain self-support, direct linking and indirect linking, deepened industry integration of finance and S&T, constantly enriched the system of supply chain financial products, provided all kinds of financing operations for upstream and downstream small and medium-sized enterprises, established smart risk control system, constantly enhanced the ability of digital intelligence and industry integration, and made efforts to improve the unavailable or weak link in the industry chain, to enhance the overall competitiveness of the industry chain and to extend the length of industry chain. As of the end of the Reporting Period, the balance of supply chain financing had been over RMB 100 billion, and the Bank served over 600 core enterprises in the industry chain. The Bank further extended service boundary through digitalization, upgraded the 8 steward products "SU YIN JIN GUAN JIA" to Ver. 3.0, and deeply integrated scenarios such as enterprise production, supply and marketing as well as people, money and materials. The Bank served over 50,000 corporate customers and realized a trading volume of RMB 7 trillion.

— **Inclusive finance.** The Bank constantly improves the quality and efficiency of financial service for small and micro businesses by highlighting the key fields and links, including small and micro businesses, S&T innovation, rural revitalization, etc. As of the end of the Reporting Period, the loan balance of small and micro businesses had been over RMB 620 billion, ranking 1<sup>st</sup> in all banks of Jiangsu Province and national urban commercial banks. To be specific, the inclusive loan balance for small and micro businesses was RMB 173.5 billion, increasing RMB 35 billion compared with that at the end of last year with a growth rate of 25.27%. In line with the requirements of various policies, the Bank realized inclusive finance covering all served outlets, and lowered the price of inclusive small and micro loan on the basis of stability; the rate of new exclusive small and micro loan dropped by 32 BPs compared with that of last year, and the quality of assets was optimized further and stably. The Bank also laid emphasis on expanding customers and strengthening client base, built "4 new" marketing service system, innovatively launched the "master" platform for catering to the demands of digitalization by industry and commercial associations; explored the first loan clients and individual business clients, and constantly widened the service boundary. Within the reporting period, the Bank developed 26,000 new small and micro customers. In terms of innovation leadership, the Bank promoted the re-upgrading of intelligent small and micro mode through the combination of online and offline business flows, standardized and featured product strategies, financing and intelligence-integration digital platforms, and



continuously increased procedural efficiency, enhanced supply suitability and improved customer experience. As for S&T innovation talents, the Bank launched a new round of implementation opinions on S&T financial development. In the field of "2 strong and 1 new", the Bank carried out specific actions such as "Visiting Enterprises, Enhancing Confidence and Optimizing Service" and Ver. 2.0 "Specialized, Refinement, Differential and Innovation" Combat. The "Suyin Kechuangrong" Platform that the Bank established initiatively could provide comprehensive financial services for S&T enterprises. The Bank tried to build the featured branch bank with S&T talents and improve the professional ability of S&T innovation services. As of the end of the Reporting Period, the loan balance of S&T enterprises had been RMB 189.3 billion, increasing 32.56% compared with that at the end of last year, and the Bank served nearly 16,000 high-quality "Specialized, Refinement, Differential and Innovation" customers.

— **Cross-border finance.** By closely following the latest economic and financial dynamics at home and abroad, the Bank continuously promotes business transformation and the integrated development of local and foreign currency. We take multiple measures to improve the service level of risk management on enterprise exchange rate, actively advance the pilot of foreign currency convenience and contribute to stability maintenance and quality improvement for foreign trade; launch multiple services in succession, such as integrated visualization of CIPS accounts, CIPS payment lens, CIPS full remittance and transfer, to assist the business development of cross-border RMB efficiently. The Bank ranked 1<sup>st</sup> in the business running assessment of Free Trade Accounting Unit (FTU) for financing institutions in the Free Trade Zone by Shanghai Head Office of PBC and has been rated as Class A bank for years in the appraisal of the compliance of designated banks under jurisdiction with foreign exchange administration regulations by Jiangsu Branch of the State Administration of Foreign Exchange. During the Reporting Period, the Bank's market share on international settlements within Jiangsu Province improved by 1.5%.

— **Investment banking.** The Bank leads the high-quality development of investment banking by innovation, creates the ecosphere of diversified business by comprehensively using all kinds of financial instruments, efficiently integrates various financial resources and improves both the quality and efficiency of serving real economy. During the Reporting Period, the principal underwriting amount of debt financing instruments reached RMB 202.3 billion, ranking top among national urban commercial banks, and was rated as Class A principal underwriter and granted the "Innovative Service Award" by Nanjing Branch of PBC. The Bank undertook China's first debt financing instrument of "hybrid S&T innovation bill + sustainable linkage", debt financing instrument of lease guarantee for security housing, and several innovative businesses in Jiangsu. During the Reporting Period, the net new quantity of delivery for M&A loans continued to remain 1<sup>st</sup> among peers in Jiangsu Province.

## 2. Retail and wealth management business

Adhering to the original operation philosophy of "centering on customers, helping with their growth and creating values for them", the Bank constantly deepens the construction of "customer-oriented smart retail", forges smart retail ecosphere focusing on the three development factors of "full client base, all channel and complete product variety" together with partners, both internally and externally, and makes development more sustainable and amount of income higher based on the latest dynamics of markets nearby and customer needs. By relying on digitalization advantages and strengthening S&T support, the Bank builds the one-stop service platform and the full-life-circle operation service system of customer so as to simplify procedures and optimize experience. As of the end of the Reporting Period, the balance of retail deposits had been RMB 708.1 billion, increasing by 27.55% over the end of the last year; the balance of retail loans had been RMB 645.5 billion, increasing by 6.79% over the end of the last year; the scale of retail AUM had reached RMB 1.24 trillion, increasing by 16.11% over the end of the last year. The Bank ranked 1<sup>st</sup> among all urban commercial banks in both scale and growth speed.

— **Wealth management.** By focusing on residents' goals of wealth preservation and appreciation, the Bank continuously enriches its retail products and constantly enhances its professional service ability; deepens the integration of public and private business and accelerates the construction of service feature of family inheritance. Following the service philosophy of "harmony & wisdom · inheritance", the Bank accelerates procedure re-establishment, system setup and mode transformation, and provides all-around comprehensive service for high-net-worth individual customers and their families; upgrades the comprehensive financial service brand for "entrepreneurs and investors", serving over 36,000 entrepreneur customers accumulatively. Through carrying out a series of themed activities, such as large-scale live streaming of "National Wealth Feast", Family Business Forum, "Fellow-students Association for Chairmen" for entrepreneurs and "Elite Summer Camp", the Bank further enhances service capacity for high-net-worth customers. The balance of financial assets of wealth and private bank customers was nearly RMB 350 billion, and the growth rate of both asset scale and customer number exceeded 20%. The Bank held the 3<sup>rd</sup> "919 Fortune Festival", which included a total of 4 special activities and attracted over 1.15 million people. By issuing the fund optimization brand of "SU YIN JIN XUAN", the Bank forges the "six complete fund-choosing methods" with complete products, complete systems, complete strategies, complete data, complete flow and complete vision. By in-depth cooperation with head managers, the Bank reinforces the entire process management of "selection, raising, management and service". The Bank ranked 1<sup>st</sup> steadily among urban commercial banks in terms of the scale of wealth management business, and was honored with the Brand Award for "2023 SSE · Golden Wealth Management" Bank Wealth Management.

— **Consumer finance.** Following the market orientation of serving urban and rural residents, the Bank constantly updates its service process, and improves service experiences; accelerates innovating online products and scenarios, upgrades and iterates the application form, quota, period, etc. of consumer loan products and improves the efficiency of customers' applying for and using loan. The Bank expands the comprehensive financial services for small and micro businessmen and, by taking merchant operations with e-finance payment as the core, explores the construction of BBC (bank, merchant and individual customers) mode ecosphere, so as to improve customer loyalty. By actively responding to the call of promoting consumption, the Bank issued "18 measures" to boost consumption, and launched fee-reducing & profit-surrendering and convenient services such as raising tolerance limit and extending card validity. The Bank constantly carries out the credit card activity brand of "building various kinds of credit card activity brands constantly, intensify new energy vehicle publicity and assisting farmers to build dreams", and intensified the phased scenario layout of NEVs, green home decoration, etc. By actively launching multiple jointly-signed credit cards in partnership with leading Internet organizations, the Bank strives to widen its young customer groups; constantly improves the service supporting capacity on Internet channels. In particular, the binding rate of third-party payment of the activated credit cards on the year of issuance reached 98.6%, fully covering the mainstream e-commerce platforms by stages and improving customer experience dramatically. The Bank constantly reinforces its level of credit card risk management by the "3 actions" constantly (anti-money laundering, anti-fraud, and anti-dark industry), establishes police-enterprise cooperative mechanism, signs the Self-discipline Declaration on Promoting the Healthy Development of Consumer Finance Industry, and joined organizations such as "Alliance Against Illegal Industry in Financial Field (AIF)", which contributes to the constant improvement of credit card risk control management.

— **"Smart retail" construction.** On the basis of continuous and in-depth insight into the customers' online service needs, the Bank expands its scenario ecological cooperation circle, intensifies deep integration of "finance + scenario", and spares no effort to satisfy customers' diversified demands in such fields as health care, campus, consumption and traveling. The "Health Care by Credit" product, jointly developed by the Bank in cooperation with multiple health insurance bureaus, covers nearly 150 hospitals and over 20,000 users. The Bank widens comprehensive



service of "smart campus", intensifies service capacities of "education + finance" scenario, and has signed over 2,000 cooperative schools accumulatively; over 1 million parents have paid the fees through "smart campus" on an annual basis. By innovatively launching the "Benefiting Life for Friends and Neighbors" (alliance cooperation of different industries), the Bank forges the new cooperation model between community and merchants and grants customers subsidies in consumer scenarios, so as to achieve win-win among customers, merchants and the Bank. The Bank widens the service range of "bus and metro-taking code", and launches mobile banking "bus and metro-taking code" service in partnership with many agencies inside and outside the province including public transportation and subway organizations. As of the end of the Reporting Period, the Bank's total customers using mobile banking had been over 18 million, and the number of monthly active customers had been over 6 million, keeping the Bank ranking 1<sup>st</sup> among urban commercial banks. The Bank was awarded with prizes such as "Digital Application Recommended by Users", "Excellent Mobile Banking APP" and "TOP 20 Enterprises with Optimal Financial APP Experience".

### 3. Financial market business

Following the strategic goal of "optimizing the financial market business, establishing leading advantages", the Bank strives to build "the strongest brand in the financial market"; develops the business of the big financial market on the basis of "professionalization, collaboration, integration and digital intelligence", further optimizes system and mechanism, constructs complete peer customer management system and marketing service system, enhances the capacities of scientific research and transaction with efforts, intensifies bank-trade cooperation, constantly improves system construction, contributing to transparent effect of both development quality and efficiency continuously, and further enhancing its market position and brand influence. As of the end of the Reporting Period, the balance of financial investment assets had been RMB 1.229 trillion, increasing by 16.59% over the end of the last year.

— **Capital business.** The Bank constantly keeps strengthening the construction of fixed-income investment research system, and acts proactively in such fields as opportunity grasping, bond selection and waveband transaction, contributing to the dramatic improvement of bond investment scale and earnings, and continuous leading status of investment in publicly offered funds. The Bank reinforces the absorption of medium-and-long-term superior inter-bank liabilities, and issued RMB 50 billion financial bond by grasping the favorable time. During the Reporting Period, the Bank was approved to run clearing business of net amount for foreign currency, assessed as the Class B member by Shanghai Clearing House, obtained the qualification of spot attempt market maker of interbank RMB foreign exchange market of China Foreign Exchange Trade System and the special member qualification in Shanghai Gold Exchange. The Bank's financial bond underwriting of export-import bank ranked top 5 in the whole market and the Bank was granted honors such as "Core Underwriter" and "Best Urban Commercial Bank". The Bank was still included in "Excellent Underwriters" in China Development Bank and the Agricultural Development Bank of China in financial bond underwriting.

— **Inter-bank business.** Adhering to the general working principle of "one center (customer), dual driving forces (investment and transaction) and three supports (innovation, risk control and digitalization)", the Bank continuously intensifies risk management, reasonably formulates strategies of investment and transaction, and vigorously boosts the development of featured business; rises to 8<sup>th</sup> in the main underwriters of the whole bank market in terms of non-policy financial bonds and credit ABS consignment sales, and 1<sup>st</sup> in 5 consecutive years in urban commercial banks. The Bank also ranks 1<sup>st</sup> among the 5 bill broking agencies in terms of turnover of bill broking business and 12<sup>th</sup> in market ranking of transaction amount of CFETS inter-bank deposits. The Bank was granted many honors such as "Social Responsibility Organization for Collateral Security Business" by China Central Depository & Clearing Co., Ltd., "Market Innovation Business Organization" by China Foreign Exchange Trade System, "Excellent Comprehensive Business Organization", "Excellent Acceptance Organization", "Excellent Discount Organization", "Excellent Settlement

Organization", "Excellent Discount-through Participant" and "Excellent Enterprise Promotion Organization of New-generation System" by Shanghai Commercial Paper Exchange Corporation Ltd.

— **Capital custodian business.** To facilitate the high-quality development of capital custodian business, the Bank further deepens the idea and guidance, optimizes system and mechanism, intensifies model innovation, and refines internal management, contributing to the steady scale increase of capital custodian business and enhancement of performance. As of the end of the Reporting Period, the balance of custodian assets had been RMB 4.35 trillion, increasing by 10.14% compared with that at the end of last year, and still ranked 1<sup>st</sup> among urban commercial banks in terms of custodian scale. To be specific, the scale of publicity offered funds custodian had been over RMB 450 billion, making the Bank rank 1<sup>st</sup> among urban commercial banks in terms of scale and earnings. In 2023, the Bank realized the green intermediate business earnings of RMB 600 million, ranking 1<sup>st</sup> among urban commercial banks.

#### 4. Financial technology

To address the financial technology layout, the Bank keeps the iteration from "system construction" to "service operation", and from "function realization" to "user experience" on the basis of integrating "experience, efficiency and safety" under the guidance of the 5-year information technology strategic plan in order to realize digital transformation; deepens orderly integration of business and S&T, and further enhances the autonomous and controllable ability. The Bank constantly enhances the input of financial technology capital, expands financial technology team, accelerates transformation and upgrading of IT framework, strengthens the application of sensitive organizations, improves the efficiency of product R&D and iteration, explores deeply the data value, constructs multi-dimensional risk control systems, improves the protective capability of Internet security, and consolidates the bottom line of S&T empowerment and safe operation.

— **Accelerate digital transformation.** The Bank optimizes process continuously, intensifies the effect of S&T empowerment, focuses on collection of internal management, forges a series of highlighting programs such as approval of investment and financing, grassroots burden reduction on anti-money laundering, and replaces repetitive manual operation by digital intelligence technology. The Bank boosts the centralization of branch' s technical management, centralizes data, application and server equipment comprehensively and constantly improves frontline productivity. On the basis of problem-oriented principle, the Bank boosts financial innovation, incubates the bank-level applications, such as the customer operation platform, forges over 10 innovative loan products such as "Change Ge Dai" and "Xu Shu Dai", and boosts scenario applications such as chain-style customer development. By sticking to the principle of "user first", the Bank improves channel experiences. To be specific, as for the online business, by taking "SU YIN JIN GUAN JIA" and mobile banking as the core, the Bank completes channel integration of corporate banking and private banking. As for offline business, by taking halls as focal points, the Bank optimizes channel transaction flow by intelligent counter and PAD. Within the Bank, by taking Intranet users and working platform, the Bank constantly optimizes the uniform log-in mechanism of various internal systems, so as to further improve the working efficiency.

— **Strengthen coordination of S&T service.** The Bank continues to enhance its service support to the frontline operation agencies, accepts the problems and requirements of business outlets in a flat manner through the channels such as corporate customer manager service, outlet service and statement data requirements, forges the service mode of internal platform work order, and enhances the response efficiency for frontline business requirements; deeply promotes the sensitive state coordination service and further integration of S&T business, achieves cross-department coordination at a fast speed, constantly enhances agile R&D ability and boosts R&D of low code; constructs modularization service center oriented to business, standardizes the demands acceptance procedure, and enhances the wisdom level of project management, promotes the construction of digital operation system; finally, the Bank

has basically connected customers, business opportunities and products, gradually unified the entrance of customer relation management platform, forged backtracking optimization projects for online lending risk indicators, and enhanced the value of operational indicators.

— **Consolidate the basis of digital operation.** The Bank enhances the operation capability of data assets, establishes and improves the catalog of 7 types of data assets, intensifies data quality control, improves the standards of corporate and individual customers, enhances data application level, and achieves the mutual integration and connection of performance data; customizes the appraisal mechanism that can apply to different workers flexibly, and has tackled key core technologies such as the large language model and customer portrait. The Bank strengthens the construction of technical foundation, creates the cloud native infrastructure foundation with high capacity, high performance and elasticity that covers the whole bank, completes the transformation of "one cloud, multiple cores", and achieves the overall migration of container cloud localization; constantly enhances the ability of autonomy and controllability, deepens the safe operation of IT, and by surrounding the protective concept of "boundary + Intranet + ecology", intensifies the protection system of the Group's information safety and enhances the guarantee level of business continuity.

## 5. Equity participation in and holding of subsidiaries

In due compliance with applicable provisions in laws and regulations, including the *Company Law*, the *Law on Commercial Banks*, the *Guidelines for Consolidated Management and Supervision of Commercial Banks* and the *Corporate Governance Standards for Banking and Insurance Institutions*, the Bank lawfully exercises its rights as shareholders, constantly improves the management, guidance and service of subsidiaries, intensifies group strategic synergy effect and continuously enhances comprehensive operation level.

— **Suyin Financial Leasing Co., Ltd.** (former name: Suxing Financial Leasing Co., Ltd.), incorporated in May 2015 and with a registered capital of RMB 4 billion (In February 2024, the Company's application item of increasing registered capital by transferring from undistributed profit was replied with approval by the supervision authority, and the registered capital after increasing by transferring will increase to RMB 6 billion from RMB 4 billion), is the first financial leasing company of banking system in Jiangsu Province, and was mainly sponsored by the Bank of Jiangsu. The business scope is described as follows: financial leasing business; transfer and acceptance of financial leasing assets; fixed-income securities investment business; acceptance of deposits from lessees; taking of fixed-time deposits of over 3 months (inclusive) of non-bank shareholders; inter-bank borrowing; borrowing from financial institutions; overseas borrowings; leased property sale and disposal business; economic consulting; and other businesses specified by laws and regulations or approved by National Financial Regulatory Administration.

Under the business philosophy of "incorporating capital, objects, wisdom and innovation", Suyin Financial Leasing has complied with the overall situation of national development initiative, sticks to the origin of leasing, energetically serves real economy from different perspectives, and strives to create characteristic business by underlining 5 aspects, i.e. S&T finance, green finance, inclusive finance, pension finance and digital finance. The Bank obtained Grade "AA" ESG rating for the first time and also the Green Enterprise Authentication with the highest grade (Ge-1) standard for 3 consecutive years; the new green leasing input was RMB 34.635 billion, exceeding 50% in all inputs. The Bank assists in high-end manufacturing, serves strategic emerging industries in advance, and facilitates breakthroughs in "stranglehold" key core technologies; the funds newly input in the manufacturing industry was RMB 12.868 billion while that in hi-tech enterprises and in "Specialized, Refinement, Differential and Innovation" enterprises was RMB 7.86 billion and RMB 1.564 billion respectively. The Company enlarges the scale of inclusive small and micro loans, issues China's first financial bond of non-bank institution small and micro loans, and has accumulatively supported

nearly 170,000 customers of small and micro businesses and individuals. As of the end of the Reporting Period, the total assets had reached RMB 103.818 billion, making the Bank one of the organizations with RMB 100 billion financial lease scale. To be specific, the balance of financing leasing business had been RMB 91.33 billion. Within the Reporting Period, the total input of leasing business had been RMB 63.421 billion, maintaining a steady growth momentum. The Company achieved operating revenue of RMB 4.095 billion, with the net profits of RMB 2.22 billion, and various supervision indexes were favorable. The Company has obtained domestic AAA rating in entity long-term credit for 7 consecutive years and won Baa2 long-term issuer rating granted by the international rating institution Moody's for 2 consecutive years, with a steady rating outlook. The Company has successively obtained honors such as "Nanjing May Day Labor Medal", "Model of Social Responsibility for Jiangsu Enterprises" and "Taking-off Award · Most Competitive Financial Leasing Company".

— **Suyin Wealth Management Co., Ltd.**, incorporated in August 2020, with the address at F/11-13, Block B, International Expo Center Phase III, No. 70, Jiangshan Street, Jianye District, Nanjing City, Jiangsu Province and the registered capital of RMB 2 billion, is a limited liability company. The business scope is described as follows: public offering of WMPs to the unspecified social public, and investment and management of investors' properties under custody; non-public offering of WMPs to eligible investors, and investment and management of investors' properties under custody; wealth management consultancy service; and other businesses specified by laws and regulations or approved by National Financial Regulatory Administration.

Under the "customer-oriented" principle, and by sticking to the business philosophy of "compliance first, risk control essential, S&T leading, winning by profession" and characteristic, diversified, differentiated and elaborate operation, Suyin Wealth Management sticks to trying to build a domestically leading wealth management subsidiary of bank with distinct characteristics. It actively responds to relevant national strategies, strengthens the initiative of serving real economy, accelerates the layout in fields such as green development, manufacturing, S&T and livelihood consumption, constantly optimizes asset allocation, deeply promotes the product structure optimization, constantly enriches "source" series of products, constructs diversified product systems covering cash management class, fixed income class, mixed class and equity class; issues new products such as "TIAN TIAN WEN YI" and "MU BIAO YING", so as to effectively satisfy customers' diverse demands for wealth management. The company sticks to the channel construction of "1+N", continues to exert the channel advantage of the parent bank, and positively expands external channels of commission sales and direct sales. It has signed agreements on sales agent cooperation with over 100 commission agents. The company constantly strengthens the integration of input and research, optimizes the circulation path between investment research and asset management, flexibly adjusts investment strategies according to major asset rotation and changes of market styles, and pushes the agile transformation of strategic R&D and application; pushes the capacity building of the middle-ground and background in a coordinated manner, constantly improves the overall risk management system, intensifies compliance management of internal control, accelerates digital transformation, improves consumer protection mechanism, and strives to lay a solid foundation for business development.

As of the end of the Reporting Period, the total assets of the Bank had been RMB 4.591 billion with the net asset RMB 4.036 billion, the balance of managed wealth management products had been RMB 520.374 billion, and the company ranked 1<sup>st</sup> in wealth management subsidiaries of urban commercial banks in terms of scale. The company has been in the 1<sup>st</sup> place among the wealth management institutions by PSYTANDARD in the comprehensive financial management capability for 8 consecutive years, and was granted such awards as "Jiefu Award" for Excellent Bank Wealth Management Subsidiary, "Golden Shell Award" for Excellent Wealth Management Company, and "Golden Wealth Management" Annual Assets Management.

— **Suyin KGI Consumer Finance Co., Ltd.**, incorporated in March 2021, with the address located at Floors 22-23, Building 2, Jiantao Square, No. 505, Guangming Road, Huaqiao Economic Development Zone, Kunshan City, Jiangsu Province, and the registered capital of RMB 4.2 billion, is a limited liability company. The business scope is described as follows: issuance of personal consumer loans; acceptance of deposits from domestic subsidiaries of shareholders and from domestic shareholders; borrowing from domestic financial institutions; approved issuance of financial bonds; domestic inter-bank borrowing; consultation and agency business related to consumer finance; agent sales of insurance products related to consumer loans; fixed-income securities investment business; and other businesses specified by laws and regulations or approved by National Financial Regulatory Administration.

Suyin Consumer Finance shoulders the lofty mission of "creating a beautiful life through loan", aims to "establish the brand of first-rate consumer finance", and always tries to "cultivate core competence of digital credit extension risk control". By sticking to online development, the company is dedicated to forging the business model and digital monopoly mode driven by "assisted loan+direct loan", so as to form the "all-online, all-digital, all-weather and nationwide" operation characteristics. The company constantly enhances the accuracy of credit extension strategy and the effectiveness of model construction, improves data governance mechanism, and constructs company-level data ecology. As of the end of the Reporting Period, the total assets of the company had been RMB 38.654 billion and the net asset had been RMB 4.766 billion. During the Reporting Period, the company achieved the net profit of RMB 389 million, and various supervision indexes remained at a favorable level. The company obtained domestic AAA rating in entity long-term credit, passed the authentication of Information Security Management System, Class 3 authentication in software capacity maturity of Information Systems Audit and Control Association (ISACA), and was granted 2023 Consumer Finance Innovation Award of Finance Digital Development Golden List Award.

— **Jiangsu Danyang Suyin County Bank Co., Ltd.** (former name: Danyang Baode Village and Township Bank of Jiangsu Province), incorporated in June 2010, with the address located at Room 103-104, Building 19, Huijin Tiandi Phase II, No. 19, Yunyang Road, Danyang Economic Development Zone, Jiangsu Province, and the registered capital of RMB 180 million, is a limited liability company. The business scope is described as follows: RMB deposit taking; issuance of short, medium and long-term RMB loans; domestic settlement; bill acceptance and discount; agent distribution, agent cashing and government bond underwriting; inter-bank RMB borrowing; RMB debit card business; agent collection and payment; and other businesses specified by laws and regulations or approved by National Financial Regulatory Administration.

Suyin County Bank firmly sticks to the concept of "serving agriculture, rural areas and rural residents; serving small and micro businesses". By takes "enhancing Party construction, seeking for development, controlling risks and leading teams" as the work emphasis, the company constantly optimizes business structure, reinforces S&T empowerment, prevents and controls financial risks, builds high-quality talent teams, comprehensively enhances financial service level, and continues to maintain the steady and fine development momentum. During the Reporting Period, the company further optimized its assets structure, gradually lowered the cost of liabilities, and ranked 1<sup>st</sup> among village banks within Zhenjiang area in terms of the increase in deposits and loans, and increased the number of loan customers for 3 consecutive years. As of the end of the Reporting Period, the total assets of the company had been RMB 1.865 billion and the net asset had been RMB 181 million; the balance of various deposits had been RMB 1.263 billion, RMB 144 million higher compared with that at the end of the last year; the balance of various loans had been RMB 1.732 billion, RMB 107 million higher compared with that at the end of the last year.

## VII. Comprehensive Risk Management

**1. Credit risk** refers to the risks of suffering financial losses by the commercial banks due to the failure of one of the financial instrument party in performing its obligation. For the purpose of identifying, evaluating, monitoring and managing credit risks, the Group has designed an organizational structure, policies and processes for credit risk management and implemented systematic control. The Group has also continuously improved its risk management mechanism, optimized and adjusted the approval process for credit extension and non-credit extension business, strengthened the control of credit risks in the process, and defined the function and responsibility in the approval link of credit extension and non-credit extension business. During the Reporting Period, the Bank paid close attention to the latest dynamics of macroscopic situation, strictly stuck to the risk bottom line, improved internal control, and intensified smart risk control, so as to ensure the stability of assets quality. First, adjust and optimize credit policies. The Bank continuously pays attention to the trend of macroscopic policies, deeply researches the changes of industrial policies, and by considering the development status of the industry, optimizes credit policies, guides the credit direction, and strictly controls the quality of new loans. Second, intensify the application of financial technology. The Bank constantly explores the new risk control mode of "traditional risk control + big data", enhances the competence of risk identification, assessment and control by virtue of financial S&T means, gives full play to the role of big data in risk control, and provides technical support for the approval of credit extension business and risk management. Third, lay special emphasis on risk backtracking. Trace the source of the items with significant credit extension risk in the whole bank. While intensifying accountability management, intensify rectification so as to eliminate all loopholes. Fourth, carry out check at regular interval. Organize and carry out comprehensive risk checks by combining big data screening and field investigation, so as to acknowledge customer risk, formulate credit extension strategies by classification and exit potential risks at a faster speed. Fifth, strengthen liquidation of bad loans. Give full play to the advantage of centralized liquidation, consolidate responsibility, and liquidate the bad loans by using comprehensively means such as cash liquidation, packaged transferring, bad debts cancellation after verification, reconstruction and assignment of debt. Six, reinforce the restrictions of responsibilities. Implement the asset quality control measures continuously, such as business suspension and resumption, asset quality red and yellow cards, discussion and interview, prior deduction of the first responsible person's performance, etc.

**2. Liquidity risk** refers to the risk of commercial banks' failure in obtaining sufficient funds in time or at reasonable cost to cope with asset growth or pay due debts, although they have the solvency. During the Reporting Period, the Group continued to adhere to a sound and prudent liquidity risk management strategy, pay close attention to various influencing factors faced by liquidity risks, coordinate local and foreign currency, on-balance-sheet and off-balance-sheet liquidity risk management, and take various measures to ensure the stability and safety of the Group's liquidity. First, establish a complete liquidity risk management governance structure. The Group's liquidity risk management governance structure consists of a decision-making system, an implementation system and a supervision system. Among them, the decision-making system mainly includes the board of directors and its Risk Management Committee and senior management level. The implementation system mainly includes the bank-wide organizations such as liquidity management, asset and liability business, information and technology. The supervision system includes the Board of Supervisors and organizations such as internal audit and risk management. The above-mentioned system performs the functions of decision-making, execution and supervision respectively according to the division of responsibilities. Second, adhere to a sound liquidity management strategy and specific objectives, management modes and main policies and procedures of liquidity management. The Group formulates liquidity risk management policies according to regulatory requirements, external macro-operating environment and business development, etc. to effectively balance liquidity, safety and efficiency on the premise of ensuring liquidity safety. Third, formulate scientific liquidity risk management methods. The Group has established an early warning index system that integrates internal and external indicators and complements the liquidity limit index system to enhance the forward-

looking risk identification function and ensure strict adherence to the bottom line of liquidity risks. Continue to strengthen the market research and judgment and dynamic monitoring of liquidity gap, and analyze the implementation of liquidity gaps during various periods, deposit and loan changes and capital interbank business development on a day-by-day basis. Smooth the market financing channels, ensure sufficient reserve of high-quality liquid assets, maintain a reasonable level of provision, and meet various payment requirements. Continue to optimize the construction and application of the liquidity management system, enhance the effectiveness of monitoring, early warning and control, and continuously improve the level of management. Fourth, adhere to effective liquidity risk stress tests. According to the principle of prudence, liquidity risk stress tests are conducted quarterly to test the bank's risk tolerance in case of extreme small probability events and other adverse circumstances, and stress testing methods are continuously improved according to regulatory and internal management requirements. The stress test results show that the Group's liquidity risk is always under control under a variety of scenario stress assumptions.

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

**4. Operational risk** refers to the risk of losses caused by internal procedures, employees and information technology systems, and external events, including legal risk but excluding strategic risk and reputational risk. Through a series of measures, such as constantly improving rules and regulations, promoting system process optimization, strengthening risk investigation and rectification tracking, strengthening staff training and strict violation points management, the Group has strictly kept the risk under control, continuously improved the ability of operational risk control, enhanced the overall risk management effect, and gradually standardized the business management and operation, and the overall operational risk control was in good condition. First, improve the unified system of institutional management; second, optimize the functions of the internal control compliance and operational risk management system (GRC) continuously and improve in-process risk early warning and monitoring indicators; third, strengthen the application of the three management tools of operational risks; fourth, strengthen the daily inspection and management of operational risks; fifth, further strengthen internal control inspection and rectification tracking; sixth, promote compliance culture and strengthen compliance awareness. During the Reporting Period, the Group's operational risks were generally controllable and the operational risk loss data remained at a relatively low level.

## 5. Other risks

**(1) Information technology risk** refers to the operational, legal and reputation risks caused by natural factors, human factors, technical loopholes and management defects during the operation of information technology in commercial banks. The Group's information technology risk management work is guided by regulatory policies and based on safe operation and maintenance, and highlights Internet security, data security, IT outsourcing, business continuity, etc. First, keep increasing the coverage of information technology risk evaluation, and strengthen risk evaluation in such aspects as data security, outsourcing management, business continuity, etc. Second, intensify risk monitoring in network, data and information security events, availability ratio of important information systems, etc., expand and optimize key detection indicators of



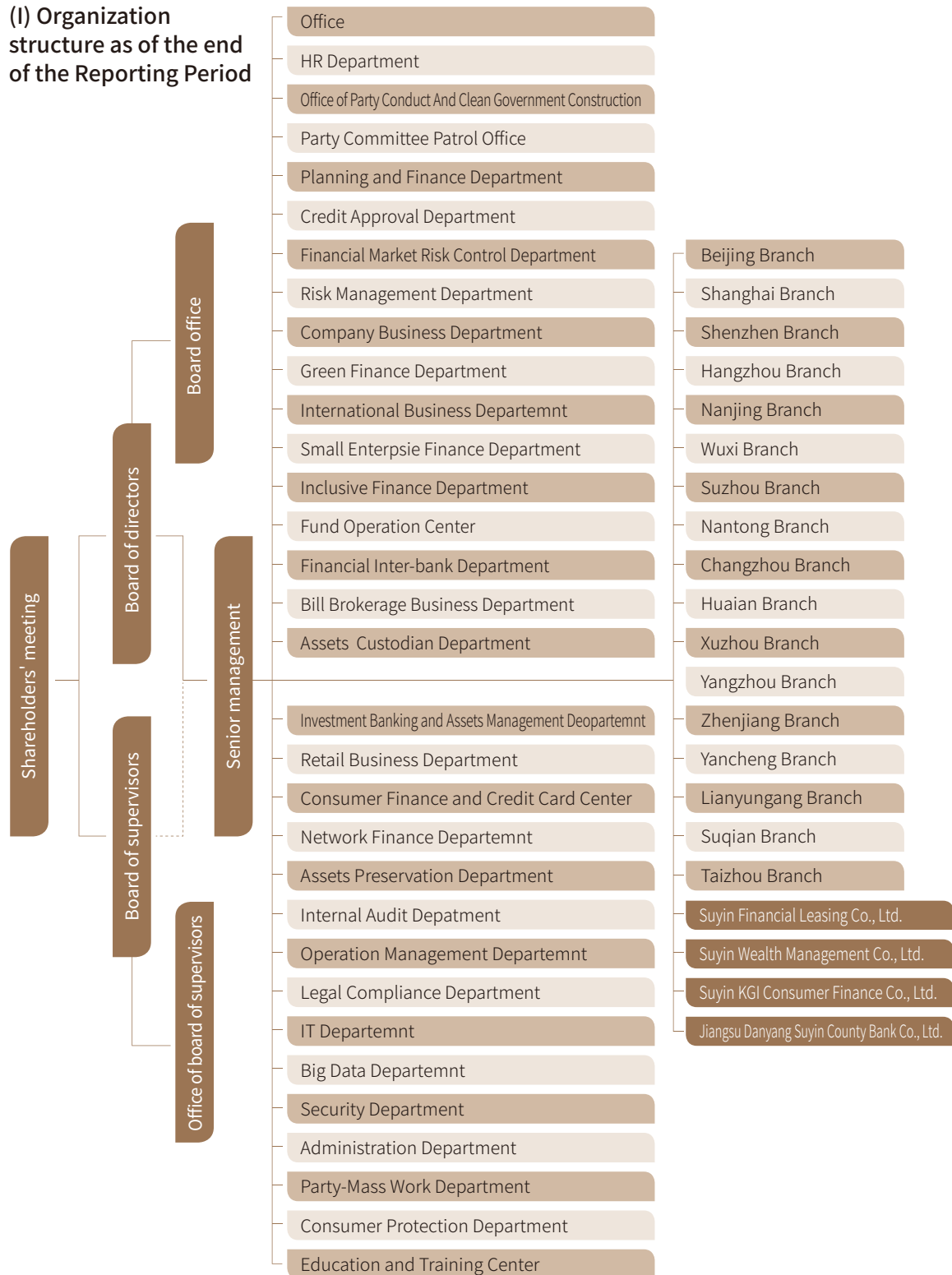
information technology risks and improve further the automation level of information technology risks monitoring. Third, intensify outsourcing risk management, strengthen the control of testing environment used by outsourcing, deploy bastion host for testing environment, control the operation of outsourcing personnel, and reduce access right to manufacturing by outsourcing personnel. Within the Reporting Period, the Group's information technology risk was generally controllable and no major S&T risk loss events occurred.

**(2) Reputation risk** refers to the risk of impairing brand value and affecting the normal operation or even market and social stability after the stakeholders, the public or media make a negative evaluation on commercial bank due to the behavior of commercial banks, working staff or external event. Following the principle of "perspectiveness, suitability, full-coverage and effectiveness", the Group has established and improved its reputation risk management mechanism, strengthened the full process management, monitored public opinions and intensified its ability to judge and analyze reputation risks; improved response plan, strengthened the ability of responding to sensitive public opinions, reviewed reputation events and made summary. The Group has improved the normalized construction of reputation risk, investigated hidden reputation risks and hazards at important time, organized and carried out reputation risk trainings and drills to enhance all employees' sensitivity and responsive capacity for reputation risks and cultivated the culture of reputation risk management. We have accumulated brand assets, organized and carried out annual integration transmission, strengthened the construction of self-owned announcement channel, so as to constantly enhance the influence and reputation of the brand. During the Reporting Period, the reputation risk of the Bank was stable generally.



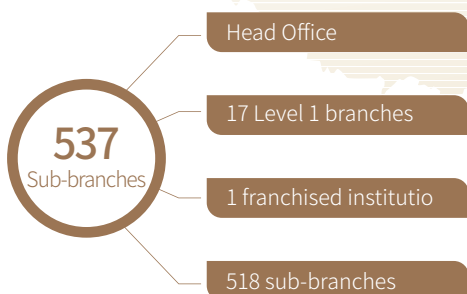
## VIII. Institutions

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



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

As of the end of the Reporting Period, the Company had 537 branches, including: Head Office, 17 Level 1 branches, 1 franchised institution and 518 sub-branches (including 1 community subbranch and 1 small and micro subbranch). The details are introduced as follows:



Bank of Jiangsu Regional Distribution Diagram  
Unit: (number)

No.	Institution Name	Address	Quantity of Institutions (Each)	Number of Employees (Person)	Asset Scale (RMB 1,000)
1	Head Office	No. 26, Zhonghua Road, Nanjing City	1	1380	742,649,988
2	Suzhou Branch	No. 157, Suya Road, Suzhou Industrial Park	48	1279	183,125,731
3	Wuxi Branch	No. 18, Jinrong 7 <sup>th</sup> Street, Wuxi City	107	2180	303,105,183
4	Nanjing Branch	No. 66, Jiangshan Street, Jianye District, Nanjing City	27	920	169,257,406
5	Nantong Branch	No. 118, South Gongnong Road, Chongchuan District, Nantong City	48	1243	176,923,883
6	Changzhou Branch	No. 500, Middle Yanling Road, Changzhou City	31	838	101,972,779
7	Xuzhou Branch	Building 2, Lyudi Business City, Yunlong District, Xuzhou City	32	987	91,722,631
8	Yangzhou Branch	No. 525, West Wenchang Road, Yangzhou City	25	745	88,605,902
9	Zhenjiang Branch	No. 12, Guancheng Road, Zhenjiang City	31	742	89,185,824
10	Taizhou Branch	No. 482, South Qingnian Road, Hailing District, Taizhou City	10	424	78,092,972
11	Huai'an Branch	No. 16, Shuidukou Avenue, Huai'an City	31	862	69,169,962
12	Yancheng Branch	No. 269, South Jiefang Road, Yancheng City	34	884	100,472,959

No.	Institution Name	Address	Quantity of Institutions (Each)	Number of Employees (Person)	Asset Scale (RMB 1,000)
13	Lianyungang Branch	No. 1, Yingzhou Road, Haizhou District, Lianyungang City	27	799	66,498,645
14	Suqian Branch	No. 58, Qinghaihu Road, Sucheng District, Suqian City	11	404	50,747,509
15	Shanghai Branch	No. 1128, Shiji Avenue, Pudong New Area, Shanghai	19	732	149,441,969
16	Shenzhen Branch	No. 2, Lanxiang 1 <sup>st</sup> Street, Zhongxin Road, Nanshan District, Shenzhen City	18	642	93,284,541
17	Beijing Branch	Building 1, Guangxi Jiayuan, Chaoyang District, Beijing	23	708	115,149,451
18	Hangzhou Branch	No. 1379, Hongning Road, Yingfeng Sub-district, Xiaoshan District, Hangzhou City	13	475	76,264,250
19	Fund operation center	No. 117, Yincheng Road, Pudong New Area, Shanghai	1	63	503,891,846
Total			537	16307	3,249,563,431

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

### (III) Foreign equity investment

The Bank's long-term equity investment includes the investments in Suyin Financial Leasing Co., Ltd., Suyin Wealth Management Co., Ltd., Suyin KGI Consumer Finance Co., Ltd. and Danyang Village and Township Bank of Jiangsu Province. As of the end of the Reporting Period, the balance of the Company's equity investment had been RMB 6.9043 billion, of which, the balance of equity investment in Suyin Financial Leasing was RMB 2.46 billion, with a shareholding ratio of 51.25%; the balance of equity investment in Suyin Wealth Management was RMB 2 billion, with a shareholding ratio of 100%; the balance of equity investment in Suyin KGI Consumer Finance was RMB 2.3705 billion with a shareholding ratio of 56.44% and that of equity investment in Suyin County Bank was RMB 73.8 million with a shareholding ratio of 41%.

## IX. Other Information Disclosed According to Regulatory Requirements

### (I) Capital for debt payment

Unit: RMB 1,000 Currency: RMB

Category	End of Period		Beginning Period	
	Amount	Provision for Impairment Made	Amount	Provision for Impairment Made
Non-financial capital for debt payment	314,593	163,167.71	478,481	-
Total	314,593	163,167.71	478,481	-



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

Unit: RMB 1,000 Currency: RMB

Item	End of 2023	Ratio in Amount/ Balance of Transaction of the Same Kind (%)	End of 2022	Ratio in Amount/ Balance of Transaction of the Same Kind (%)
Issued loans and advances	240,213	0.0137	247,698	0.0154
Deposit taking	597,660	0.0312	430,815	0.0260
Unused credit limit	113,487	0.1875	93,151	0.2182
Long-term receivables	186	0.0002	-	-

Item	2023	Ratio in Amount of Transaction of the Same Kind (%)	2022	Ratio in Amount of Transaction of the Same Kind (%)
Interest income	10,015	0.0080	10,644	0.0092
Interest expenditures	7,417	0.0101	6,007	0.0095
Fee and commission income	15	0.0002	10	0.0001
Handling charges and commission expenses	1	0.0001	-	-

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

Unit: RMB 1,000 Currency: RMB

Item	December 31, 2023	December 31, 2022
Credit commitment	512,485,080	492,183,912
Including:		
Loan commitment	121,284,376	88,107,940
Bank acceptance	295,475,158	297,018,679
Letters of guarantee	43,293,236	44,315,903
L/C	52,432,310	62,741,390
Capital expenditure commitment	181,472	264,476

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

Unit: RMB 1,000 Currency: RMB

Category	Amount
Government	507,085,261
Policy banks	121,704,958
Commercial banks and other financial institutions	48,163,715
Other institutions	179,424,422

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

Unit: RMB 1,000 Currency: RMB

Abbreviation of Securities	Face Value	Interest Rate (%)	Maturity Date	Provision for Impairment
Bond A	4,200,000	1.93	2024-9-4	57
Bond B	3,080,000	3.28	2024-2-11	146
Bond C	2,330,000	2.82	2033-5-22	356
Bond D	2,300,000	1.89	2024-9-7	-
Bond E	2,220,000	2.96	2032-7-18	557
Bond F	2,000,000	2.45	2027-1-21	494
Bond G	1,830,000	3.51	2024-4-3	169
Bond H	1,500,000	2.19	2024-12-14	371
Bond I	1,480,000	1.95	2024-6-5	67
Bond J	1,340,000	2.77	2032-10-24	332

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

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Section 4

## **Corporate Governance**



# Corporate Governance

## I. Description of Corporate Governance

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

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

## II. Convening of Shareholders' Meeting

During the Reporting Period, the Company held 4 shareholders' meetings in total which were convened by the board of directors, and at which, 21 proposals were deliberated and ratified, including 2022 Work Report of Board of Directors, 2022 Work Report of Board of Supervisors, 2022 Financial Settlement and 2023 Financial Budget, 2022 Related Party Transaction Report, 2023 Expected Quota of Daily Related Party Transactions, 2022 Profit Distribution Plan, change of registered capital, amendment of the articles of association, issuance of financial bonds, election of the board of directors and board of supervisors, etc. and 1 report on 2022 Assessment of Major Shareholders was heard.



Meeting Session	Date of Convening	Inquiry Index of Appointed Website Which Resolutions Were Published on	Date of Resolutions on Disclosure of Publishing
The 1 <sup>st</sup> interim shareholders' meeting of 2023	February 22, 2023	www.sse.com.cn	February 23, 2023
2022 shareholders' meeting	May 16, 2023	www.sse.com.cn	May 17, 2023
The 2 <sup>nd</sup> interim shareholders' meeting of 2023	July 3, 2023	www.sse.com.cn	July 4, 2023
The 3 <sup>rd</sup> interim shareholders' meeting of 2023	October 12, 2023	www.sse.com.cn	October 13, 2023

### III. Performance of Duties by Directors

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

Directors	Independent Director or Not	Attendance in Board Meetings						Attendance in Shareholders' Meetings	
		Times of Due Attendance This Year	Times of Attendance in Person	Times of Attendance in Written Signature Mode	Times of Delegated Attendance	Times of Absence	Fail to be Present in Person for Successive 2 Times or Not	Times of Attendance in Shareholders' Meetings	
GE Renyu	No	12	12	6	0	0	No	4	
WU Dianjun	No	12	12	6	0	0	No	4	
HU Jun	No	12	12	6	0	0	No	0	
JIANG Jian	No	12	11	6	1	0	No	1	
TANG Jinsong	No	12	12	6	0	0	No	0	
REN Tong	No	12	12	6	0	0	No	1	
LI Xindan	Yes	12	12	6	0	0	No	3	
HONG Lei	Yes	12	12	6	0	0	No	4	
CHEN Zhong-yang	Yes	4	4	1	0	0	No	1	
YU Xugang	Yes	4	4	1	0	0	No	1	
Past Directors									
XIA Ping	No	9	9	5	0	0	No	4	
JI Jinsong	No	9	8	5	1	0	No	3	
SHAN Xiang	No	9	8	5	1	0	No	0	
DAI Qian	No	3	3	2	0	0	No	1	
YU Chen	Yes	8	8	5	0	0	No	0	
DING Xiaolin	Yes	8	8	5	0	0	No	1	
SHEN Kunrong	Yes	9	9	5	0	0	No	3	

## (II) Convening of the board meetings

During the Reporting Period, the board of directors abided by laws and regulations, regulatory provisions and the Articles of Association in good faith, intensified self-construction, reviewed and improved institutional systems and made decisions in a scientific, practical, efficient and prudent manner. The Company held a total of 12 board meetings, at which, 99 proposals and reports were deliberated, listened to or reviewed, including periodical reports, profit distribution, capital management, related party transactions, ESG, consumer protection, regulatory opinions and special audit of some key business, etc.

Times of board meetings held during the year	12
Including: Times of onsite meetings	6
Times of meetings held by means of written signature	6
Times of meetings held onsite and with written signature	0

The details of meeting are as below:

Meeting Session	Date of Convening	Resolutions
The 26 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	February 6, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on the Change of Registered Capital</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on the Amendment to the Articles of Association</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on the Adjustment of the President Authorization Scheme by the Board of Directors</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on Convening the 1<sup>st</sup> Interim Shareholders' Meeting of 2023</li> </ol> <p>The following reports were reviewed in the meeting:</p> <ol style="list-style-type: none"> <li>1. 2022 Implementation Table of Resolutions of Board of Directors and Opinions and Suggestions of Directors of Bank of Jiangsu</li> <li>2. 2022 Report of Bank of Jiangsu on Anti-Money Laundering and Anti-Terrorist Financing Work</li> </ol>
The 27 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	March 14, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on the Performance Report of Major Shareholders in 2022</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on the Report on Capital Replenishment Capacity of Major Shareholders in 2022</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on the Major Shareholder Assessment in 2022</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on the Corporate Governance Self-Assessment Report 2023</li> <li>5. Proposal of Bank of Jiangsu Co., Ltd. on the Assessment Report on the Implementation of 2022 Strategy</li> <li>6. Proposal of Bank of Jiangsu Co., Ltd. on the Issuance of Ordinary Financial Bonds</li> <li>7. Proposal of Changzhou Branch of Bank of Jiangsu Co., Ltd. on the Acquisition of Business Office Buildings</li> <li>8. Proposal on the Appointment of Vice President of Bank of Jiangsu Co., Ltd.</li> </ol> <p>The following reports were heard in the meeting:</p> <ol style="list-style-type: none"> <li>1. Report of Bank of Jiangsu on the Operation, Development and Management of the Capital Operation Center in 2022</li> <li>2. Report of Bank of Jiangsu on the Business Development and Management of Branches Outside Jiangsu Province in 2022</li> </ol>

Meeting Session	Date of Convening	Resolutions
The 28 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 4, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Consumer Protection Work Report and 2023 Work Highlights</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Comprehensive Risk Management Report</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Annual Risk Limit Plan</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Risk Management Strategy</li> <li>5. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Annual Risk Appetite Statement</li> <li>6. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Budget Plan for Total Payroll</li> <li>7. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Evaluation Report of Internet Loan Business</li> <li>8. Proposal on Amending the Measures for Risk Management of Off-balance Sheet Business of Bank of Jiangsu Co., Ltd.</li> <li>9. Proposal on the Conversion of Undistributed Profits into Registered Capital of Suyin Financial Leasing Co., Ltd.</li> </ol> <p>The following reports were reviewed in the meeting:</p> <ol style="list-style-type: none"> <li>1. Report of Bank of Jiangsu on the Employee Behavior Evaluation in 2022</li> </ol>
The 29 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 25, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Annual Report of the Board of Directors</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2022 President's Work Report</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Annual Report and Its Abstract</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Financial Report</li> <li>5. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Financial Statements and 2023 Budget</li> <li>6. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Profit Distribution Plan</li> <li>7. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Annual Consolidated Statement Management Report</li> <li>8. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Internal Control Evaluation Report</li> <li>9. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Assessment Report on the Capital Adequacy within the Group</li> <li>10. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Capital Adequacy Ratio Management Report</li> <li>11. Proposal of Bank of Jiangsu Co., Ltd. on 2023-2025 Group Capital Planning</li> <li>12. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Capital Adequacy Management Plan</li> <li>13. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Corporate Social Responsibility Report and ESG Report</li> <li>14. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Green Finance Development Report</li> <li>15. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Related Party Transaction Report</li> <li>16. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Expected Quota of Daily Related Party Transactions</li> <li>17. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Internal Audit Work Report and 2023 Work Plan</li> <li>18. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Director Performance Evaluation Report</li> <li>19. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Report on the Performance of the Audit Committee of the Board of Directors</li> <li>20. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Independent Directors' Report</li> <li>21. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Senior Management Salary Assessment Results</li> <li>22. Proposal of Bank of Jiangsu Co., Ltd. on the Further Appointment of Accounting Firm for 2023</li> <li>23. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Annual Shareholders' Meeting</li> </ol> <p>The following reports were heard in the meeting:</p> <ol style="list-style-type: none"> <li>1. Report of Bank of Jiangsu Co., Ltd. on Relevant Special Audits in 2022</li> </ol>

Meeting Session	Date of Convening	Resolutions
The 30 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	April 27, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on President's Work Report for 2023 Q1</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Q1 Report</li> <li>3. Proposal on the Adjustment of Members of Some Special Committees of the 5<sup>th</sup> Board of Directors of Bank of Jiangsu Co., Ltd.</li> </ol>
The 31 <sup>st</sup> meeting of the 5 <sup>th</sup> board of directors	June 13, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal on the Revision of the Rules of Procedure of Shareholders' Meeting of Bank of Jiangsu Co., Ltd.</li> <li>2. Proposal on the Revision of the Rules of Procedure of the Board of Directors of Bank of Jiangsu Co., Ltd.</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on Code of Ethics for the Board of Directors and Senior Management</li> <li>4. Proposal on the Revision of the Measures for the Management of Financial Asset Risk Classification of Bank of Jiangsu Co., Ltd.</li> <li>5. Proposal on the Related Party Transactions between Bank of Jiangsu Co., Ltd. and Suyin Financial Leasing Co., Ltd.</li> <li>6. Proposal on the Related Party Transactions between Bank of Jiangsu Co., Ltd. and Suyin KGI Consumer Finance Co., Ltd.</li> <li>7. Proposal on the Nomination of Mr. CHEN Zhongyang as the Independent Director Candidate of Bank of Jiangsu Co., Ltd.</li> <li>8. Proposal on Nomination of Mr. YU Xugang as the Independent Director Candidate of Bank of Jiangsu Co., Ltd.</li> <li>9. Proposal on Convening 2<sup>nd</sup> Interim Shareholders' Meeting of 2023 of Bank of Jiangsu Co., Ltd.</li> </ol>
The 32 <sup>nd</sup> meeting of the 5 <sup>th</sup> board of directors	August 29, 2023	<p>The following proposals were deliberated and ratified in the meeting:</p> <ol style="list-style-type: none"> <li>1. Proposal of Bank of Jiangsu Co., Ltd. on the President's Work Report for the First Half of 2023</li> <li>2. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Semi-annual Report and Its Abstract</li> <li>3. Proposal of Bank of Jiangsu Co., Ltd. on the Comprehensive Risk Management Report for the First Half of 2023</li> <li>4. Proposal of Bank of Jiangsu Co., Ltd. on the Report on Consumer Protection in the First Half of 2023</li> <li>5. Proposal of Bank of Jiangsu Co., Ltd. on 2022 Global System Importance Assessment Indicators</li> <li>6. Proposal of Bank of Jiangsu Co., Ltd. on the Recovery Plan (2023)</li> <li>7. Proposal of Bank of Jiangsu Co., Ltd. on the Disposal Plan Suggestions (2023)</li> <li>8. Proposal on the Revision of Measures for the Administration of Small and Micro Internet Loan Business of Bank of Jiangsu Co., Ltd.</li> <li>9. Proposal on the Revision of the Measures for the Administration of Individual Consumption Internet Loan Business of Bank of Jiangsu Co., Ltd.</li> <li>10. Proposal of Bank of Jiangsu Co., Ltd. on Increasing Capital to Suyin KGI Consumer Finance Co., Ltd.</li> </ol> <p>The following reports were heard in the meeting:</p> <ol style="list-style-type: none"> <li>1. Report of Bank of Jiangsu Co., Ltd. on the Investigation and Audit of Performance Appraisal and Compensation Management in 2022</li> <li>2. Notice on the Supervision Opinions of Bank of Jiangsu in 2023</li> <li>3. Notice on the Corporate Governance Supervision Evaluation of Bank of Jiangsu in 2023</li> </ol>

Meeting Session	Date of Convening	Resolutions
The 33 <sup>rd</sup> meeting of the 5 <sup>th</sup> board of directors	September 4, 2023	The following proposal was deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on the Prior Redemption of "Suyin Convertible Bonds"
The 34 <sup>th</sup> meeting of the 5 <sup>th</sup> board of directors	September 26, 2023	The following proposals were deliberated and ratified in the meeting: 1. Proposal on the Appointment of Vice President of Bank of Jiangsu Co., Ltd. 2. Proposal on the Revision of the Working Rules of Audit Committee of the Board of Directors of Bank of Jiangsu Co., Ltd. 3. Proposal on the Amendment of the Working Rules of the Nomination and Remuneration Committee of the Board of Directors of Bank of Jiangsu Co., Ltd. 4. Proposal on Nominating the Candidates of Directors of the 6 <sup>th</sup> Board of Directors of Bank of Jiangsu Co., Ltd. 5. Proposal on Convening 3 <sup>rd</sup> Interim Shareholders' Meeting of 2023 of Bank of Jiangsu Co., Ltd.
The 1 <sup>st</sup> meeting of the 6 <sup>th</sup> board of directors	October 12, 2023	The following proposals were deliberated and ratified in the meeting: 1. Proposal on Electing Mr. GE Renyu as the Chairman of the 6 <sup>th</sup> Board of Directors of Bank of Jiangsu Co., Ltd. 2. Proposal of Bank of Jiangsu Co., Ltd. on the Composition of Special Committees of the 6 <sup>th</sup> Board of Directors 3. Proposal on Electing Mr. GE Renyu to Perform Duties of President of Bank of Jiangsu 4. Proposal on the Appointment of Vice President and Assistant President of Bank of Jiangsu Co., Ltd. 5. Proposal on the Appointment of Secretary to the Board of Directors and Securities Representative of Bank of Jiangsu Co., Ltd. 6. Proposal on the Establishment of Consumer Rights Protection Department of Bank of Jiangsu Co., Ltd. 7. Proposal of Bank of Jiangsu Co., Ltd. on the Preferred Stock Dividend Payment
The 2 <sup>nd</sup> meeting of the 6 <sup>th</sup> board of directors	October 27, 2023	The following proposals were deliberated and ratified in the meeting: 1. Proposal of Bank of Jiangsu Co., Ltd. on the President's Work Report for 2023 Q3 2. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Q3 Report
The 3 <sup>rd</sup> meeting of the 6 <sup>th</sup> board of directors	December 19, 2023	The following proposals were deliberated and ratified in the meeting: 1. Proposal on the Revision of the Development Strategic Plan of Bank of Jiangsu Co., Ltd. (2021 - 2025) 2. Proposal of Bank of Jiangsu Co., Ltd. on the Change of Registered Capital and Amendment of Relevant Clauses of Articles of Association 3. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Information Technology Work Report 4. Proposal of Bank of Jiangsu Co., Ltd. on 2023 Report on Special Audit of Business Continuity Management 5. Proposal of Bank of Jiangsu Co., Ltd. on 2024 Institutional Development Plan 6. Proposal of Bank of Jiangsu Co., Ltd. on the Issuance of Financial Bonds 7. Proposal of Bank of Jiangsu Co., Ltd. on the Issuance of Non-fixed-term Capital Bonds 8. Proposal on Convening the 1st Interim Shareholders' Meeting of 2024 of Bank of Jiangsu Co., Ltd. The following reports were heard in the meeting: 1. Report of Bank of Jiangsu on the Business of Consignment Financial Products in 2023

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

The board of directors of the Company consists of 6 special committees: the Strategy and ESG Committee, the Audit Committee, the Related Party Transaction Control Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Consumer Protection Committee. Among them, in the Audit Committee, the Related Party Transaction Control Committee and the Nomination and Remuneration Committee, the independent non-executive directors accounted for more than half of their members, and are served as their chairmen. All special committees are able to exchange company management and risk situation with senior management and related departments periodically, putting forward opinions and suggestions, provide professional opinions for the board of directors or make decision on the professional matters according to the authorization of the board of directors. During the Reporting Period, the special committees performed their duties as follows:

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

The Audit Committee should check the Company's risks and compliance, accounting policy, financial statement procedure and financial status, finish the Company's annual audit work, put forward employment advice for external audit agency, make judgment report for the authenticity, accuracy, integrity and timeliness of the audited financial statement information and submit it to the board of directors for deliberation.

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

The Risk Management Committee should supervise the control of senior management in credit risks, liquidity risks and market risks, etc., assess the Company's risk policy, management status and risk tolerance regularly and put forward the opinions on improving the Company's risk management and internal control.

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

The Consumer Protection Committee should formulate working strategies, policies and objectives on consumer protection, urge senior management to implement relevant work effectively, listen to the special report on the implementation of consumer protection and submit relevant reports to the board of directors regularly.

Committees	Members
Strategy and ESG Committee	Chairman of Committee: GE Renyu Committee Members: LI Xindan, CHEN Zhongyang and HU Jun
Audit Committee	Chairman of Committee: HONG Lei Committee Members: YU Xugang and LIN Haitao
Related Party Transaction Control Committee	Chairman of Committee: YU Xugang Committee Members: WU Dianjun and HONG Lei
Risk Management Committee	Chairman of Committee: CHEN Zhongyang Committee Members: WU Dianjun, HONG Lei and JIANG Jian
Nomination and Remuneration Committee	Chairman of Committee: LI Xindan Committee Member: HONG Lei
Consumer Protection Committee	Chairman of Committee: LI Xindan Committee Member: REN Tong

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

Committees	Meeting Times	Date of Convening	Meeting Contents	Important Opinions and Suggestions
Strategy and ESG Committee	3	March 13 April 21 December 18	Deliberated and ratified the 2022 Strategy Implementation Evaluation Report, 2022 Capital Adequacy Ratio Management Report, 2023 - 2025 Group Capital Planning, 2023 Capital Adequacy Ratio Management Plan, 2022 Corporate Social Responsibility Report and ESG Report, 2022 Green Financial Development Report, 2022 Special Audit Report on the Group's Capital Management, Amendment of the Development Strategic Plan of Bank of Jiangsu Co., Ltd. (2021 - 2025), 2024 Institutional Development Plan and 2024 Annual Work Planning.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Audit Committee	5	April 25 April 27 August 29 September 21 October 27 December 18	Deliberated and ratified the Committee's 2023 Work Plan, 2022 Work Report and Its Abstract, 2022 Financial Report, 2022 Financial Settlement and 2023 Financial Budget, 2022 Profit Distribution Plan, 2022 Consolidated Statement Management Report, 2022 Internal Control Evaluation Report, 2022 Internal Audit Work Report and 2023 Work Plan, 2022 Performance Report of the Audit Committee of the Board of Directors, Further Appointment of Accounting Firm in 2023, 2022 Report on Work of Head of the Planning and Finance Department, Report on the Work and Integrity of Head of the Internal Audit Department in 2022, 2023 Q1 Report, 2023 Semi-annual Report and Its Abstract, Amendment of Working Rules of the Audit Committee of the Board of Directors, 2023 Q3 Report, Special Audit Report on Business Continuity Management in 2023. 2022 Report on Relevant Special Audits was heard.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Related Party Transaction Control Committee	6	April 3 April 21 June 5 June 13 August 28 November 15	Deliberated and ratified the Committee's 2023 Work Plan, confirmed List of Related Parties, 2022 Related Party Transaction Report, 2023 Expected Limit of Daily Related Party Transaction Report, 2022 Special Audit Report on Related Party Transaction Management, Report on Related Party Transactions in 2023 Q1, Related Party Transactions with Suyin Financial Leasing Co., Ltd., Related Party Transactions with Suyin KGI Consumer Finance Co., Ltd., Report on Related Party Transactions for First Half of 2023, and Report on Related Party Transactions for 2023 Q3.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.

Committees	Meeting Times	Date of Convening	Meeting Contents	Important Opinions and Suggestions
Risk Management Committee	8	February 4 March 13 April 3 April 21 June 5 June 13 August 28 November 27	Deliberated and ratified the Committee's 2023 Work Plan, Adjustment of the President Authorization Scheme by the Board of Directors, 2022 Comprehensive Risk Management Report, 2023 Risk Limit Scheme, 2023 Risk Management Strategy, 2023 Risk Appetite Statement, 2022 Internet Loan Business Evaluation Report, Amendment of Risk Management Approach for Off-balance Sheet Operations, 2022 Report on the Assessment of Capital Adequacy within the Group, 2022 Work Report on the Internal Control Case Prevention, 2022 Implementation Report of Expected Credit Loss Law, 2022 Special Audit Report on Market Risk Management, 2022 Special Audit Report on Risk Classification of Credit and Quasi-credit Assets, Report on the Comprehensive Risk Management in 2023 Q1, Amendment of the Measures for the Management of Financial Asset Risk Classification, Comprehensive Risk Management Report for the First Half of 2023, Recovery Plan (2023), Disposal Plan Recommendations (2023), Amendment of the Measures for the Administration of Small and Micro Internet Loan Business and the Measures for the Administration of Individual Consumption Internet Loan Business, 2022 Special Audit of Anti-Money Laundering and Anti-Terrorist Financing, Comprehensive Risk Management Report for 2023 Q3. Listened to the 2022 Report on Anti-Money Laundering and Anti-Terrorist Financing, Report on the Operation, Development and Management of Capital Operation Center in 2022, Report of Bank of Jiangsu on Business Development and Management of Branches Outside Jiangsu Province in 2022 and 2022 Report on Employee Behavior Assessment.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Nomination and Remuneration Committee	6	March 13 April 3 April 21 June 13 August 28 September 21	Deliberated and ratified the Committee's 2023 Work Plan, 2023 Budget Plan for Total Payroll, 2022 Director Performance Evaluation Report, 2022 Independent Directors' Report, 2022 Senior Management Remuneration Assessment Results, Professional Ethics Code for Board of Directors and Senior Management, 2022 Annual Salary Management Work Report, 2022 Investigation and Audit of Performance Appraisal and Remuneration Management, Amendment of Working Rules of the Nomination and Remuneration Committee of the Board of Directors, Appointment of Vice Presidents and Nomination of Director Candidates.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Consumer Protection Committee	2	April 3 August 28	Deliberated and ratified the Committee's 2023 Work Plan, 2022 Consumer Protection Work Report and 2023 Work Highlights, Report on Consumer Protection in the First Half of 2023 and 2022 Special Audit Report on Consumer Protection.	The committee agreed on various proposals according to the supervision regulations and brought forth relevant opinions and suggestions on relevant work.
Information about other duty performance and disagreements				None



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

During the Reporting Period, all directors of the Company performed their duties in strict accordance with laws and regulations, regulatory requirements and the Company's Articles of Association in a cautious, earnest, diligent and honest manner, exerted decision-making functions effectively and safeguarded the interests of all shareholders and the Company's overall interests. All directors knew about the Company's operation and management by listening to the report of the management, studying work data and communicating with different parties, participated in the working affairs of the board of directors and special committees seriously, attended meetings and negotiated on relevant matters as per laws and regulations, exercised voting rights and made independent, professional and objective judgment on the matters within the scope of duties; relevant directors who could not attend meetings in person due to some reasons could entrust others according to relevant provisions. All directors could bring forth opinions and suggestions on the Company's corporate governance, internal control, risk management and operation development based on their profession and working experience so as to boost the Company's more standard and efficient operation. All directors took an active part in the special training on "Interpretation on the Comprehensive Registration System Reform Policy" organized by China Securities Regulatory Commission with China Association for Public Companies, the special training organized by JiangSu Association for Public Companies concerning reform of independent director system, follow-up trainings organized by Shanghai Stock Exchange concerning independent directors, and special training organized by the Company concerning the interpretation of the *Administration Measures of the Banking and Insurance Institutions on Consumer Protection*, anti-money laundering and anti-terrorist financing, so as to continuously improve their performance ability.

All independent directors performed their duties in an honest, diligent, independent and professional manner in strict accordance with laws, regulations, regulatory provisions, the Company's Articles of Association and working system for independent directors. They made decisions without being influenced by the major shareholders, senior managers and other units and individuals with stake with the Company, laid special emphasis on the legal rights and interests of minority shareholders and other stakeholders; exerted specialty, issued independent opinions objectively and fairly on the execution of the Company's internal control, profit distribution plan, management of Related Party Transaction, further appointment of accounting firm, employment and remuneration plan of senior managers and director nomination, and played an important role in promoting scientific decision-making by the board of directors and safeguarding the rights and interests of minority shareholders and financial consumers. In 2023, the independent directors carried out targeted on-site research on topics such as capital management and FTP pricing mechanism, financial technology, green finance and legal services, and prepared research reports to further and actively guide the stable and long-term development of the Company.

## IV. Performance of Duties by Supervisors

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

Supervisors	External Supervisor or not	Attendance in the Meeting of Board of Supervisors						Attendance in Shareholders' Meetings
		Times of Due Attendance This Year	Times of Attendance in Person	Times of Attendance in Written Signature Mode	Times of Delegated Attendance	Times of Absence	Fail to Be Present in Person for Successive 2 Times or Not	Times of Attendance in Shareholders' Meetings
Jl Jinsong	No	2	2	1	0	0	No	1
PAN Jun	Yes	10	10	5	0	0	No	4
CHEN Libiao	Yes	10	10	5	0	0	No	1
LIU Wei	Yes	10	10	5	0	0	No	4
ZHENG Gang	No	10	10	5	0	0	No	1
WU Zhihua	No	2	2	1	0	0	No	1
LI Chaoqin	No	2	2	1	0	0	No	1
BAO Gang	No	10	10	5	0	0	No	1
JIN Rui	No	10	10	5	0	0	No	4
<b>Times of meetings of the board of supervisors held during the year</b>								<b>10</b>
Including: Times of onsite meetings								5
Times of convening meetings in written signature mode								5
Times of convening meetings on site in virtue of written signature mode								0

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

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



## V. Establishment and Implementation of Evaluation System and Incentive Mechanism on Senior Management

Senior management of the Company should directly report to the board of directors of the Company and accept the assessment conducted by the board of directors. The Nomination and Remuneration Committee under the board of directors enhanced the evaluation on senior management in terms of compliance operation, risk control, operating profit, development transformation as well as social responsibility indicators and personal indicators in accordance with supervision requirements and the Remuneration Assessment Measures of Senior Managers of Bank of Jiangsu. After the evaluation, the Company's senior management completed various targets assigned by the board of directors well in 2023, and all members of senior management received an A score in the annual assessment conducted by the board of directors. The board of supervisors of the Company carried out evaluation on performance of duties in 2023 of senior management according to regulatory requirements and related rules and regulations of the Company. Assessment results of senior management conducted by the board of directors and evaluation opinions on senior management conducted by the board of supervisors were important basis of incentive and constraint of senior management.

## VI. Information about Directors, Supervisors and Senior Management

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

Unit: Share, RMB 10,000

Name	Post	Sex	Year of Birth	Term of Office	Shares Held at the Beginning of the Year	Shares Held as of the End of the Year	Total Pre-tax Remuneration Obtained from the Company during the Reporting Period (RMB 10,000)
GE Yuren	Executive Director	Male	1965	October 2022-change of term of office	41,080	41,080	104.05
	President			September 2022-October 2023			
	Chief Information Officer			February 2017-October 2023			
	Chairman			October 2023- change of term of office			
WU Dianjun	Executive Director	Male	1969	May 2018-change of term of office	41,470	41,470	96.05
	Deputy President			April 2019-change of term of office			
	Secretary of the Board			August 2016-February 2024	16,900	16,900	94
HU Jun	Non-executive Director	Male	1970	August 2015-change of term of office	-	-	
LIN Haitao	Non-executive Director	Male	1976	October 2023-change of term of office	-	-	

Name	Post	Sex	Year of Birth	Term of Office	Shares Held at the Beginning of the Year	Shares Held as of the End of the Year	Total Pre-tax Remuneration Obtained from the Company during the Reporting Period (RMB 10,000)
JIANG Jian	Non-executive Director	Male	1966	March 2012-change of term of office	-	-	
TANG Jinsong	Non-executive Director	Male	1969	December 2006-change of term of office	8,626	8,626	
REN Tong	Non-executive Director	Male	1967	November 2019-change of term of office	-	-	
LI Xindan	Independent Non-executive Director	Male	1966	July 2020-change of term of office	-	-	30.00
HONG Lei	Independent Non-executive Director	Male	1970	July 2020-change of term of office	-	-	30.00
CHEN Zhongyang	Independent Non-executive Director	Male	1968	July 2023-change of term of office	-	-	7.50
YU Xugang	Independent Non-executive Director	Male	1968	July 2023-change of term of office	-	-	7.50
FAN Qingwu	Independent Non-executive Director	Male	1963	October 2023-April 2024	-	-	
JI Jinsong	Executive Director	Male	1967	August 2021-October 2023			
	Chairman of the Board of Supervisors			October 2023-change of term of office	16,900	16,900	99.44
PAN Jun	External Supervisor	Male	1976	May 2022-change of term of office			28.00
CHEN Libiao	External Supervisor	Male	1982	July 2020-change of term of office			28.00
LIU Wei	External Supervisor	Male	1982	May 2022-change of term of office			28.00
ZHENG Gang	Shareholder Supervisor	Male	1974	July 2020-change of term of office			
WU Zhihua	Shareholder Supervisor	Male	1973	October 2023-change of term of office			
LI Chaoqin	Shareholder Supervisor	Male	1981	October 2023-change of term of office			
BAO Gang	Employee Supervisor	Male	1975	July 2020-change of term of office			251.96
JIN Rui	Employee Supervisor	Male	1973	July 2020-change of term of office			209.41

Name	Post	Sex	Year of Birth	Term of Office	Shares Held at the Beginning of the Year	Shares Held as of the End of the Year	Total Pre-tax Remuneration Obtained from the Company during the Reporting Period (RMB 10,000)
ZHOU Aiguo	Business Director	Male	1972	February 2021-March 2023	-	-	145.70
	Deputy President			March 2023-change of term of office			
LUO Feng	Business Director	Male	1972	February 2021-September 2023	-	-	243.40
	Deputy President			September 2023-change of term of office			
GAO Zengyin	Deputy President	Male	1977	September 2023-change of term of office	-	-	35.10
DING Zonghong	Deputy President	Male	1973	September 2023-change of term of office	98,981	98,981	35.10
WANG Weibing	Assistant to President	Male	1967	April 2018-change of term of office	709,070	709,070	364.02
Former Directors, Supervisors and Senior Management							
XIA Ping	Chairman	Male	1963	April 2013-October 2023	42,900	42,900	87.66
YU Chen	Independent Non-executive Director	Male	1971	August 2015-September 2023	-	-	22.50
DING Xiaolin	Independent Non-executive Director	Male	1963	April 2017-September 2023	-	-	22.50
SHEN Kunrong	Independent Non-executive Director	Male	1963	May 2022-October 2023	-	-	25.00
SHAN Xiang	Non-executive Director	Male	1969	September 2017-October 2023	-	-	
DAI Qian	Non-executive Director	Male	1978	February 2023-August 2023	-	-	
ZHU Qilong	Chairman of the Board of Supervisors	Male	1964	February 2016-October 2023	39,000	39,000	87.66
XIANG Rong	Shareholder Supervisor	Male	1972	November 2019-October 2023	-	-	
SHI Shengjiu	Employee Supervisor	Male	1969	July 2020-October 2023	-	-	225.45
GU Xian	Deputy President	Female	1963	October 2019-October 2023	32,500	32,500	79.27
ZHAO Hui	Deputy President	Male	1965	February 2018-October 2023	46,800	46,800	79.18
LI Min	Assistant to President	Male	1963	June 2009-March 2023	65,000	103,100	55.95

## Note

1. The remuneration obtained by the newly-appointed or dismissed personnel from the Company during the Reporting Period shall be converted in accordance with the actual time in post during the Reporting Period.
2. Total pre-tax remuneration obtained by directors, supervisors and senior management from the Company during the Reporting Period include various social insurance, housing fund, enterprise annuity, supplementary insurance and other unit contributions.
3. Final pre-tax remuneration of some directors, supervisors and senior management of the Company remain to be confirmed, and disclosure will be carried out after confirmation.
4. Situations in which some non-executive directors and shareholder supervisors obtained remuneration of related parties of the Company are as follows:
  - 1) Non-executive directors and shareholder supervisors held posts in other legal persons or organizations, which enable such legal person or organization to become a related party of the Company, and the said non-executive directors and shareholder supervisors obtain remuneration from the said related party.
  - 2) A shareholder became a related party of the Company because of having 5% or more shares of the Company; non-executive directors can obtain remuneration from the above said related party (shareholder dispatching unit).

No directors, supervisors and senior management of the Company obtained remuneration from related parties of the Company except for the above said situations.
5. On March 10, 2023, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Retirement and Dismission of Senior Managers*. LI Min no longer served as the Assistant to the President of the Company due to retirement.
6. On July 3, 2023, the Company convened the 2<sup>nd</sup> Interim Shareholders' Meeting of Bank of Jiangsu Co., Ltd. in 2023, where the *Proposal on the Election of Mr. CHEN Zhongyang as an Independent Director of Bank of Jiangsu Co., Ltd.* and the *Proposal on the Election of Mr. YU Xugang as an Independent Director of Bank of Jiangsu Co., Ltd.* were and deliberated and ratified. On September 22, 2023, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Approval of the Qualification of Independent Directors by Regulatory Authorities*, received the *Reply of Jiangsu Supervision Bureau of National Financial Regulatory Administration on the Qualification of CHEN Zhongyang and YU Xugang* (S.J.F [2023] No.78). The qualification of CHEN Zhongyang and YU Xugang as Independent Directors of the Company was approved. CHEN Zhongyang and YU Xugang officially performed their duties, and YU Chen and DING Xiaolin no longer performed their duties as Independent Directors of the Company.
7. On August 30, 2023, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Directors*. DAI Qian resigned as a Director of the Bank and a Member of the Audit Committee of Board of Directors due to work adjustment.
8. On October 12, 2023, the Company held the 3<sup>rd</sup> Interim Shareholders' Meeting of Bank of Jiangsu Co., Ltd. in 2023, where the *Proposal on General Election of the Board of Directors of Bank of Jiangsu Co., Ltd.* was deliberated and ratified. GE Renyu and WU Dianjun were elected as Executive Directors, LI Xindan, HONG Lei, CHEN Zhongyang, YU Xugang and FAN Qingwu as Independent Directors, and HU Jun, LIN Haitao, JIANG Jian, TANG Jinsong and REN Tong as Shareholders Directors. XIA Ping and JI Jinsong no longer served as the Executive Directors of the Company, SHEN Kunrong no longer served as the Independent Directors of the Company, and SHAN Xiang no longer served as the Shareholder Director of the Company.
9. On October 13, 2023, the Company released the *Announcement of Bank of Jiangsu on Election of Employee*



Supervisors, and JI Jinsong, BAO Gang and JIN Rui were elected as the Employee Supervisors of the 6<sup>th</sup> Board of Supervisors of the Company by the Employee Congress of the Company.

10. On October 13, 2023, the Company released the *Announcement on Resolutions of the 3<sup>rd</sup> Interim Shareholders' Meeting of Bank of Jiangsu in 2023*, to deliberate and ratify the *Proposal on the General Election of the Board of Supervisors of Bank of Jiangsu Co., Ltd.* PAN Jun, CHEN Libiao and LIU Wei were elected as the External Supervisors of the 6<sup>th</sup> Board of Supervisors of the Company, and ZHENG Gang, WU Zhihua and LI Chaoqin were elected as the Shareholder Supervisors of the 6<sup>th</sup> Board of Supervisors of the Company.

11. On January 30, 2024, the Company held the 4<sup>th</sup> Meeting of the 6<sup>th</sup> Board of Directors to deliberate and ratify the *Proposal on Appointment of Secretary to the Board of Directors of Bank of Jiangsu Co., Ltd.*, and appoint LU Songsheng as the Secretary to the Board of Directors of the Bank. On February 8, 2024, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Qualification of Secretary to the Board of Directors Approved by Regulatory Authorities*, and received the *Reply of Jiangsu Supervision Bureau of National Financial Regulatory Administration on the Qualification of LU Songsheng* (S.J.F [2024] No.45). The qualification of LU Songsheng as the Secretary to the Board of Directors of the Company was approved. LU Songsheng officially performed his duties, and WU Dianjun no longer performed his duties as the Secretary to the Board of Directors of the Company.

12. On February 6, 2024, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Approval of the Qualification of Directors by Regulatory Authorities*; it received the *Reply of Jiangsu Supervision Bureau of National Financial Regulatory Administration on the Qualification of LIN Haitao* (S.J.F [2024] No.35). The qualification of LIN Haitao as a Director of the Company was approved, and Lin Haitao officially performed his duties.

13. On March 19, 2024, the Company held the 5<sup>th</sup> Meeting of the 6<sup>th</sup> Board of Directors to deliberate and ratify the *Proposal on Appointment of Mr. LIANG Bin as Chief Information Officer of Bank of Jiangsu Co., Ltd.*, and appoint Mr. LIANG Bin as Chief Information Officer. On April 20, 2024, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Approval of Senior Management Qualification by Regulatory Authorities*; it received the *Reply of Jiangsu Supervision Bureau of National Financial Regulatory Administration on the Qualification of LIANG Bin* (S.J.F [2024] No.115). The qualification of LIANG Bin as Chief Information Officer of the Company was approved.

14. On April 15, 2024, the Company held the 7<sup>th</sup> meeting of the 6<sup>th</sup> Board of Directors of the Company to deliberate and ratify the *Proposal on the Appointment of Mr. YUAN Jun as the President of Bank of Jiangsu Co., Ltd.*, and appoint YUAN Jun as the President. On April 24, 2024, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Approval of Senior Management Qualification by Regulatory Authorities*; it received the *Reply of Jiangsu Supervision Bureau of National Financial Regulatory Administration on the Qualification of YUAN Jun* (S.J.F [2024] No.124). The qualification of YUAN Jun as President of the Company was approved.

15. On April 16, 2024, the Company released the *Announcement of Bank of Jiangsu Co., Ltd. on the Resignation of Independent Directors*, and FAN Qingwu resigned as an Independent Director of the Company due to personal work reasons.

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

Name	Basic Information
GE Renyu	A member of the Communist Party of China, University Degree, Bachelor of Engineering and Senior Engineer. GE once served as the Assistant to Division Chief and Deputy Division Chief of Science and Technology Division of Nanjing Branch of China Construction Bank; Manager of Operation Center of Business Department and General Manager of Information Technology Management Department of Jiangsu Branch of China Construction Bank; General Manager of Information Technology Department of Bank of Nanjing; General Manager of Information Technology Department, Chief Information Officer, a member of the Party Committee, Vice President, Deputy Secretary of the Party Committee and President of Bank of Jiangsu. GE now serves as the Executive Director and Secretary of the Party Committee of Bank of Jiangsu.
WU Dianjun	A member of the Communist Party of China, Master's Degree, PhD of economics and Senior Economist. WU once worked as the Section Member of Business Department and International Business Department of Lianyungang Branch of Agricultural Bank of China; Director of office and Manager of Business Department of Lianyungang Branch of Agricultural Development Bank of China; Director Section Member of Agricultural Development Bank of China; Deputy Director (take charge of the work) of office and Party Committee Office of Jiangsu Branch of Agricultural Development Bank of China; Director of office and Party Committee Office, Head of Publicity Department and Secretary of the Board of Directors of Bank of Jiangsu. WU now serves as the Executive Director, Deputy President and a member of the Party Committee of Bank of Jiangsu.
HU Jun	A member of the Communist Party of China and Master's Degree. HU once served as the Section Member, Manager Assistant of Financial Department II, General Manager Assistant, Deputy General Manager and General Manager of Jiangsu International Trust Corporation Limited. HU now serves as the Secretary of the Party Committee and Chairman of Jiangsu International Trust Corporation Limited; and Shareholder Director of Bank of Jiangsu.
LIN Haitao	A member of the Communist Party of China and Doctoral Degree. LIN once worked as the Director of Investment Department and Deputy General Manager of Phoenix Publishing & Media Group; Chairman of Jiangsu Phoenix Property Investment Co., Ltd. LIN now serves as the Director and the Deputy General Manager of Phoenix Publishing & Media Group; Shareholder Director of Bank of Jiangsu; Shareholder Director of Suyin Financial Leasing Co., Ltd.
JIANG Jian	A member of the Communist Party of China and Master's Degree. JIANG once served as the Section Chief of HR Department, General Manager of Asset Management Department, Deputy President, Secretary of Board of Directors and a member of Party Commission of Huatai Securities Company Limited; Senior Manager and Deputy General Manager of Investment Bank Headquarters of Huatai Securities; General Manager of Nanjing Head Office of Investment Bank Business of Huatai Securities; Director, President Assistant, Secretary of Board of Directors, Vice President and a member of Party Commission of Investment Bank Business of Huatai Securities.
JIANG Jian	A member of the Communist Party of China and Master's Degree. JIANG once served as the Section Chief of HR Department, General Manager of Asset Management Department, Deputy President, Secretary of Board of Directors and a member of Party Commission of Huatai Securities Company Limited; Senior Manager and Deputy General Manager of Investment Bank Headquarters of Huatai Securities; General Manager of Nanjing Head Office of Investment Bank Business of Huatai Securities; Director, President Assistant, Secretary of Board of Directors, Vice President and a member of Party Commission of Investment Bank Business of Huatai Securities. JIANG now serves as a member of Huatai Securities Company Limited and Shareholder Director of Bank of Jiangsu.
TANG Jinsong	A member of the Communist Party of China, Bachelor's Degree, Senior Accountant and Chinese Certified Public Accountant. TANG once served as the Secretary of Party Committee and Chairman of Board of Directors of Taihu New City Group. TANG now serves as the Secretary of Party Committee and Chairman of Board of Directors of Wuxi Urban Construction Development Group Co., Ltd.; Chairman of Wuxi Construction And Development Investment Co., LTD; Shareholder Director of Bank of Jiangsu.
REN Tong	A member of the Communist Party of China, Doctoral Degree and Senior Editor. REN once served as the Deputy Office Director, Deputy Division Chief and Office Director of the Publicity Division of Jiangsu Provincial Radio and Television Administration; Deputy President of the Broadcast Media Center of Jiangsu Broadcasting Corporation; Director of the Organization and Personnel Department (HR Department) of Jiangsu Broadcasting Corporation. REN now serves as a member of the Party Committee and Deputy Channel Director of Jiangsu Broadcasting Corporation; Shareholder Director of Bank of Jiangsu.





Name	Basic Information
LI Xindan	A member of the Communist Party of China, Doctoral Degree, Professor, Doctoral Supervisor, and an expert who enjoys the special allowance granted by the State Council. LI once served as the Professor of the School of Economics and Management of Southeast University; Dean of the School of Engineering Management of Nanjing University. LI now serves as Dean of School of New Finance, Deputy Director of the Academic Board of Humanities and Social Sciences, Director of the Academic Board of the School of Engineering Management and Director of Research Center of Financial Engineering of Nanjing University; Independent Director of Bank of Jiangsu (600919), Nanjing Securities (601990), Southern Asset Management, HSBC (China), Soochow Securities (601555). LI concurrently serves as the Dean of Committee of Evaluation Experts on S&T Board System of Shanghai Stock Exchange; a member of SSE Corporate Governance Index Committee; a member of Index Committee; Executive Member of Chinese Finance Annual Meeting; Chairman of Jiangsu Capital Market Research Society.
HONG Lei	A member of the Communist Party of China, Master's Degree and Chinese Certified Public Accountant. HONG once served as the Audit Project Manager of Nanjing Accounting Firm; Director of Supervision & Training Department of Nanjing Institute of Certified Public Accountants; Deputy Director of Jiangsu Tian Hong Hua Xin Public Accounting Firm. HONG now serves as the Partner of Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership); Outside Director of Nanjing NII Group Co., Ltd and Xuzhou Coal Mine Group; Independent Director of ZKI and Bank of Jiangsu (600919). HONG concurrently serves as the Deputy Director of Professional Technical Committee of Jiangsu Institute of Certified Public Accountants; Deputy Director of Technical Committee of Nanjing Institute of Certified Public Accountants.
CHEN Zhongyang	A member of the Communist Party of China, Doctoral Degree, Professor and Doctoral Supervisor. CHEN once served as the Lecturer from Teaching and Research Office on International Finance and Associate Professor from Department of Applied Finance of School of Finance of Renmin University of China; Vice President of International College, President of Academic Board and Person in Charge for discipline construction on financial risk management of Suzhou Campus of Renmin University of China; Independent Director of Zhejiang Tailong Commercial Bank, Integrity Funds and China Investment Corporation Trust. CHEN now serves as the Professor and Doctoral Supervisor of Applied Finance of School of Finance of Renmin University of China; Independent Director of Bank of Jiangsu (600919), Soochow Securities (601555), youyou Fintech (839483), ICBC Credit Suisse and Nantong Rural Commercial Bank (resigned on February 2024).
YU Xugang	Doctoral Degree. YU once served as a member of the 12 <sup>th</sup> Central Economic Committee of China Democratic League; Part-time Professor of School of Law of University of International Business and Economics and Law School of Huazhong University of Science and Technology; Independent Director of Dacheng Fund, Central China Securities, Bao Gang United Steel and Huachuang Yang'an; etc. YU now serves as the Senior Partner of Beijing Dacheng Law Offices. YU concurrently serves as a member of Fixed Income Committee of Securities Association of China; a member of the 13 <sup>th</sup> Central Social Work Committee of China Democratic League; Outside-school Supervisor for law master of Law School of Peking University; Independent Director of Bank of Jiangsu (600919), Kinlita Enterprise (300225), CCCC (600720), Dafeng Harbor (HK08310) and Shengang Securities.
FAN Qingwu	A member of the Communist Party of China and Master's Degree. FAN once served as Assistant Research Fellow of Policy Research Center of State Scientific and Technological Commission; Manager of China Securities Market Research and Design Center; Executive Deputy Director of Training Center of Securities Association of China; General Manager of Investment Bank Department and Chief Economist of China Electronics Corporation; General Manager of China Electronics Holdings Co., Ltd.; Director of Industrial Bank; Independent Director of Bank of Nanjing, Jiangnan Rural Commercial Bank and Bank of Hangzhou; etc. FAN now serves as General Manager of Fuyang Co., Ltd.; Chairman of Laurel Films.
JI Jinsong	A member of the Communist Party of China, University Degree, Bachelor of Economics and Economist. JI once served as the Organizing Personnel (at the deputy section level) and Deputy Researcher of Organization Division I, Deputy Division Chief, Division Chief and Deputy Office Director of Organization Division II and Director of Retired Officials Division of Organization Department of Jiangsu Provincial Party Committee; Secretary of Discipline Inspection Committee, a member and Deputy Secretary of the Party Committee, Secretary of the Party Committee of Head Office and Director of the Party Committee Patrol Office of Bank of Jiangsu. JI now serves as the Deputy Secretary of the Party Committee, Chief Supervisor and Director of the Party Committee Patrol Office of Bank of Jiangsu.

Name	Basic Information
PAN Jun	A member of the Communist Party of China, Master's and Doctoral Degree, Postdoctoral Fellow of business administration (finance), Professor and Doctoral Supervisor; Leading Talent in China's accounting field, Consulting Expert of China Accounting Standards Committee of Ministry of Finance and Leader of young and middle-aged academics of "Qinglan Project" in Jiangsu Province. PAN once worked as the Lecturer, Associate Professor and Master Tutor of Jiangsu University. PAN now serves as the Deputy Secretary of the Party Commission and Vice President of School of Accounting, and Vice President of Institute of Accounting and Governance of Nanjing Audit University; External Supervisor of Bank of Jiangsu.
CHEN Libiao	Postgraduate with Master's Degree. CHEN once served as the Project Manager of Nanjing Orient Intelligence Industry Management and Consulting Co. Ltd. CHEN now serves as the Co-founder and Chairman of MobTech; External Supervisor of Bank of Jiangsu.
LIU Wei	A member of the Communist Party of China, Master's Degree, Bachelor of economics, Master of Law and a Practicing Lawyer. LIU once worked as the Assistant Lawyer, Lawyer, Partner and Senior Partner of Beijing Dentons (Nanjing) Law Firm. LIU now serves as the Senior Partner of Beijing Dentons (Nanjing) Law Firm; a member of Industry Development and Rules Committee of Jiangsu Lawyers Association; External Supervisor of Bank of Jiangsu.
ZHENG Gang	A member of the Communist Party of China, Undergraduate with a Master's Degree, Senior Economist and Chinese Certified Public Accountant. ZHENG once served as the Accountant, Deputy Section Chief and Section Chief of Finance Section of Suzhou Mutual Inductor Factory; Manager of Finance Department of Suzhou Electric Appliance Development Industry Co., Ltd.; Manager of Finance Department, Assistant to General Manager, Deputy General Manager, Manager and Chairman of Suzhou Housing Real-estate Guarantee Co., Ltd.; Director and Manager of Economic Development Department of Suzhou International Development Group Co., Ltd.; General Manager of Suzhou Enterprise Credit Service Co., Ltd. ZHENG now serves as the General Manager of Capital Operation Department of Suzhou International Development Group Co., Ltd.; Shareholder Supervisor of Bank of Jiangsu.
WU Zhihua	A member of the Communist Party of China, University Degree and Assistant Engineer. WU once served as the Secretary of the Party Committee and Chairman of the People's Congress of Changjiang Town, and Deputy Mayor of Rugao City; a member of the Standing Committee and Deputy County Chief of Guide County, Deputy Secretary of the Party Working Committee and Deputy Director (take charge of work) of the Management Committee (assist Qinghai) of Green Industry Development Park of Hainan Prefecture, Qinghai Province; Deputy Director, a member of the Party Group and Class 2 Investigator of General Supply and Marketing Cooperatives, a member of the Party Group and Class 2 Investigator of Housing and Urban-rural Development Bureau, and Deputy Secretary and Vice General Manager (temporary employment) of City Construction Development Co., Ltd. of Nantong City. WU now serves as the Deputy Secretary of the Party Committee, General Manager and Vice Chairman of City Construction Development Co., Ltd., and Chairman of State-owned Property Investment Holdings Co., Ltd. of Nantong City; Shareholder Supervisor of Bank of Jiangsu.
LI Zhaoqin	A member of the Communist Party of China and Master's Degree. LI once served as the Office Section Member of People's Court of Jurong City; Section Member and Deputy Division Chief of Comprehensive Division 6, Division Chief of Comprehensive Division 7 and Comprehensive Division 4 of Government Office, and General Manager of Sport Industry Development Co., Ltd. of Zhenjiang City. LI now serves as a member of the Party Committee and Deputy General Manager of Zhenjiang State-owned Holding Group Co., Ltd. and Chairman of Guojin Rural Petty Loan Co., Ltd. in Dantu District of Zhenjiang City; Shareholder Supervision of Bank of Jiangsu.
BAO Gang	A member of the Communist Party of China, University Degree and Economist. BAO once served as the Deputy Section Chief of Market Customer Section and Deputy Manager of Corporate Business Department of CCB Jiangsu Branch; Manager of Risk Monitoring Team of Risk Management Department, General Manager Assistant and Deputy General Manager of Credit Approval Department, General Manager of Investment and Financing Approval Department (Level 2 department) and Deputy General Manager of Asset Management Headquarters, Deputy General Manager, Deputy General Manager (take charge of the work) and General Manager of Investment and Financing Approval Department (Level 1 department) of Bank of Jiangsu. BAO now serves as the General Manager of Credit Approval Department and Employee Supervisor of Bank of Jiangsu.

Name	Basic Information
JIN Rui	A member of the Communist Party of China, University Degree, Master of Accounting and Economist. JIN once served as the Director of Accounting and Settlement Department of Jiangsu Branch and President of Nanjing Grand Sub-branch of Bank of China; Manager of System and Information Management Team, General Manager Assistant and Manager of System Management Team, and Manager of Statistics Team of Planning and Finance Department of Bank of Jiangsu. JIN now serves as the Deputy General Manager of Planning and Finance Department and Employee Supervisor of Bank of Jiangsu.
YUAN Jun	A member of the Communist Party of China, University Degree, Master of Engineering and Economist. YUAN once served as the Deputy Division Chief of Planning Division of Cooperative Association, Deputy Division Chief of Business Management Division, and Deputy General Manager of Business Development Department of Jiangsu Province; Secretary of the Party Committee and Chairman of Taizhou Rural Commercial Bank; Head of the Discipline Inspection Team at Bank of Jiangsu assigned by Jiangsu Provincial Commission for Discipline Inspection; a member of the Party Committee of Bank of Jiangsu. YUAN now serves as the President and Deputy Secretary of the Party Committee of Bank of Jiangsu.
ZHOU Aiguo	A member of the Communist Party of China, University Degree, Bachelor of economics and Economist. ZHOU once served as the General Manager Assistant and Deputy General Manager of Risk Management Department, a member of the Party Committee and Deputy General Manager of Business Department Jiangsu Branch, a member of the Party Committee and Deputy President of Zhenjiang Branch, and Secretary of the Party Committee and President of Direct Branch of Jiangsu Branch (general manager level of provincial branch department) of China Construction Bank; General Manager of Business Department and Green Finance Department as well as Business Director of Bank of Jiangsu. ZHOU now serves as the Vice President and a member of the Party Committee of Bank of Jiangsu.
LUO Feng	A member of the Communist Party of China, Postgraduate Degree, Master of Management, Auditor and Chinese Certified Public Accountant. LUO once served as the Deputy Division Chief of Finance Audit Division II of Nanjing Commissioner Office of National Audit Office; General Manager of Internal Audit Department and Financing Plan Department as well as Business Director of Bank of Jiangsu. LUO now serves as the Vice President and a member of the Party Committee of Bank of Jiangsu.
GAO Zengyin	A member of the Communist Party of China, Postgraduate Degree, Master of economics and Senior Economist. GAO once served as the Deputy General Manager of Business Department, Deputy General Manager and General Manager of Investment Bank Department of Suzhou Branch of China Construction Bank; General Manager of Investment Bank Department, Investment Bank and Asset Management Headquarters of Bank of Jiangsu; Secretary of the Party Committee and Chairman of Suyin Wealth Management Co., Ltd. GAO now serves as the Vice President and a member of the Party Committee of Bank of Jiangsu.
DING Zonghong	A member of the Communist Party of China, University Degree, Accountant and Senior Economist. DING once served as the President of Chengye Sub-branch, General Manager of Service Center for Small Enterprise Credit, a member of the Party Committee, President Assistant and Vice President of Wuxi Branch, General Manager of Small Enterprise Finance Department (Inclusive Finance Department) of Bank of Jiangsu. DING now serves as the Vice President, a member of the Party Committee, General Manager of Business Department and Green Finance Department of Bank of Jiangsu.
WANG Weibing	A member of the Communist Party of China, University Degree, Bachelor of engineering and Senior Economist. WANG once served as Manager of the Personnel Supervision Department, President, Office Director, Secretary of Board of Directors, a member of the Party Group and Disciplinary Inspection Team Leader of the Development Zone Sub-branch of Nantong Commercial Bank; Deputy General Manager of Internal Compliance Department, Secretary of the Party Committee and President of Taizhou Branch, Yancheng Branch and Suzhou Branch, a member of the Party Committee and Vice President of Nantong Branch of Bank of Jiangsu. WANG now serves as the President Assistant, President and Secretary of the Party Committee of Wuxi Branch of Bank of Jiangsu.



### (III) Positions of directors, supervisors and senior management position currently and leaving office during the Reporting Period

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

Name of the Person in Office	Name of Legal-person Shareholder	Positions Held in Legal-person Shareholder
HU Jun	Jiangsu International Trust Corporation Limited	Secretary of the Party Committee and Chairman
LIN Haitao	Jiangsu Phoenix Publishing & Media Group Co., Ltd.	Director and Deputy General Manager
JIANG Jian	Huatai Securities Co., Ltd.	Member of the executive committee
TANG Jinsong	Wuxi Construction and Development Investment Co., Ltd	Chairman
REN Tong	Jiangsu Broadcasting and Television Group Co., Ltd.	Member of the Party Committee of the Corporation, Deputy Channel Director, Deputy General Manager of the Corporation
ZHENG Gang	Suzhou International Development Group Co., Ltd.	General manager of Capital Operation Department
WU Zhihua	Nantong State-owned Assets Investment Holding Co., Ltd.	Chairman
LI Chaoqin	Zhenjiang State Owned Investment Holding Group Co., Ltd.	Party Committee Member and Deputy General Manager
SHAN Xiang	Phoenix Publishing & Media Group	Director and Deputy General Manager
XIANG Rong	Yangzhou Modern Financial Investment Group Co., Ltd.	Deputy general manager
Description of posts at the shareholder's site: The above persons are appointed by shareholders to serve as the directors and supervisors of the Company. SHAN Xiang and XIANG Rong left office in October 2023.		

#### 2. Office holding in other institutions

Name of the Person in Office	Name of Other Institutions	Position Held in Other Institutions
LIN Haitao	Jiangsu Phoenix Property Investment Company Limited	Chairman (dismissed in January 2024)
	Suyin Financial Leasing Co., Ltd.	Director
TANG Jinsong	Wuxi Urban Development Group Co., Ltd.	Chairman of the Board of Directors
	Xijin International Co., Ltd.	Director
	Xihui International Co., Limited	Director
	Wuxi Environmental Protection Group Co., Ltd.	Director
REN Tong	Jiangsu Broadcasting International Media Co., Ltd.	Chairman
	Omnijoi Media Corporation Co., Ltd.	Director
REN Tong	Jiangsu Jue Creative Emerging Industry Investment Fund (Limited Partnership)	Director



Name of the Person in Office	Name of Other Institutions	Position Held in Other Institutions
LI Xindan	Nanjing Securities Co., Ltd.	Independent Director
	China Southern Asset Management Co., Ltd.	Independent Director
	HSBC Bank (China) Company Limited	Independent Director
	Soochow Securities Co., Ltd.	Independent Director
HONG Lei	Nanjing Branch of Shanghai Certified Public Accountants (Special General Partnership)	Executive
	ZKI Property and Casualty Insurance Co., Ltd.	Independent Director
	Nanjing XinGong Investment Group Co. Ltd.	External Director
	Xuzhou Coal Mining Group Corp.	External Director
CHEN Zhongyang	Soochow Securities Co., Ltd.	Independent Director
	Yonyou Fintech Information Technology Co., Ltd.	Independent Director
	Gongyin Ruixin Fund Management Co., Ltd.	Independent Director
	Jiangsu Nantong Rural Commercial Bank Co., Ltd.	Independent Director (dismissed in February 2024)
YU Xugang	Beijing Dacheng Law Offices	Senior Partner
	Shanghai Kinlita Chemical Co., Ltd.	Independent Director
	Dafeng Port Heshun Technology Company Limited	Independent Director
	Shengang Securities	Independent Director
	China Communications Design Consulting Group Co., Ltd.	Independent Director
FAN Qingwu	Sunny Worth Limited	General Manager
	Laurel Films	Chairman
PAN Jun	School of Accounting, Nanjing Audit University	Deputy Secretary of the Party Committee and Vice President
	Qi Jing Machinery Co., Ltd.	Independent Director
CHEN Libiao	Guangzhou ZhangTao Network Technology Co., Ltd. (MobTech)	Chairman
LIU Wei	Beijing Dentons (Nanjing) Law Firm	Senior Partner
ZHENG Gang	Suzhou Trust Corporation Limited	Director
	Soochow Securities Co., Ltd	Director
	Suzhou SME Financial Service Center Co., Ltd.	Director
	Suzhou Guofa Financing Guarantee Co., Ltd.	Director
	Jiangsu Jinfu Digital Co., Ltd.	Director
	Suzhou Guofa Shujin Technology Co., Ltd.	Director
WU Zhihua	Nantong Urban Construction Group Co., Ltd.	Deputy Secretary of the Party Committee, General Manager and Vice Chairman
	Jiangsu Nantong Rural Commercial Bank Co., Ltd.	Director
LI Chaoqin	Zhenjiang Dantu Guojin Rural Micro Loan Co., Ltd.	Chairman
	Jiangsu Zhenjiang Credit Financing Guarantee Co., Ltd.	Director

Name of the Person in Office	Name of Other Institutions	Position Held in Other Institutions
YU Chen	YeePay Co., Ltd.	President
DING Xiaolin	Co-effort Law Firm LLP	Senior Partner
SHEN Kunrong	Jinling Hotels & Resorts Corporation	Independent Director
	Nanjing Chixia Development Co., Ltd.	Independent Director
SHAN Xiang	Beijing Phoenix Linkage Film and Television Culture Communication Co., Ltd.	Director
	Phoenix Publishing & Media Group	Director
	Beijing Phoenix Terra Hotel Co., Ltd.	Supervisor
	Jiangsu Xinguanglian Technology Company Ltd.	Chairman (dismissed in January 2024)
	Sichuan Phoenix Wine Co., Ltd.	Chairman
	Sichuan Fenghuang Heming Liquor Sales Co., Ltd.	Chairman
	Phoenix Publishing & Media Group	Chairman
	Phoenix Legend Film Co., Ltd.	Director
DAI Qian	Sujiaokong Commercial Factoring (Guangzhou) Co., Ltd.	Chairman
XIANG Rong	Yangzhou Jintou Asset Management Co., Ltd.	Chairman
	Yangzhou Jintou Commercial Factoring Co., Ltd.	Chairman
	Yangzhou Rural Commercial Bank Co., Ltd.	Director
	Yangzhou Guojin Investment Group Co., Ltd.	Deputy General Manager

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

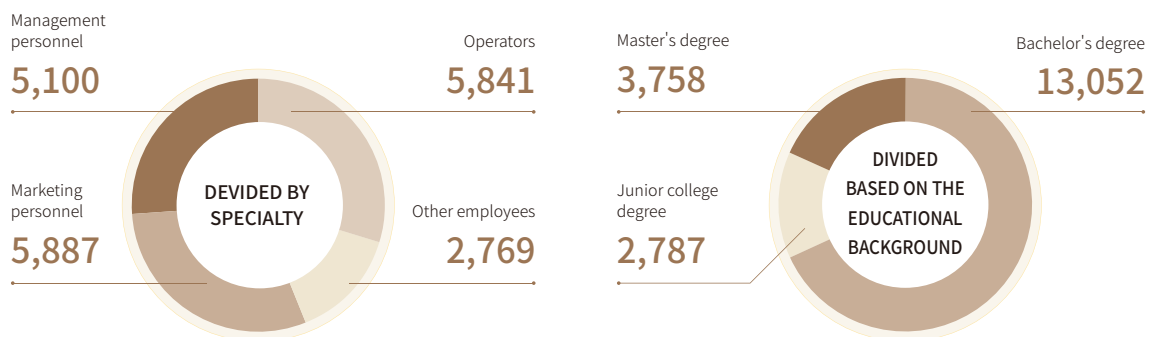
Name	Position Held	Situation of Change	Reason of Change
XIA Ping	Chairman	Demission	Retirement age
GE Renyu	Chairman	Appointment	Election
JI Jinsong	Director	Demission	Work reason
LIN Haitao	Director	Appointment	Election
SHAN Xiang	Director	Demission	Maturity
DAI Qian	Director	Demission	Work reason
CHEN Zhongyang	Independent Director	Appointment	Election
YU Xugang	Independent Director	Appointment	Election
FAN Qingwu	Independent Director	Appointment	Election
YU Chen	Independent Director	Demission	Maturity
DING Xiaolin	Independent Director	Demission	Maturity
SHEN Kunrong	Independent Director	Demission	Maturity
JI Jinsong	Chairman of the Board of Supervisors	Appointment	Election

Name	Position Held	Situation of Change	Reason of Change
ZHU Qilong	Chairman of the Board of Supervisors	Demission	Maturity
WU Zhihua	Supervisor	Appointment	Election
LI Chaoqin	Supervisor	Appointment	Election
XIANG Rong	Supervisor	Demission	Work reason
SHI Shengjiu	Employee Supervisor	Demission	Maturity
ZHOU Aiguo	Deputy President	Appointment	New appointment
LUO Feng	Deputy President	Appointment	New appointment
GAO Zengyin	Deputy President	Appointment	New appointment
DING Zonghong	Deputy President	Appointment	New appointment
GU Xian	Deputy President	Demission	Retirement age
LI Min	Assistant to President	Demission	Retirement age
ZHAO Hui	Deputy President	Demission	Maturity

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

### (I) Information of employees

As of the end of the Reporting Period, the Group had 19,597 employees (including dispatched employees, technology and administrative outsourcing personnel, and employees of its subsidiaries). If the Group's employees are categorized by specialty, the Group has 5,100 management personnel, 5,887 marketing personnel, 5,841 operators and 2,769 employees responsible for other duties. If they are categorized based on the educational background, the Group has 3,758 employees with a master's degree or above, 13,052 with a bachelor's degree, and 2,787 with a junior college degree. As of the end of the Reporting Period, the parent company and its subsidiaries had 3,420 retired employees, for which, they are responsible for bearing relevant expenses.





## (II) Remuneration policy

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

## (III) Training plan

Adhering to the learning philosophy of "fostering character and civic virtue, continuous learning, practice and serving development", the Bank gave full play to the basic, strategic and prospective role of education and training, promoted continuous and independent learning of its employees who were encouraged to strive to grow and make progress together with the Bank. The Bank deepened the scientific, institutionalized and standardized education and training work, enriched curriculum resources through science and technology, and focused on creating a learning ecology in the digital intelligence era with multiple personalized services, strong intelligent support and good user experience. The Bank adhered to the problem-oriented principle, highlighted classification and grading, laid special emphasis on pragmatism and effectiveness, explored and constructed an integration mechanism of education and training, problem solving and talent discovery to better empower cadres and employees and serve its business development. Furthermore, the Bank strengthened the overall management of line training, integrated training resources, optimized management processes, and focused on reducing burdens for grass-roots units. During the Reporting Period, a total of 2,452 offline training sessions, attended by 203,896 person-times, were held, with a cumulative online and offline learning time of 41 hours per capita.

## (IV) Labor outsourcing

Total hours of labor outsourcing	14,023,797h
Total remuneration paid for labor outsourcing	RMB 989,670,000



## VIII. Proposal for Profit Distribution of Common Shares or Capitalization from Capital Reserve.

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

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

The formulation and revision of the profit distribution policy of the Company shall be proposed by the board of directors of the Company to the shareholders' meeting of the Company. The profit distribution policy proposed by the board of directors shall be approved by more than 2/3 of all directors of the board of directors and by more than 2/3 of independent directors. The independent directors shall express independent opinions on the formulation or revision of the profit distribution policy. Independent directors may solicit opinions from minority shareholders, put forward dividend proposals, and directly submit them to the board of directors for deliberation. The board of supervisors of the Company shall review the profit distribution policy formulated and revised by the board of directors, and the policy shall be approved by more than half of the supervisors and all external supervisors. The board of directors and the board of supervisors shall review and approve the profit distribution policy and submit it to the shareholders' meeting for review and approval. Before the shareholders' meeting of the Company deliberates the proposal to formulate the profit distribution policy, it shall communicate with the minority shareholders through the website of the Company, public mailbox or visiting reception and other channels, fully listen to the opinions and demands of the minority shareholders, and promptly answer the concerns of the minority shareholders. When the shareholders' meeting deliberates and approves the proposal on the profit distribution policy, it shall be passed by more than 2/3 of the voting rights held by the shareholders present at the shareholders' meeting.

2. During the Reporting Period, upon the deliberation and approval in the 2022 shareholders' meeting, the 2022 profit distribution plan of the Company were as follows: Based on the Company' s 14,769,660,000 shares in total at the end of 2022, cash dividends to be distributed to all shareholders for every 10 shares was RMB 5.156 (tax-inclusive), RMB 7,615,240,000 (tax-inclusive) in total, accounting for 30% of the net profit attributable to the parent company. However, since the convertible bonds issued by the Company is in conversion period, if the total number of common shares changes before the record date of equity distribution, the Company will maintain the total amount of distribution and adjust the distribution amount per share accordingly based on the total share capital of ordinary shares on the record date of equity distribution. The plan was completed on July 17<sup>th</sup>, 2023 and the equity registration date for distribution of rights and interests was July 14<sup>th</sup>, 2023. In light of the Company' s total shares of 15,519,097,890 registered by Shanghai Branch of China Securities Registration and Clearing Co., Ltd. after closing of Shanghai Stock Exchange on that afternoon, the cash dividend distributed per share was RMB 0.4907 (tax-inclusive), and therefore, a total of RMB 7,615,221,334.62 cash dividends were distributed.

3. The Company is planning to distribute cash dividend to all shareholders with ordinary shares of A Shares as follows: Based on the Company's 18,351,324,463 shares in total at the end of 2023, cash dividends to be distributed to all shareholders for every 10 shares was RMB 4.7 (tax-inclusive), totaling RMB 8,625,105,619 (tax-inclusive), accounting for 30% of the net profit attributable to the parent company. The proposal will be reviewed and approved by the shareholders' meeting of the Company, and the details will be announced separately.

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

#### Special Descriptions of Cash Dividend Policy

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

### (II) Plan or Proposal for the distribution of common stock dividends and the plan or Proposal for the capitalization of capital reserves in the past three years (including the Reporting Period) of the Company

Unit: RMB Currency: RMB

Dividend Year	Bonus Shares per 10 Shares (Shares)	Dividends per 10 Shares (RMB) (tax-inclusive)	Transfers per 10 Shares (Shares)	Amount of Cash Dividends (tax-inclusive)	Net Profit Attributable to Listed Companies in the Annual Consolidated Statement of Dividends	Ratio of Net Profit Attributable to Listed Companies in Consolidated Statements (%)
2023	0	4.70	0	8,625,105,619	28,750,352,066	30.00
2022	0	4.907	0	7,615,221,334	25,385,992,744	30.00
2021	0	4.00	0	5,907,855,651	19,694,365,000	30.00

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

The Bank disclosed the full text of the self-evaluation report on internal control of 2023 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 26, 2024.

## X. Description of the Internal Control Audit Report

The Bank disclosed the full text of 2023 internal control audit report on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on April 26, 2024.



## XI. Information Disclosure and Investor Relations

### (I) Information disclosure

The board of directors and management of the Bank highly valued the importance of information disclosure, established and improved the system in strict accordance with relevant regulatory requirements, organized all employees to learn and popularize the information disclosure knowledge both online and offline, further strengthened compliance awareness, strengthened key links such as information submission, review and approval, optimized operation procedures, and ensured the truthfulness, accuracy, completeness and timeliness of the disclosed information, to effectively protect the legitimate rights and interests of investors. During the Reporting Period, the Bank disclosed a total of 138 announcements and online documents. The 2022 Annual Report of the Bank was awarded the Cover Design Award of the 37<sup>th</sup> ARC International Annual Report Awards, and the online "Platinum Award" and the "Technical Achievement Award" of the LACP Vision Award.

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

2023-01-04	Announcement on the Results of Converting Convertible Bond into Shares and Change of Shares
2023-01-04	Announcement on Receiving the Approval from Jiangsu Supervision Bureau of China Banking and Insurance Regulatory Commission on the Qualification of Relevant Shareholders
2023-02-02	Announcement on 2022 Annual Performance Express
2023-02-07	Announcement on Amending the Articles of Association
2023-02-07	Announcement on the Resolution of the Board of Directors
2023-02-07	Notice on Convening the 1 <sup>st</sup> Interim Shareholders' Meeting of 2023
2023-02-07	Announcement on the Resolution of the Board of Supervisors
2023-02-15	Information of the 1 <sup>st</sup> Interim Shareholders' Meeting of 2023
2023-02-23	Legal Opinion of C&T PARTNERS on the 1 <sup>st</sup> Interim Shareholders' Meeting of 2023 of Jiangsu Bank Co., Ltd.
2023-02-23	Announcement on the Resolution of the 1 <sup>st</sup> Interim Shareholders' Meeting of 2023
2023-03-03	Informative Announcement on the Changes in Shareholders' Equity
2023-03-08	Announcement on the Interest Payment for "Suyin Convertible Bonds" in 2023
2023-03-11	Announcement on the Retirement and Demission of Senior Managers
2023-03-15	Independent Opinions of the Independent Directors on Related Matters
2023-03-15	Announcement on the Resolution of the Board of Directors
2023-03-15	Announcement on the Resolution of the Board of Supervisors
2023-04-04	Announcement on Convertible Bond Conversion Results & Share Changes
2023-04-05	Announcement on the Resolution of the Board of Supervisors
2023-04-05	Announcement on the Resolution of the Board of Directors
2023-04-22	Announcement on the Resignation of Independent Directors upon Expiration of Term of Office
2023-04-22	Announcement on the Solicitation of Performance Exchange Meeting Issues
2023-04-22	Announcement on the Executive Qualifications Approved by Regulatory Authorities



2023-04-22	Announcement on the Director Qualifications Approved by Regulatory Authorities
2023-04-26	2022 ESG and Corporate Social Responsibility Report
2023-04-26	2022 Green Finance Development Report
2023-04-26	Annual Report of BOC International (China) Co., Ltd. and United Securities Co., Ltd. on the Continuous Supervision of Bank of Jiangsu Co., Ltd. in 2022
2023-04-26	2022 Annual Financial Report and Audit Report
2023-04-26	Announcement on the Expected Amount of Daily Related Party Transactions in 2023
2023-04-26	Announcement on 2022 Profit Distribution Plan
2023-04-26	Announcement on Further Appointment of Accounting Firm
2023-04-26	Notice on Convening 2022 Shareholders' Meeting
2023-04-26	2022 Annual Report Summary
2023-04-26	Independent Opinions of the Independent Directors on Related Matters
2023-04-26	Announcement on the Resolution of Board of Directors
2023-04-26	2022 Independent Directors' Debriefing Report
2023-04-26	2022 Internal Control Evaluation Report
2023-04-26	Independent Directors' Prior Approval Letter on Relevant Matters
2023-04-26	Special Descriptions of Non-operating Fund Occupation and Other Related Fund Transactions in 2022
2023-04-26	Announcement on the Resolution of Board of Supervisors
2023-04-26	2022 Internal Control Audit Report
2023-04-26	2022 Report on the Performance of the Audit Committee of the Board of Directors
2023-04-26	2022 Annual Report
2023-04-28	Announcement on the Resolution of Board of Directors
2023-04-28	2023 Q1 Report
2023-05-10	Information of 2022 Shareholders' Meeting
2023-05-16	Announcement on the Completion of Transfer Registration of Shareholder Shares
2023-05-17	Legal Opinion for 2022 Shareholders Meeting
2023-05-17	Announcement on Resolutions of 2022 Shareholders Meeting
2023-06-08	Announcement on 2023 Financial Bonds (Phase I) Issued
2023-06-14	Independent Opinions of the Independent Directors on Related Matters
2023-06-14	Announcement on the Resolution of Board of Directors
2023-06-14	Announcement on the Resolution of Board of Supervisors
2023-06-14	Notice on Convening the 2 <sup>nd</sup> Interim Shareholders' Meeting of 2023
2023-06-14	Information of the 2 <sup>nd</sup> Interim Shareholders' Meeting of 2023
2023-06-20	Announcement on 2023 Tracking Rating Results of A Share Convertible Corporate Bonds
2023-06-20	2023 Annual Tracking Rating Report
2023-06-26	Announcement on Shareholders Increase Their Shareholding through Convertible Bonds



2023-06-28	Announcement on Change of Address of the 2 <sup>nd</sup> Interim Shareholders' Meeting of 2023
2023-07-04	Announcement on the Resolution of the 2 <sup>nd</sup> Interim Shareholders' Meeting of 2023
2023-07-04	Legal Opinion of C&T PARTNERS on the Second Extraordinary Shareholders' Meeting of Bank of Jiangsu Co., Ltd. in 2023
2023-07-04	Announcement on Convertible Bond Conversion Results & Share Changes
2023-07-05	Informative Announcement on the Implementation of A-share dividend Distribution in 2022 and Continuous Suspension of Conversion of "Suyin Convertible Bonds"
2023-07-06	Announcement on Change of Registered Capital Approved by Regulatory Authorities
2023-07-08	Informative Announcement on 2022 Distribution of Equity
2023-07-11	Announcement on Implementation of 2022 Annual Equity Distribution
2023-07-11	Announcement on Adjusting the Conversion Price of A-share Convertible Corporate Bonds according to 2022 Profit Distribution Plan
2023-07-27	Announcement on 2023 Financial Bonds (Phase II) Issued
2023-08-03	Announcement on 2023 Semi-annual Performance Express
2023-08-05	Announcement on Cumulative Number of Shares Converted from "Suyin Convertible Bonds" to 10% of Total Issued Shares of the Company before Conversion and Change of Shares
2023-08-11	Informative Announcement on "Suyin Convertible Bonds" May Meet Redemption Conditions
2023-08-30	Announcement on the Resolution of Board of Supervisors
2023-08-30	2023 Semi-annual Report Summary
2023-08-30	Announcement on Resignation of Directors
2023-08-30	Announcement on the Resolution of Board of Directors
2023-08-30	2023 Semi-Annual Report
2023-09-01	Announcement on Shareholder Holdings
2023-09-05	Verification Opinions of BOC International (China) Co., Ltd. and United Securities Co., Ltd. on the Prior Redemption of "Suyin Convertible Bonds" by Bank of Jiangsu Co., Ltd.
2023-09-05	Announcement on Shareholder Holdings
2023-09-05	Independent Opinions of the Independent Directors on Related Matters
2023-09-05	Announcement on the Resolution of Board of Directors
2023-09-05	Informative Announcement on Prior Redemption of "Suyin Convertible Bonds"
2023-09-08	Announcement on Shareholder Holdings
2023-09-12	Informative Announcement on Prior Redemption of "Suyin Convertible Bonds"
2023-09-15	Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-16	The 1 <sup>st</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-19	The 2 <sup>nd</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-19	Articles of Association
2023-09-19	Announcement on Amendments to Articles of Association Approved by Regulatory Authorities
2023-09-20	The 3 <sup>rd</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"

2023-09-21	The 4 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-22	The 5 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-22	Announcement on Independent Director Qualifications Approved by Regulatory Authorities
2023-09-23	The 6 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-26	The 7 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-27	Announcement on the Resolution of Board of Directors
2023-09-27	Notice on Convening the 3 <sup>rd</sup> Interim Shareholders' Meeting of 2023
2023-09-27	Independent Opinions of the Independent Directors on Related Matters
2023-09-27	Announcement on Main Business Conditions from January to August 2023
2023-09-27	Announcement on the Resolution of Board of Supervisors
2023-09-27	The 8 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-27	Information of the 3 <sup>rd</sup> Interim Shareholders' Meeting in 2023
2023-09-28	Summary of Investor Exchange Events in September 2023
2023-09-28	The 9 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-09-29	The 10 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-09	Announcement on Convertible Bond Conversion Results & Share Changes
2023-10-09	Announcement on Convening 2023 Semi-annual Performance Presentation Meeting
2023-10-10	The 11 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-11	The 12 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-12	The 13 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-13	Announcement on the Resolution of the 3 <sup>rd</sup> Interim Shareholders' Meeting of 2023
2023-10-13	The 14 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-13	Independent Opinions of the Independent Directors on Related Matters
2023-10-13	Legal Opinion of C&T PARTNERS on the 3 <sup>rd</sup> Interim Shareholders' Meeting of 2023 of Jiangsu Bank Co., Ltd. in 2023
2023-10-13	Announcement on the Resolution of Board of Directors
2023-10-13	Announcement on Election of Employee Supervisors
2023-10-13	Announcement on the Resolution of Board of Supervisors
2023-10-14	The 15 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-17	The 16 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-18	The 17 <sup>th</sup> Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-19	The Last Informative Announcement on Redemption and Delisting of "Suyin Convertible Bonds"
2023-10-21	Announcement on Redemption Results and Share Changes of "Suyin Convertible Bonds"
2023-10-28	2023 Q3 Report
2023-10-28	Announcement on the Resolution of Board of Directors
2023-10-28	Announcement on the Resolution of Board of Supervisors

2023-11-01	Summary of Investor Exchange Events in October 2023
2023-11-03	Announcement on Shareholder Holdings
2023-11-14	Announcement on Executive Qualifications Approved by Regulatory Authorities
2023-11-17	Announcement on Shareholder Holdings
2023-11-17	Notice of Implementation of Dividend Distribution on Preference Shares
2023-11-17	Announcement on Convening 2023 Q Performance Presentation Meeting
2023-12-01	Announcement on Related Transactions
2023-12-01	Independent Opinions of the Independent Directors on Related Transactions
2023-12-01	Independent Directors' Prior Approval Letter on Related Transactions
2023-12-02	Announcement on the Approval of Qualifications of Chairman of Board of Directors by Regulatory Authorities
2023-12-06	Summary of Investor Exchange Events in November 2023
2023-12-20	Announcement on the Resolution of Board of Directors
2023-12-20	Information of the 1 <sup>st</sup> Interim Shareholders' Meeting of 2024
2023-12-20	Notice on Convening the 1 <sup>st</sup> Interim Shareholders' Meeting of 2024

## (II) Investor relations

The Bank highly emphasizes the importance of investor relations management, giving priority to investors, continuously optimized the thematic, regular and wide-coverage market communication mechanism, and strived to promote a virtuous circle between business operation and market communication; focused on the latest dynamics and hot issues on market, conveyed the Bank's information to the market comprehensively, objectively and accurately, and maintained smooth communication with investors. The Bank timely fed back market concerns and opinions and suggestions internally through multiple channels and mechanisms, and actively promoted the continuous improvement of operation and management level. During the Reporting Period, the Bank has held 3 regular performance briefing sessions, during which the management introduced the operation and investment value to the participating investors in detail and answered the key questions of the market one by one. The Bank has organized nearly 100 roadshows both online and offline, which attracted nearly 1,000 investors. The Bank communicated with various investors for more than 1,000 times through diverse channels, such as face-to-face communication at shareholders' meetings, Q&A in E-interaction of Shanghai Stock Exchange, investor hotline, email, etc.

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ANNUAL REPORT  
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Section 5

## **Environment and Social Responsibilities**



# Environment and Social Responsibilities

## I. Environment Information

### (I) Annual overview

<b>Whether the Bank has established relevant mechanisms for environmental protection</b>	<b>Yes</b>
Amount of environmental protection funds invested during the Reporting Period (Unit: RMB 10,000)	18,946,928
<b>Measures for carbon emission reduction during the Reporting Period and their effects</b>	
Whether the Bank has taken carbon emission reduction measures?	Yes
Reduction of CO2 equivalent emissions (Unit: t)	4,994,783.21
Type of carbon emission reduction measures (e.g., using clean energy for power generation, applying carbon-abatement technologies during production process, developing carbon emission reduction products, etc.)	Focus on the fields with significant carbon emission reduction effect, such as clean energy, energy conservation, environmental protection, carbon-abatement technologies, while increasing fund investment, and assisting enterprises in accomplishing the goal of energy saving and carbon emission reducing.

The Bank thoroughly implemented the ecological civilization construction of the CPC Central Committee and the strategy of "carbon peak and carbon neutrality", integrated the concept of sustainable development into its development strategy, improved the policy system and governance structure, strengthened both external and internal business collaboration, and firmly emphasized "green" development principle to help achieve the "carbon peak and carbon neutrality" goal above; strengthened the "green +" business strategy and promoted the diversified development of green credit, green bonds, green leasing, green financing, etc. Moreover, the Bank strengthened environmental and social risk management, made efforts to establish a comprehensive and systematic environmental and social risk

management system, and managed environmental and social risks effectively in the whole process of "pre-lending, lending and post-lending". The Bank also strengthened disclosure of environmental and climate risk information, issued the Green Financial Development Report and ESG Report of Bank of Jiangsu for 3 consecutive years, and disclosed Annual Corporate Social Responsibility Report of Bank of Jiangsu for 11 consecutive years. As the Central and East Asian Council Member of the UNEP FI Bank Council, the Bank continued to strengthen the promotion and capacity building of the "Principles for Responsible Banking" in Central and East Asia, served as the leader of the joint group of the "2030 Core Working Group of Principles for Responsible Banking" and the "Financial Health and Inclusion Working Group of Principles for Responsible Banking", and formulated new framework standards such as the "Principles for Responsible Banking" for 2030.

As of the end of the Reporting Period, the Bank's green financing scale reaches RMB 450.1 billion, 40.5% higher than that of the end of last year. The balance of green credit of The People's Bank of China is RMB 287 billion, 42.5% higher than that of the end of last year. The annual standard coal saving amount is calculated to be 1.671 million t (equivalent to the annual electricity consumption of 10.02 million ordinary households), and the annual carbon dioxide reduction amount is 4.995 million t (equivalent to the emission of 1.85 million 1.6 L displacement passenger cars for one year). The annual reduced emission amount of chemical oxygen demand, ammonia nitrogen, ammonia nitrogen, sulfur dioxide and nitrogen oxides was 112,000 t, 26,000 t, 568,000 t, and 195,000 t respectively. The water saved throughout the whole year was 45.394 million t (equivalent to water capacity of 8 Xuanwu Lakes in Nanjing City). Among them, the YoY emission reduced of carbon dioxide equivalent was 1.26 million t, so as to achieve significant environmental and social benefits.

## (II) Environment-related governance structure

The Bank's green finance operation management follows a three-tier governance structure of "Board of Directors - Senior Management - Executives". From the level of the board of directors, the "Strategy and ESG Committee" was established to deliberate and ratify key issues such as green finance, climate and ESG risk management, financial inclusion and health. As for the level of senior management, the Green Finance Committee and Working Group composed of the head office departments and subsidiaries was set up to coordinate the resources of the whole bank, in order to jointly manage green finance related work. During the Reporting Period, the Green Finance Committee and Green Finance Working Group held 3 meetings to review and evaluate the development of green finance collectivization, to discuss and decide on key issues such as the implementation of the "Principles for Responsible Banking", in order to correct the development direction of green finance throughout the Bank. As for the executive level, the Head Office set up the Green Finance Department (a first-level department of the Head Office) to lead the green finance development of the Bank; improved the green finance organizational structure of the branches, established green finance committees, green finance teams and full-time posts within the branches, as well as built a green finance professional talent team; established an assessment and evaluation system for green branches to improve professional operation capability. As of the end of the Reporting Period, the total number of green branches has reached 11.

## (III) Environment-related policies and rules

The Bank gives full play to the role of the Green Finance Committee and the Working Group in coordination and promotion, strengthens the coordination between the front office, middle office and back office, and continuously improves the environmental and social risk policy system. During the Reporting Period, the Bank formulated regulatory documents such as the *Measures of Bank of Jiangsu for Environmental and Social Risk Management*, the *Guidelines of Bank of Jiangsu for Credit Investment (2023)*, the *Guidelines for Internal Rating of Non-retail Customers (Ver. 2023)*, and the *Notice on Improving Environmental and Social Risk Management Procedures for Overseas Projects*. For ESG-sensitive industries and customers,

the Bank further clarified differentiated management requirements in terms of business onboarding, due diligence, internal rating and responsibility identification, and continuously improved ESG risk management capabilities throughout the investment and financing process.

#### (IV) Environment-related products and services

The Bank makes every effort to build three distinctive business segments, namely "ecological finance", "energy finance" and "transformation finance", carried out financing demand analysis and service scheme design systematically in virtue of regional, industrial and customer characteristics, and continued to provide high-quality financial supply for green and low-carbon key areas.

—**Ecological finance.** Following the main line of "pollution reduction, green expansion and carbon reduction", the Bank focused on urban, rural and natural ecosystems, actively served the new mode of coordinated development of environmental governance and industrial integration, and fully supported the protection of "blue sky, clear water and pure land"; gives full play to professional advantages, formulates and releases normative documents such as the *Marketing Guidelines of Bank of Jiangsu for Hazardous Waste Treatment Industry*, *Marketing Guidelines of Bank of Jiangsu for Sewage Treatment Industry*, *Marketing Guidelines of Bank of Jiangsu for Sludge Disposal Industry* and *Management Measures of Bank of Jiangsu for Soil Remediation Loan Business*, and participated in the construction of "EOD Project Library" and the formulation of "Environmental protection loan" and "Environmental protection guarantee" of Department of Ecology and Environment of Jiangsu Province.

—**Energy finance.** For the key industries such as energy storage, PV, Li-ion battery and new energy vehicles (NEVs), the Bank carries out customer field research and visits, establishes information and policy tracking and analysis mechanism for energy storage, PV and Li-ion battery industries, formulates the *Comprehensive Financial Service Plan of Bank of Jiangsu for "New Three Industries"* and *Service Plan of Bank of Jiangsu for New Energy Vehicle Industry Chain (Ver. 2023)*, etc., so as to provide systematic and high-quality green financial services to support the development of new energy industry.

—**Transformation finance.** The Bank took the lead in releasing the *Financial Framework of Bank of Jiangsu for Transformation*, which clarifies the development direction of the Bank's financial transformation and establishes a transformation financial service system covering the transformation and upgrading of industrial enterprises, the construction of low-carbon parks, energy conservation and emission reduction in key industries, green and low-carbon technological progress, etc. The Bank has launched the "ESG Rating System for Credit Customers of Bank of Jiangsu", and it has also innovatively launched transformation financial products such as "ESG performance-linked loans", "Carbon account-linked loans", "Carbon quota pledge loans" and "Low-emission loans", and accurately supported enterprises to carry out low-carbon and zero-carbon transformation activities. The Bank has entered into strategic cooperation with China Beijing Green Exchange in order to actively apply the innovative businesses such as CCER, green supply chain, etc. in Beijing..

During the Reporting Period, the Bank continued to optimize its collectivized sustainable financial product service system covering 9 business segments, namely corporate credit, investment banking, inclusive finance, online finance, cross-border business, retail, interbank, wealth management and leasing, and created "industry's first" in a number of innovative products and service models.

—**The Grand Corporate.** As for green credit, the Bank ranked among the top local corporate banks in terms of the issuance scale of "Carbon emission reduction support tools", concluded the first "Environmental protection loan" project loan in Jiangsu Province and the first "Gross Ecosystem Product (GEP) pledge" project loan in Jiangsu Province, innovated carbon credit and ESG-linked products, and actively served the effective and fair transformation of high-carbon industries. In

terms of green inclusion, the Bank innovated and promoted its featured products such as "Agricultural Green Development Loan" and "Sutanrong", and in particular, the distribution amount of "Sutanrong" exceeded RMB 10 billion, supporting more than 500 green small and micro enterprises. In terms of green bonds, the Bank launched the first blue bonds in the leasing industry nationwide and the first green yen overseas bonds in China, with the underwriting scale of green bonds exceeding RMB 6 billion.

— **The Grand Retailing.** The Bank has launched the "Personal Carbon Account" function, and measured and encouraged customers' carbon emission reduction behaviors in multiple dimensions through the account setting of "Scenario + Incentive". As of the end of the Reporting Period, 3,125 individual carbon accounts had been signed successfully. The Bank actively guides customers to practice green and low-carbon life, and the total number of green and low-carbon credit cards issued exceeds 320,000, which means a doubled quantity compared with that of last year. Moreover, the Bank has reinforced the vertical layout of green consumption scenarios such as NEVs, and improved the "green financial contribution degree" of consumer financial products such as credit card offline installment by issuing favorable policies on consumption credit.

— **The Grand Financial Market.** The Bank has launched structured deposit products linked to the "Carbon Neutral Bond Index of Shanghai Clearing House", which is based on the carbon neutral bond net price index prepared by Shanghai Clearing House, and the actual yield is linked to the performance of the bond index during the life period. In addition, the Bank has also innovatively launched the first digital RMB "green ticket e-sticker" business in China, with a green custody business scale of nearly RMB 1 billion.

— **Subsidiaries.** Suyin Financial Leasing has obtained the green enterprise subject certification with the highest level (Ge-1) standard for three consecutive years; innovated and promoted the "bank lease" linkage cooperation mode. Suyin Wealth Management has launched the theme wealth management products of "Hengyuan Closed Fixed Income Enhanced Issue 72 2-year ESG of Suyin Finance" and "Hengyuan Closed Fixed Income Enhanced Issue 84 2-year ESG of Suyin Finance". Suyin KGI Consumer Finance has continued to explore green consumption scenarios and developed "Su Loan", which is a "national, all-weather, full-line and all-digital" consumer loan product. Suyin Village Bank continued to promote "green agricultural loan" and strengthened its support in the field of green credit.

## (V) Environmental risk management procedures

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

— **Strategic level.** The Bank continued to promote the collectivized development of green finance from a strategic perspective and fully integrated green finance into its strategic business development system. In the "14<sup>th</sup> Five-Year Plan" of Bank of Jiangsu, the Bank accelerated the construction of "a responsible bank" through "practicing ESG concept, strengthening ESG governance and improving ESG performance", continuously promoted the consistency of business development with the Sustainable Development Goals of the United Nations and *The Paris Agreement*, and strived to build a benchmark "responsible bank" in China.

— **Operational level.** The Bank continued to strengthen project financing environment and social risk management, applied ESG-related risk assessment system into project credit granting process, and intensified early warning and prevention of potential environmental and social risks; continued to iteratively optimize credit customer ESG methodology, created customer ESG rating (Ver. 2.0), applied ESG rating results to non-retail customer internal rating system, and launched linked innovative products such as "ESG benefit loan" in the form of pilot. Furthermore, the Bank has promoted the application of

environmental protection credit evaluation results, and applied the enterprise environmental protection credit evaluation information issued by the Department of Ecology and Environment of Jiangsu Province to the whole process of credit business such as pre-loan investigation, loan approval, loan review and post-loan management; optimized credit investment policies, adjusted the industries such as energy conservation and environmental protection, clean energy, carbon emission reduction technology to the industries to which supports were given in priority, and gradually refined and clarified credit management requirements for brown asset industries.

—**Asset portfolio level.** The Bank participated in the preparation of the *Environmental Pressure Test Standard for Commercial Banks* of The People's Bank of China, further promoted the environmental and climate risk pressure test work, completed the pilot work of "climate risk sensitivity pressure test" led by The People's Bank of China for eight industries incorporated into the national carbon market, providing basis for climate transition risk management of asset portfolio.

—**Information disclosure level.** As a core member of the Sino-British Green Finance Working Group, the Bank has continuously explored methods and path of environmental risk analysis and information disclosure of financial institutions for six years, completed the *2022-2023 Disclosure Report of Sustainable Information Disclosure Working Group of Sino-British Financial Institution*, and issued the Corporate Social Responsibility Report & ESG Report of Bank of Jiangsu, Green Financial Development Report and Self-assessment Report on Principles for Responsible Banks. Relevant branches actively participated in the environmental information disclosure of local financial institutions and financial institutions in the Yangtze River Delta Integration Demonstration Zone.

## (VI) Environmental impacts of the Bank's operations

The Bank has established a green, low-carbon and environmental protection concept, actively promoted green office, advocated low-carbon operation, and actively carried out its own carbon emission management work. During the Reporting Period, the Bank carried out specific carbon verification work, clarified the verification scope of carbon emission, and prepared the first *Carbon Emission Verification Report of Bank of Jiangsu*. The Bank continued to strengthen video conference management and improved conference management efficiency; promoted the online function of OA system, issued more than 4,600 copies of documents of different types, received more than 5,100 copies of documents regarding the matters to be handled, and reduced paper consumption. The Bank also strengthened the use of renewable energy; for instance, the solar PV power generation was 87,200 kWh, rainwater recycled was 19 t, and energy usage fees saved were RMB 63,700. The Bank organized and carried out diversified energy-saving publicity in virtue of the national "energy-saving publicity week" and "low-carbon day" to create a good atmosphere for low-carbon operation. Moreover, the Bank has formulated and implemented the *Standard Construction Manual for Green Sub-branches of Bank of Jiangsu*, promoted the standardized construction of green sub-branches, so as to show a green and low-carbon image of the Bank. The pilot project of "zero energy consumption" building construction was launched, and the "zero energy consumption" building design certificate was obtained, making the Bank the first financial business office building project with zero energy consumption transformation in China.

## (VII) Green finance research results

The Bank insists on the research-driven operation management. During the Reporting Period, the Bank completed 6 research topics, including the *Research on Green Innovation*, *Research Report on Promoting Biodiversity Investment and Financing Practice and Product Innovation*, *Research on Enterprise Biodiversity Information Disclosure*, *Implementation Guide for Financial Information Disclosure in Transformation (Proposal Draft)*, *G20 Financial Framework for Transformation and Special Report on Green Finance and Finance Collaborative Scheme of Jiangsu Province* from the People's Bank of China Head Office, Green Finance Committee, China Society for Finance & Banking and Department of Finance of Jiangsu Province.

The Bank participated in the preparation of two course textbooks, including the Green Finance and Introduction to Carbon Finance, completed the first project-level ESG report and ESG rating project in China, and participated in the formulation of the first green group standard in Jiangsu Province, i.e. *Evaluation Standard for Identification of Green Financing Subjects in Jiangsu Province*.

As the Central and East Asian Council Member Representative of the Bank Council of the "United Nations Environment Programme Finance Initiative (UNEP FI)" Banking Board, the Bank has established a regular cooperation and exchange mechanism with the UNEP FI Secretariat, participated in the daily management of the "Responsible Principles", and deliberated the PRB member practice report and PRB 2030 report for decision-making. As the co-leader of the PRB2030 Core Working Group (27 banks world-wide and only one in China), the Bank led the research work on the new PRB standards for 2030, joined the working groups on sustainable finance related issues such as "climate adaptation" and "financial health and inclusion", and carried out forward-looking research on sustainable finance together with global advanced banks to develop relevant guidelines and tools.

### (VIII) Others

The Bank always faces competition with an open and sharing attitude and actively transmits advanced experience and good practices in green finance to the market; continues to build a green financial service ecosystem, deepens cooperation with government departments, establishes cooperation with the Ministry of Finance of the People's Republic of China, Department of Finance of Jiangsu Province, Department of Ecology and Environment of Jiangsu Province and Jiangsu Energy Regulatory Office of National Energy Administration of the People's Republic of China, jointly develops innovative products such as "Green Innovation Portfolio Loan" "Environmental protection loan" and "Environmental Protection Guarantee" and participates in the preparation of policy programs such as the *Implementation Plan for the Eco-environment Oriented Development Model (EOD) of Jiangsu Province (Trial)*, so as to provide a variety of products and services for green enterprises and projects.

During the Reporting Period, the Bank signed a strategic cooperation agreement of the *Financial Support for Green Urban and Rural Construction & Promotion of Green Urban and Rural High-quality Development* with the Jiangsu Provincial Department of Housing and Urban-Rural Department; jointly released the comprehensive financial service plan for green urban and rural construction, comprehensively used the products and services such as the green project loans, featured green financing, green supply chain financing, etc., supported the work of "carbon peak and carbon neutrality" in urban and rural construction field, and promoted green and low-carbon sustainable development of economy and society. Under the guidance of Jiangsu Branch of The People's Bank of China and Industry and Information Technology Department of Jiangsu, the Bank established the "Research Center for Green Transformation of Financial Support Manufacturing Industry" to promote effective and fair transformation of high-carbon industries.

During the Reporting Period, the Bank actively built cooperative relationship with peers in terms of green finance. As the main unit of "Green Finance Professional Committee of Jiangsu Province Banking Association," the Bank organized the "Jiangsu Banking Green Finance Exchange Salon for Chinese and Foreign Banks" in partnership with the Chinese and foreign banks to discuss green finance with domestic and foreign peers, experts and scholars. Furthermore, the Bank took the lead in formulating the *Working Rules of Green Finance Professional Committee of Jiangsu Province Banking Association*, organized and carried out special training and subject research on green finance, held the "Evaluation Activity of Green Finance Innovation Demonstration Cases of Banking Industry in Jiangsu Province," etc., so as to play a role in connecting all relevant parties and serve the high-quality development of local green finance.

The Bank continued to promote green finance and green operations to build a green homeland. During the Reporting Period, the Bank did not breach any provisions on environmental protection.

## II. Fulfillment of Social Responsibilities

### (I) Introduction of CSR work

The Bank firmly adheres to the "people-centered" development idea, deeply practices the responsibility concept of "kindness in mind, creation of beauty in deeds", integrates the concept of "doing good things with finance" into the Bank's strategy, business development practice and employees' ideological actions, completes the "five major articles" of technology finance, green finance, inclusive finance, pension finance and digital finance with efforts, contributes financial strength to sustainable economic and social development, and helps realize the respective and shared interests of relevant stakeholders, such as the society, client and environment with practical actions. During the Reporting Period, the Bank donated a total amount of RMB 60.6921 million.

The Bank pays great attention to communication with stakeholders, having established a normalized communication mechanism by which it listens to the opinions and feedback of stakeholders, and encourages stakeholders' full involvement. The Bank has released the Corporate Social Responsibility (CSR) Report for 11 consecutive years, and disclosed the ESG report for 3 consecutive years, which comprehensively and completely demonstrates the effectiveness of social responsibility-related work. During the Reporting Period, the Bank was awarded the "2023 China Banking ESG Practice Tianji Award" by the Securities Times, the "Outstanding ESG Practice Enterprise of the Year" by WWW.INVESTOR.ORG.CN, the "Top 20 ESG Comprehensive Performance Bank" by CBIMC" and the "Theme Communication of ESG Road" was selected in the "2023 Banking Industry ESG Annual Social Responsibility Cases" by CBIMC.

— **Serve the real economy.** The Bank adheres to the original goal of serving the country and the people with finance, sticks to the political and people-oriented nature of financial work, gives priority to serving the real economy, and strives to promote high-quality economic and social development with high-quality financial services; conscientiously implements the decision-making arrangements of the Central Committee, the Jiangsu Provincial Party Committee and the provincial government, and the regulatory agencies at all levels on financial services to the real economy, pools the strength to support the innovative development of the Yangtze River Delta, Beijing-Tianjin-Hebei, Xiong'an New Area, Guangdong-Hong Kong-Macao Greater Bay Area and other regions, injects financial impetus to accelerate the construction of a new development pattern and realize Chinese modernization. The Bank resolutely shoulders the responsibilities as local corporate banks, gathers more financial resources which are used accurately in the weak areas and various entities of the market, meanwhile complies with the requirements for the local economic and social development. The Bank follows up the national "Belt and Road Initiative" and construction of the "Belt and Road" intersection in Jiangsu Province, actively supports the construction of overseas cooperation parks, and serves the cross-border financing needs of "going global" enterprises.

— **Practice inclusive finance.** The Bank vigorously develops inclusive finance, and continuously provides wider coverage and more convenient financial services for different sectors, such as small, medium and micro clients, agriculture, rural areas and rural people. For different types of small and micro customers, such as individual industrial and commercial households, the Bank has launched the corporate version of micro-e-finance, innovated the fixed asset loan business, and launched the medium-term working capital loan exclusively for small and micro customers. By the end of the Reporting Period, the loan balance for micro and small businesses has exceeded RMB 620 billion, ranking 1st among banks in Jiangsu Province and national city commercial banks. The Bank implements the requirements of Jiangsu Provincial Party Committee and Provincial Governments on "22 Articles on Science and Technology Finance" and carries out three plans, namely, "Science and Technology High-quality Customer Multiplication Plan", "Key Industry Service Promotion Plan", "Science and Technology Financial Ecological Optimization Plan" and three projects, namely, "Product Service Innovation Iteration Project", "Digital Intelligence Evolution Transformation and Upgrading Project" and "Service System Construction Improvement Project", to comprehensively improve the service quality and efficiency of financial assistance to high-level science and technology; undertakes the mission of financial assistance to rural revitalization, strives to serve as a model bank for rural revitalization,



focuses on the working mechanism of "three links and three lists", gathers financial resources to invest in key areas and weak points of rural revitalization, solidly promotes the "four projects" of upgrading industrial loans, tackling key projects, providing financial services to the countryside and building digital agriculture, rural areas and farmers, meets people's high-quality living demands with high-quality inclusive finance services, and promotes the realization of common prosperity.

—**Promote people's wellbeing.** On the basis of fully knowing people's new expectation on high-quality life, the Bank has innovatively launched consumer financial products and activities that could facilitate people's life and benefit them, and constantly satisfies the people's diversified and variable demands. The Bank has formulated the 18 Implementation Measures of Bank of Jiangsu in Consumption Recovery and Expansion, continuously forged the brand of "Energizing the entire city by 5", carries out sales campaign such as "Instant discounts after consumption", "Instant discounts after reaching target amount", "50% off discount" and "RMB 1 purchase" to deeply explore the consumption potential of the platform economy and promote the consumption recovery. The Bank's online personal pension in mobile banking provides customers with one-stop financial services integrating account management and product configuration, such as personal pension account information inquiry, management, pension deposit and collection, and personal pension fund transaction, to better satisfy customers' yearning for a better life. We have launched credit medical service and cooperated with medical insurance bureaus in Changzhou, Suzhou, Nanjing and other regions, to create medical experience in which patients receive medical treatment first and then pay without queuing, effectively improving the operational efficiency and patient satisfaction of cooperative medical institutions. The Bank has incorporated digital RMB payment channels into various high-frequency living consumption scenarios, such as retailing, dining, cultural tourism, transportation, medical care, etc., while stimulated market consumption potential and release consumption vitality by issuing digital red envelopes and carrying out consumption reduction activities.

—**Protect consumers' rights and interests.** In 2023, the Bank adhered to the political and people-oriented nature of financial work, strengthened the protection of consumers' rights and interests, built a "big consumer protection" work pattern, strengthened source control, implemented appropriate management requirements, continuously improved the hierarchical and classified complaint handling system, promoted the resolution of disputes in concentrated areas of conflict, deepened consumer public welfare campaigns and provide precise education for customers, and comprehensively improved consumer rights protection and customer service level. The Bank continues to improve the products and services, and further enhances the customer experience and satisfaction by launching the channel for handling the prior repayment of mortgage loans at a faster speed, online negotiation of repayment for credit cards, and adjustment of the limit of mobile banking. The Bank has received a total of 13,854 consumer complaints from all channels. In terms of regional distribution, the complaints were mainly concentrated in Jiangsu, Beijing, Guangdong, Shanghai and Zhejiang. From the perspective of type, the complained businesses were mainly from the business fields such as loans, credit cards, consignment financing funds and debit cards. From the perspective of complaint channels, complaints were mainly received from business outlets, electronic channels and third-party channels. As for the reasons of complaints, they mainly focus on management system, business rules and service facilities. In 2023, the Bank handled customer complaints smoothly and orderly, with the complaint settlement rate continued to maintain a high level. There were no major incidents of sudden customer complaints resulting in consumer rights violations or mass protests.

—**Practice social welfare.** Adhering to the mission of "doing good things with finance", the bank has integrated the corporate social responsibility into development, actively practiced public welfare and charity undertakings, cared the vulnerable groups, supported employees to participate in voluntary services, and interpreted responsibility and commitment through actions; relying on the platform of counterpart aid to Qinghai Province and the East-West Cooperation Platform, the Bank has organized the theme public welfare activities with distinctive characteristics of the Bank, carried out the public welfare activities of "hand in hand, make a difference together", widely participated in charity donations such as the "Collecting Strengths to Build Dreams" poverty alleviation project and the "Dream Fulfillment Action" project of Hope, to

show gratitude to the era and feed back the society with love and charity. The Bank organized employees to donate blood to convey genuine human emotions; continued to deepen the "Activities of the Party Members Entering Community", and mobilized the Party members, key business personnel and young employees to enter communities, schools, and enterprises to carry out policy advocacy, financial knowledge popularization, and volunteer services. During the Reporting Period, the bank has carried out a total of 4,871 "Activities of the Party Members Entering Communities".

—**Take care of employees' growth.** Adhering to the employment philosophy of "combining ability with character, prioritizing morality, giving full play to talents, winning a position by making a difference", the Bank strived to create a simple, harmonious, and positive work atmosphere. We respect employees' right to information, participation, and expression, and actively respond to frontline voices and employee demands.; give full play to the role of workers' congresses and labor unions in ensuring employees' participation in management and safeguarding employees' legitimate rights and interests, and submit each issue related to employees' vital interests of employees to the workers' congress for deliberation. During the Reporting Period, a total of 13 staff representative conferences were convened to discuss and deliberate on 14 system and procedural matters related to employees' immediate interests. Additionally, 12 union member representative conferences were held to consider and study 12 major trade union issues, effectively safeguarding the legitimate rights and interests of employees. The Bank gives full play to the role of the internal staff exchange platform - "highlight" platform, to address the front-line pain points and difficulties, empowering the whole bank to make reform and innovation; establishes a weekly overview reporting mechanism to the management, requiring the departments to reply within a limited time, ensuring that the promises in the reply must be implemented in place. The Bank carries out measures such as induction ceremony for new employees, retirement ceremony for the senior employees, and the healthy break for outstanding employees, and organizes activities of "sending coolness in summer" and "send warmth in winter" to provide daily care for employees. With strong focus on care for female workers, the Bank has built 34 carnation service stations, and organized 22 theme activities such as "March 8" Women's Day.

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

Poverty alleviation and rural revitalization project	Qty./Content
Total investment (RMB 100,000,000)	As of the end of the Reporting Period, the balance of agricultural loans has exceeded RMB 263 billion, with a growth speed faster than that of other loans of the Bank. The financial loan for consolidating poverty alleviation was RMB 29.5 billion.
Including: Fund (RMB 100,000,000)	The balance of agricultural loan exceeded RMB 263 billion and the loan for consolidating poverty alleviation was RMB 29.5 billion.
Materials (RMB 10,000)	The Bank continues to advance the "Collecting Strengths to Build Dreams" poverty alleviation project, subsidized 3,600 impoverished students from low-income families identified in 12 key counties designated in Jiangsu Province to complete their non-compulsory studies in high schools, with a total donation of RMB 20.4 million.
Number of beneficiaries (persons)	17,000 persons were lifted out of poverty. 3,600 students were subsidized by "Collecting Strengths to Build Dreams" poverty alleviation project.
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Promote industrial development and increase people's income by issuing loans to individuals and units to consolidate poverty alleviation; help poor students complete their studies through education and poverty alleviation projects, and improve their quality and ability.

The Bank conscientiously implements the decisions and deployments of the CPC Central Committee, the State Council, the Provincial Party Committee of Jiangsu Province and the Jiangsu Provincial People's Government, and the regulatory authorities, strengthens its mission by always bearing in mind that "enabling people to live a happy life", solidly promotes the four projects of "upgrading industrial loans, tackling key projects, providing financial services to the countryside and building digital agriculture, rural areas and farmers", consolidates the comprehensive service system of "Prospering Villages with Finance", increases resources and optimizes services in the process of unswervingly helping agricultural and rural modernization, and accelerates the expansion and upgrading of financial services for rural revitalization. By the end of the Reporting Period, the balance of agricultural loans had exceeded RMB 263 billion, and served more than 9,000 new agricultural business entities. The Bank has set up special working groups such as food finance, green agriculture, and bank-rent linkage, to jointly expand the "agriculture+" business; strengthened the comprehensive evaluation and guidance of rural revitalization, and built a multi-dimensional rural revitalization demonstration branch; continues to enrich the "Prospering Villages with Finance" series of products, and launches the "Common Prosperity Loan" targeting at rural talents and rural collective economic organizations, and "E-loans for Farmers" by exploring digital financial services. The Bank docks with key industries such as high-quality grain and oil, large-scale livestock and poultry, special aquatic products, green fruits and vegetables, focuses on "local specialties" and "one product in one village", and delivered agricultural industry loan of more than RMB 85 billion; actively supports the key agricultural and rural projects such as agricultural demonstration parks, high-standard farmland, rural water conservancy, planting and breeding facilities, and promoted the integrated development of urban and rural infrastructure and basic public services. The rural construction loan has exceeded RMB 21 billion. The Bank has strengthened the service docking of "two consultants and two specialists", deepened the financial support for rural revitalization demonstration towns, and promoted business institutions to enter towns, parks and enterprises, and sent policies, products and services to their homes relying on the credit through train, "rural trip" activities and resident financial consultant mode; accelerated the digital agriculture, rural areas and farmers construction project of "expanding data sources, building models and expanding scenarios", realized access to local government data, credit information companies, agricultural platforms, credit villages and credit towns and other agricultural data extensively, built digital risk control models, realized online and intelligent micro-loans for farmers, and simultaneously expanded financial services in agricultural scenarios such as property rights transactions, direct connection between villages and banks, trading of agricultural materials, community canteens and agricultural products.

For more details, please refer to the 2023 Corporate Social Responsibility Report & ESG Report disclosed on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) by the Company on April 26, 2024.

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Section 5

## **Important Matters**

# Important Matters

## I. Implementation of Commitments

Commitment items made in or continued in the Reporting Period by Actual controller of the Company, shareholders, related parties, acquirer and the Company:

Commitment Back ground	Type of Commitment	Commitment Party	Content of Commitment	Commitment Time and Term	Time Limit for Performance Required or Not	Commitment Performed Strictly or Not	Cause of Timely Implementation Failure	Subsequent Plan against Timely Performance Failure
Commitments related to initial public offerings	Restricted on sales of shares	Internal employee shareholders holding more than 50,000 shares of the Company	See Note 1 for details	August 2, 2016 - August 1, 2024	Yes	Yes	N/A	N/A
	Restriction on sales of shares	TANG Jinsong, current and past director, supervisor, senior manager and shareholder of the Company	See Note 2 for details	From August 2, 2016 to the term of office established at the time of his appointment and as of the end of six months after his resignation	Yes	Yes	N/A	N/A
	Solve industry competition	Jiangsu Trust	See Note 3 for details	During the period when Jiangsu Trust was the largest shareholder of Jiangsu Bank	Yes	Yes	N/A	N/A



Commitment Back ground	Type of Commitment	Commitment Party	Content of Commitment	Commitment Time and Term	Time Limit for Performance Required or Not	Commitment Performed Strictly or Not	Cause of Timely Implementation Failure	Subsequent Plan against Timely Performance Failure
Refinancing-related commitments	Others	Director and senior manager	See Note 4 for details	Since November 29, 2016	No	Yes	N/A	N/A
	Others	Director and senior manager	See Note 5 for details	Since February 2, 2018	No	Yes	N/A	N/A
	Others	Director and senior manager	See Note 6 for details	Since July 9, 2020	No	Yes	N/A	N/A

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

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

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

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

2. In business carried out in future, the Company will not carry out industry competition with Bank of Jiangsu, namely, the Company and its subordinates will not directly or indirectly carry out business activities in industry competition with main businesses of Bank of Jiangsu and its branches in any forms. The Company will supervise its subordinate enterprises in accordance with this committee in accordance with the commitment and exercise necessary rights to urge them to abide by this commitment.

3. At the board of directors or shareholders' meeting of Bank of Jiangsu to determine whether it has industry competition with the Company, the Company commits that the related directors and shareholders' representatives of the Company will withdraw as per the provisions and will not participate in voting. If it is confirmed that the business that the Company and its subordinate enterprises are engaged in or will engage in has horizontal competition with that of Bank of Jiangsu, the Company and its subordinate enterprises will timely transfer or suspend the said business after Bank of Jiangsu puts forward objections. If Bank of Jiangsu proposes acceptance request, the Company and its subordinate enterprises will preferentially transfer the said businesses and assets to Bank of Jiangsu at a fair price audited or appraised by qualified intermediary institutions under the same condition.

4. The Company undertakes to strictly comply with the relevant regulations of the China Securities Regulatory Commission and Stock Exchange, Articles of Association of Bank of Jiangsu, including related-party transaction policy, exercises shareholder's rights and Exercise shareholder rights equally with other shareholders, not to seek illegal profit by using status of majority shareholder, or to damage legal rights and interests of Bank of Jiangsu and other shareholders.

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

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

1. Undertake not to send profits to other units or individuals for free or in unfair conditions, or take other ways to damage the interests of the Bank.

2. Undertake to restrain personal post-related consumption behaviors.

3. Undertake not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.

4. Undertake to try best to urge the realization of the measures of complementing sight return, fulfill duties to urge linkage between remuneration system formulated by the board of directors or the remuneration committee and implementation of complementing return measures, support relevant proposals related to implementation of complementary return measures and be willing to vote in favor (if having voting right).

5. Undertake to do duties to urge condition of exercising rights of equity incentive plan carried out in future to be linked with implementation of complementary return measures.

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

1. Undertake not to send profits to other units or individuals for free or in unfair conditions, nor take other ways to damage the interests of the Bank.

2. Undertake to restrain personal post-related consumption behaviors.

3. Undertake not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.

4. Undertake to try best to urge the realization of the measures of complementing sight return, fulfill duties to urge linkage between remuneration system formulated by the board of directors or the remuneration committee and implementation of complementing return measures, support relevant proposals related to implementation of complementary return measures and be willing to vote in favor (if having voting right).

5. Commit to ensuring that if the bank implements a stock incentive plan in the future, it will responsibly ensure that the exercise conditions are linked to the bank's performance measures.

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

1. Undertake not to send profits to other units or individuals for free or in unfair conditions, nor take other ways to damage the interests of the Bank.
2. Undertake to restrain personal post-related consumption behaviors.
3. Undertake not to use assets of the Bank to carry out investment and consumption activities irrelevant to the performance of duties.
4. Undertake to try best to urge the realization of the measures of complementing sight return, fulfill duties to urge linkage between remuneration system formulated by the board of directors or the remuneration committee and implementation of complementing return measures, support relevant proposals related to implementation of complementary return measures and be willing to vote in favor (if having voting right).
5. Commit to ensuring that if the bank implements a stock incentive plan in the future, it will responsibly ensure that the exercise conditions are linked to the bank's performance measures.

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

In 2023, the Bank implemented the following revised *Accounting Standards for Business Enterprises* and relevant provisions released by the Ministry of Finance in recent years:

"Provisions of accounting treatment that deferred income tax related to assets and liabilities generated in single traction does not apply to initial recognition exemption" in the Interpretation of Accounting Standards for Enterprises No. 16 (C.K. [2022] No. 31) ("the Interpretation No. 16")

## III. Appointment and Dismissal of Accounting Firms

Unit: RMB 10,000 Currency: RMB

Items	Present Appointment
Name of domestic accounting firm	KPMG (Special General Partnership)
Remuneration of domestic accounting firms	421.2
Audit years of domestic accounting firms	8 years
Name of certified public accountant of domestic accounting firms	XUE Chenjun, FU Tiantian
Accumulated years of audit services by the CPAs of domestic accounting firms	8 years

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

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

There were no occurrences during the reporting period, or in previous periods continuing into the reporting period, of the controlling shareholders or other related parties of this institution using funds of this institution.





## V. Illegal Guarantee

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

## VI. Significant Litigation and Arbitration

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

By the end of the Reporting Period, there were a total of 6 pending litigation cases involving defendants and third parties with amounts exceeding 10 million RMB, amounting to a total of 497 million RMB. The bank believes that the final rulings and enforcement outcomes of these matters will not have a significant impact on the bank's financial position or operating results.

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

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

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

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

## IX. Significant Related-party Transactions

The Bank conducts related party transactions in accordance with relevant regulations of regulatory authorities. Transactions with related parties are generated as part of normal business operations, conducted on ordinary commercial terms, fair and reasonable, without preferential treatment compared to other borrowers or counterparties, and in line with the overall interests of the bank and its shareholders. Details of significant related party transactions between the bank and related parties during the reporting period are provided in the financial report notes.

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Section 5

## **Changes in Shareholding and Shareholder Information**



# Changes in Shareholding and Shareholder Information

## I. Changes in Shareholding

### (I) Statement of share changes

Unit: Shares

Items	Prior to change		Increase/Decrease of This Change ( + , - )					After Change	
	Quantity	Ratio (%)	New Share Issued	Donated share	Shares Converted from Accumulation Fund	Others	Subtotal	Quantity	Ratio (%)
I. Shares with limited sales conditions	81,601,933	0.55						81,601,933	0.44
1. Shares held by the state									
2. Shares held by state owned legal persons									
3. Shares held by other domestic capital	81,601,933	0.55						81,601,933	0.44
Including: shares held by domestic non-state-owned legal persons	27,504	0						27,504	0
Shares held by domestic natural persons	81,574,429	0.55						81,574,429	0.44
4. Foreign share holding									

Items	Prior to change		Increase/Decrease of This Change ( + , - )					After Change	
	Quantity	Ratio (%)	New Share Issued	Donated share	Shares Converted from Accumulation Fund	Others	Subtotal	Quantity	Ratio (%)
Including: Shares held by overseas legal person									
Shares held by overseas natural person									
<b>II. Circulating shares without restrictions</b>	14,688,054,767	99.45				3,581,667,763	3,581,667,763	18,269,722,530	99.56
1. RMB common shares	14,688,054,767	99.45				3,581,667,763	3,581,667,763	18,269,722,530	99.56
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
<b>III. Total of shares</b>	14,769,656,700	100				3,581,667,763	3,581,667,763	18,351,324,463	100

On September 20, 2019, the convertible corporate bonds of the Company began to be converted into shares. For details, please refer to the Announcement of Bank of Jiangsu on the Start of Conversion of "Suyin Convertible Bonds" disclosed by the Company on September 17, 2019. As of October 19, 2023 (redemption registration date), the number of shares formed due to conversion was 3,581,790,791 shares, and in particular, the number of shares formed due to conversion during the period from January 1, 2023 to October 19, 2023 was 3,581,667,763. For details, please refer to the Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on January 3, 2020, Correction Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change Correction of Shares disclosed by the Company on January 8, 2020, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on April 3, 2020, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on July 3, 2020, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on October 10, 2020, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on January 6, 2021, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on April 6, 2021, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on July 2, 2021, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on October 9, 2021, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on January 5, 2022, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on April 2, 2022, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on July 2, 2022, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by

the Company on October 11, 2022, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on January 4, 2023, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on April 4, 2023, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on July 4, 2023, Announcement of Bank of Jiangsu on the Results of Converting Convertible Bond into Shares and Change of Shares disclosed by the Company on October 9, 2023, and Announcement of Bank of Jiangsu on the Redemption Results of Suyin Convertible Bonds and Change of Shares disclosed by the Company on October 21, 2023.

## (II) Changes in restricted shares

Unit: Shares

Name of Shareholders	Number of Restricted Shares at the Beginning of the Year	Number of Shares Released from Restriction on Sales This Year	Number of Restricted Shares as of the End of the Year	Reasons for Restriction on Sales	Date of Release
Shareholders holding initial restricted shares with lockup period of 96 months from the listing date to listing and circulation	81,601,933	0	81,601,933	Initial issuance of restricted shares	August 2, 2024
<b>Total</b>	81,601,933	0	81,601,933	/	/

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

According to the register of shareholders provided by China Securities Depository and Clearing Corporation Limited, the Bank's shares pledged by shareholders were frozen as follows: As of the end of the Reporting Period, the shares held by 1 shareholder have been pledged and frozen, accounting for 0.54% of the total share capital of the Bank.

# II. Issuing and Listing of Securities

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

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

## (II) Existing internal employee shares

The existing internal employee shares of the Company were formed before merger and restructuring of the company, and the issue date and issue price are not available. As of the end of the Reporting Period, the Company had 81,574,429 internal employee shares, accounting for 0.44% of the general capital stock.

### III. Shareholders

#### (I) Total number of shareholders

Total number of common shareholders (accounts) as of the end of the Reporting Period	149,973
Total number of common shareholders (accounts) as of the end of the last month before the disclosure date of the Annual Report	125,266
Total number of preferred shareholders (accounts) with recovered voting rights as of the end of the Reporting Period	0
Total number of preferred shareholders (accounts) with recovered voting rights as of the end of last month before the disclosure date of the Annual Report	0

#### (II) Table of shareholding of top 10 shareholders and top 10 floating shareholders (or shareholders without limited sales conditions) as of the end of the Reporting Period

Unit: Shares

Shareholding of Top 10 Shareholders (excluding the lent shares due to refinancing business)							
Shareholders (full name)	Increase/ Decrease within the Reporting Period	Number of Shares Held at the End of the Period	Ratio (%)	Number of Shares Held with Restriction on Sales	Pledge, Marking or Freezing Status		Nature of Shareholder
					Share Status	Quantity	
Jiangsu Phoenix Publishing & Media Group Co., Ltd.	74,997,430	1,272,147,055	6.93	0	None	0	State-owned legal person
Jiangsu International Trust Corporation Limited	0	1,206,607,072	6.58	0	None	0	State-owned legal person
Huatai Securities Co., Ltd.	55,457,698	923,457,708	5.03	0	None	0	State-owned legal person
Jiangsu Expressway Company Limited	0	721,084,800	3.93	0	None	0	State-owned legal person
Wuxi Construction and Development Investment Co., Ltd.	0	710,435,942	3.87	0	None	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-35,586,744	678,608,039	3.7	0	None	0	Overseas legal person
Jiangsu Broadcasting and Television Group Co., Ltd.	98,332,482	550,571,609	3	0	None	0	State-owned legal person
Jiangsu Investment Management Co., Ltd.	425,674,836	425,674,836	2.32	0	None	0	State-owned legal person
Jiangsu Communications Holding Co., Ltd.	98,123,110	353,209,689	1.92	0	None	0	State-owned legal person
Suzhou International Development Group Co., Ltd.	-178,300	351,280,972	1.91	0	None	0	State-owned legal person
Descriptions of special account for repurchase among the top 10 shareholders							None
Descriptions of voting trust, voting proxy and waiver of voting right							None

Shareholding of Top 10 Shareholders (excluding the lent shares due to refinancing business)							
Shareholders (full name)	Increase/ Decrease within the Reporting Period	Number of Shares Held at the End of the Period	Ratio (%)	Number of Shares Held with Restriction on Sales	Pledge, Marking or Freezing Status		Nature of Shareholder
					Share Status	Quantity	
Description of incidence relation or concerted action of the above-mentioned shareholders:							1. The vice president of Jiangsu International Trust Corporation Limited serves as the director of Huatai Securities Co., Ltd. 2. The supervisor of Huatai Securities Co., Ltd. severed as the director of Jiangsu International Trust Corporation Limited in the past 12 months 3. Jiangsu Investment Management Co., Ltd. is the wholly-owned subsidiary of Jiangsu Guoxin Investment Group Limited, the actual controller of Jiangsu International Trust Corporation Limited. 4. Jiangsu Communications Holding Co., Ltd. assigns director and supervisor to Huatai Securities Co., Ltd. 5. Jiangsu Communications Holding Co., Ltd. is the controlling shareholder of Jiangsu Expressway Company Limited. 6. Except for the above, the Company does not know any incidence relation or concerted action among the above-mentioned shareholders.
Description of preferred shareholders with recovered voting rights and the number of held shares		None					

Description of top 10 shareholders' participation in share lending due to refinancing business

Unit: Shares

Top 10 shareholders' participation in share lending due to refinancing business								
Shareholder Name (full name)	Holdings of General Account and Credit Account at the Beginning of Period		Lent Shares due to Refinancing Business and Unreturned at the Beginning of Period		Holdings of General Account and Credit Account at the End of Period		Lent Shares due to Refinancing Business and Unreturned at the End of Period	
	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)	Total	Proportion (%)
Suzhou International Development Group Co., Ltd.	351,459,272	2.38	0	0	351,280,972	1.91	178,300	0

As of December 31, 2023, the specific security account of Huatai Securities had held 1,300 shares of the Bank.



## Changes of top 10 shareholders compared to the previous period

Unit: Shares

Changes of top 10 shareholders from the previous period					
Shareholder Name (full name)	Adds/Quits in this Reporting Period	Lent Shares due to Margining Financing Business and Unreturned at Beginning of Period		Shares Held by General Accounts and Credit Accounts, Lent Shares due to Margin Financing Business and Unreturned at End of Period	
		Total	Proportion (%)	Total	Proportion (%)
Jiangsu Investment Management Co., Ltd.	Add	0	0	425,674,836	2.32
Jiangsu Communications Holding Co., Ltd.	Add	0	0	353,209,689	1.92
Jiangsu Guoxin Investment Group Limited	Quit	0	0	0	0
Jiangsu Phoenix Publishing Media Group Co., Ltd.	Quit	360,900	0	277,152,256	1.51

## Shares held by top 10 shareholders with limited sales condition and the limited sales conditions

Unit: Shares

No.	Name of Shareholders with Restriction on Sales	Number of Shares Held with Restriction on Sales	Listing and Trading of Shares with Restriction on Sales		Restriction on Sales
			Time for Listing and Trading	Number of Newly Increased Shares that can Be Listed and Traded	
1	AI Chen	250,000	August 2, 2024	250,000	Initial public offering
2	JIANG Tao	249,995	August 2, 2024	249,995	Initial public offering
3	WANG Weibing	249,919	August 2, 2024	249,919	Initial public offering
4	SHAN Yi	249,875	August 2, 2024	249,875	Initial public offering
5	CUI Meiling	249,130	August 2, 2024	249,130	Initial public offering
6	YANG Yi	248,490	August 2, 2024	248,490	Initial public offering
7	SUN Xiren	248,137	August 2, 2024	248,137	Initial public offering
8	ZHANG Wenbin	248,137	August 2, 2024	248,137	Initial public offering
9	YU Yunfei	244,374	August 2, 2024	244,374	Initial public offering
10	WANG Zuhong	240,486	August 2, 2024	240,486	Initial public offering
Description of incidence relation or concerted action of the said shareholders		The Bank does not know the incidence relation or concerted action among the said shareholders.			

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Section 8

## **Information of Preferred Shares**



## Information of Preferred Shares

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

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

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

### II. Preferred Shareholder

#### (I) Number of preferred shareholders

Total shareholders of preferred shares (accounts) as of the end of the Reporting Period	51
Total shareholders of preferred shares (accounts) as of the end of previous month before the disclosure date of the Annual Report	49

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

Unit: Shares

Situation of Shares Held by the Top 10 Preferred Shareholders						
Shareholders	Increase/ Decrease during the Reporting Period	Increase/ Decrease during the Reporting Period	Ratio (%)	Category of Shares Held	Situation of Pledge or Freezing	Nature of Shareholder
Everbright Yongming Assets Management - China Everbright Bank - Juyou No. 1 Equity Asset Management Product of Everbright Yongming Asset	2,220,000	29,220,000	14.61	Domestic preferred shares	Without pledge	Others
AVIC Trust - Tianji Gongying No. 2 Collective Fund Trust Program for Securities Investment under AVIC Trust	18,150,000	24,150,000	12.08	Domestic preferred shares	Without pledge	Others
BOCOM Schroders Assets Management - Bank of Communications - No. 2 Zhuoyuan Collective Asset Management Program under BOCOM Schroders Assets Management	0	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
Guangdong Yuecai Thrust Co., Ltd. - Yuecai Thrust · No. 2 Yuetou Baoying Collective Fund Thrust Program	19,320,000	19,320,000	9.66	Domestic preferred shares	Without pledge	Others
TruValue ASSET MANAGEMENT - China Merchants Bank - China Merchants Bank	0	17,320,000	8.66	Domestic preferred shares	Without pledge	Others
Xinhua Asset Management - Bank of Shanghai - Xinhua Assets - Minghui No. 1 Asset Management Product	-13,000,000	14,340,000	7.17	Domestic preferred shares	Without pledge	Others
Ping An P&C Insurance Company of China, Ltd. - Traditional - General Insurance Products	9,200,000	9,200,000	4.60	Domestic preferred shares	Without pledge	Others
Everbright Securities Assets Management -China Everbright Bank - No. 2 Xinyou Collective Asset Management Program under Everbright Securities Asset Management	0	9,000,000	4.50	Domestic preferred shares	Without pledge	Others
Everbright Securities Assets Management- China Everbright Bank - Xinyou Collective Asset Management Program under Everbright Securities Asset Management	0	8,500,000	4.25	Domestic preferred shares	Without pledge	Others
China Resources SZITIC Trust Company Ltd. - CR Thrust · Tengda No. 4 Collective Fund Thrust Program	7,660,000	7,660,000	3.83	Domestic preferred shares	Without pledge	Others
Description of the situation that the above side shareholders have the associated relations with the top 10 shareholders of common shares, or they are persons acting in concert among the top 10 shareholders of preferred shares.				The Bank does not know the incidence relation or concerted action among the said shareholders.		

## III. Profit Distribution of Preferred Shares

### (I) Profit distribution

On November 17, 2023, the Company disclosed the *Announcement of Bank of Jiangsu on the Implementation*

of Distribution of Preferred Share Dividends, and during this period, the equity registration date of distribution of preferred stock dividends was November 27, 2023, ex-dividend date was November 27, 2023, the interest value date of distribution of dividends was November 28, 2022, and the dividend distribution date was November 28, 2023. Calculated as per book value dividend yield of Suyinyou 1 at 3.86%, the cash dividend of RMB 3.86 (tax-inclusive) shall be distributed for each preferred share, and the total cash dividend distributed was RMB 772 million (tax-inclusive) based on the distribution size of Suyinyou 1 of 200 million shares.

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

Unit: RMB 1,000 Currency: RMB

Year	Distribution Amount	Proportion of Distribution (%)
2023	772,000,000	3.86
2022	1,040,000,000	5.20
2021	1,040,000,000	5.20

## (III) Adjustment of dividend yield

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

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

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

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

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

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

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

The preferred shares issued by the Bank which contain both equity and liability components were treated in accordance with the same accounting policies as convertible instruments with equity components. The preferred shares issued by the Bank which contain no equity components were treated in accordance with the same accounting policies as other convertible instruments without equity components.

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

# Financial Report

## I. Audit Report

See the attachment for details.

## II. Financial Statement

See the attachment for details.

# Contents of Documents Available for Reference

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

Chairman of Bank of Jiangsu Co., Ltd.: Ge Renyu

Date of submission approved by the board of directors: April 25, 2024

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Section 8

# Financial Report



# Bank of Jiangsu Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR 1 JANUARY 2023 TO 31 DECEMBER 2023  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE  
VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

## AUDITORS' REPORT



毕马威华振审字第 2406030 号

### All Shareholders of Bank of Jiangsu Company Limited:

#### Opinion

We have audited the accompanying financial statements of Bank of Jiangsu Company Limited ("the Bank") and its subsidiaries ("the Group") set out on pages 142 to 241, which comprise the consolidated and the Bank's balance sheet as at 31 December 2023, the consolidated and the Bank's income statements, the consolidated and the Bank's cash flow statements, the consolidated and the Bank's statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Group's and the Bank's financial position as at 31 December 2023, and the Group's and the Bank's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

#### Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

### Impairment of loans and financial investments measured at amortised cost

Refer to accounting policies in "Note 3(7)(g) to the Financial Statements: Impairment" and "Note 3(29)(a) to the Financial Statements: Significant accounting estimates and judgements" of the accounting policy to the financial statements, "Note 5(6) to the Financial Statements: Loans and advances to customers" and "Note 5(7)(b) Financial investments measured at amortised cost".

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

### Impairment of loans and financial investments measured at amortised cost

Refer to accounting policies in "Note 3(7)(g) to the Financial Statements: Impairment" and "Note 3(28)(a) to the Financial Statements: Significant accounting estimates and judgements" of the accounting policy to the financial statements, "Note 5(6) to the Financial Statements: Loans and advances to customers" and "Note 5(7)(b) Financial investments measured at amortised cost".

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

### Consolidation of structured entities

Refer to "Note 3(4): Consolidated financial statements" and "Note 3(29)(b): Significant accounting estimates and judgements" of the accounting policy to the financial statements, "Note 6(2): Interests in structured entities not included in the consolidated financial statements" to the Group's and the Bank's financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.</p> <p>The Group may acquire an ownership interest in, or act as a sponsor to a structured entity, through issuing an investment fund, a trust plan, an asset-backed security, a wealth management product, or an asset management plan.</p> <p>In determining whether the Group should consolidate a structured entity, management is required to consider the risks and rewards retained, the power the Group is able to exercise over the activities of the entity and its ability to influence the Group's own returns from the entity. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.</p> <p>We identified the consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and nature of each entity.</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> <li>• Learning and assessing the design, implementation and operating effectiveness of key internal controls over consolidation of structured entities;</li> <li>• Selecting samples on significant structured entities and performing the following procedures for each structured entity selected: <ul style="list-style-type: none"> <li>- Inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;</li> <li>- Inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or variable returns from the Group's involvement in such an entity;</li> <li>- Evaluating management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to influence its own returns from the structured entity;</li> <li>- Assessing management's judgement over whether the structured entity should be consolidated or not.</li> </ul> </li> <li>• Evaluate the reasonableness of financial statement disclosures related to structured entity combinations in accordance with relevant Accounting Standards.</li> </ul>



## Other Information

The Group's management is responsible for the other information. The other information comprises all the information included in 2023 annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

KPMG Huazhen LLP



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



Xue Chenjun



Fu Tian

Beijing, China

25-04-2024

# Bank of Jiangsu Company Limited

## Consolidated and the Bank's balance sheet as at 31 December 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assets					
Cash and deposits with central bank	5(1)	154,237,837	142,569,502	153,807,912	142,201,497
Deposits with banks and other financial institutions	5(2)	36,969,218	44,124,631	29,040,513	39,074,795
Placements with banks and other financial Institutions	5(3)	97,340,987	69,656,507	112,734,707	81,563,392
Derivative financial assets	5(4)	2,667,228	1,708,980	2,631,247	1,682,060
Financial assets held under resale agreements	5(5)	7,023,804	4,619,628	5,021,425	240,276
Loans and advances to customers	5(6)	1,747,477,216	1,556,170,969	1,710,321,811	1,532,425,790
Financial investments:	5(7)				
Financial investments measured at fair value through profit or loss		421,179,950	377,571,282	306,137,642	261,677,751
Financial investments measured at amortised cost		553,004,126	517,641,295	551,450,507	516,164,845
Financial investments measured at fair value through other comprehensive income		254,668,286	158,751,177	218,377,277	158,192,634
Financial investments designated at fair value through other comprehensive income		195,737	224,024	195,737	224,024
Long-term receivables	5(8)	88,495,245	72,646,111	-	-
Long-term equity investments	5(9)	-	-	6,904,313	5,944,400
Structured entities included in the consolidation scope		-	-	117,782,238	87,245,482
Fixed assets	5(10)	8,342,206	5,975,149	5,932,602	4,964,573
Construction in progress	5(11)	342,702	1,087,010	342,599	1,087,010
Intangible assets	5(12)	534,478	580,548	510,157	553,245
Deferred tax assets	5(13)	14,763,597	17,642,774	14,046,164	16,882,698
Other assets	5(14)	16,119,220	9,325,105	14,326,580	7,587,547
Total assets		3,403,361,837	2,980,294,692	3,249,563,431	2,857,712,019

The notes on pages 154 to 241 form part of these financial statements.



## Bank of Jiangsu Company Limited

### Consolidated and the Bank's balance sheet as at 31 December 2023 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Liabilities and shareholders' equity					
Liabilities					
Borrowings from central bank		222,190,940	186,674,842	221,850,732	186,314,205
Deposits from banks and other financial institutions	5(16)	293,584,875	196,071,080	298,132,562	197,582,396
Borrowings from banks and other financial institutions	5(17)	151,206,453	102,060,245	63,345,435	41,145,573
Financial liabilities held for trading	5(18)	7,903,526	9,072,932	589,019	40,476
Derivative financial liabilities	5(4)	2,573,990	1,804,609	2,580,995	1,804,609
Financial assets sold under repurchase agreements	5(19)	94,327,246	93,277,079	68,953,593	70,183,416
Deposits from customers	5(20)	1,914,948,437	1,658,677,652	1,913,651,565	1,657,529,948
Employee benefits payable	5(21)	12,576,470	10,279,155	11,884,346	9,889,516
Taxes payable	5(22)	5,675,767	7,523,438	5,092,833	7,046,017
Provision	5(23)	2,509,724	3,188,577	2,509,672	3,188,507
Debt securities issued	5(24)	392,410,499	478,305,197	384,997,765	470,858,585
Deferred tax liabilities	5(13)	2,008	-	-	-
Other liabilities	5(25)	44,335,871	17,928,547	33,045,590	8,293,807
Total liabilities		3,144,245,806	2,764,863,353	3,006,634,107	2,653,877,055
Equity					
Share capital	5(26)	18,351,324	14,769,657	18,351,324	14,769,657
Other equity instruments	5(27)	39,974,758	42,762,595	39,974,758	42,762,595
Including: Preference shares		19,977,830	19,977,830	19,977,830	19,977,830
Perpetual bonds		19,996,928	19,996,928	19,996,928	19,996,928
Capital reserve	5(28)	47,905,210	27,699,781	47,813,205	27,619,843
Other comprehensive income	5(29)	2,168,785	993,917	1,448,568	994,104
Surplus reserve	5(30)	31,179,082	26,519,192	31,179,082	26,519,192
General reserve	5(31)	47,031,435	42,027,725	45,073,454	40,303,635
Retained earnings	5(32)	63,799,394	53,859,863	59,088,933	50,865,938
Total equity attributable to shareholders of the Bank		250,409,988	208,632,730	242,929,324	203,834,964
Non-controlling interests		8,706,043	6,798,609	-	-
Total shareholders' equity		259,116,031	215,431,339	242,929,324	203,834,964
Total liabilities and shareholders' equity		3,403,361,837	2,980,294,692	3,249,563,431	2,857,712,019

These financial statements were approved by the Board of Directors of the Bank on 25 April 2024.

Ge Renyu	Yuan Jun	Lu Songsheng
Legal representative	The person in charge of accounting affairs	The head of the accounting department

The notes on pages 154 to 241 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's income statement for the year ended 31 December 2023**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2023	2022	2023	2022
Interest income		125,972,357	115,706,547	116,709,654	108,440,713
Interest expenses		(73,327,514)	(63,442,639)	(70,765,495)	(61,301,540)
Net interest income	5(33)	52,644,843	52,263,908	45,944,159	47,139,173
Fee and commission income		6,208,141	6,881,511	4,960,356	5,384,826
Fee and commission expenses		(1,931,886)	(629,658)	(1,837,506)	(536,975)
Net fee and commission income	5(34)	4,276,255	6,251,853	3,122,850	4,847,851
Investment income	5(35)	12,121,482	10,499,851	12,086,465	10,476,566
Other income		752,386	568,228	674,018	553,043
Net gains from changes in fair value	5(36)	3,819,625	148,477	3,815,850	134,479
Net foreign exchange gains		441,533	619,967	416,355	618,244
Other operating income		217,876	148,872	22,739	20,692
Gains from asset disposals		19,433	69,266	26,148	73,201
Operating income		74,293,433	70,570,422	66,108,584	63,863,249
Taxes and surcharges		(846,762)	(796,663)	(795,827)	(744,750)
General and administrative expenses	5(37)	(17,825,614)	(17,306,731)	(16,225,189)	(16,343,974)
Impairment losses on credit	5(38)	(16,576,336)	(19,676,225)	(14,461,347)	(18,151,325)
Impairment losses on assets		(163,168)	-	(163,168)	-
Other operating expenses		(128,722)	(116,829)	(7,221)	(9,488)
Operating expenses		(35,540,602)	(37,896,448)	(31,652,752)	(35,249,537)
Operating profit		38,752,831	32,673,974	34,455,832	28,613,712
Add: Non-operating income		16,888	43,823	15,350	43,719
Less: Non-operating expenses		(75,428)	(89,007)	(74,053)	(88,539)
Profit before income tax		38,694,291	32,628,790	34,397,129	28,568,892
Less: Income tax expenses	5(39)	(8,681,151)	(6,276,802)	(7,597,204)	(5,269,444)
Net profit for the year		30,013,140	26,351,988	26,799,925	23,299,448

The notes on pages 154 to 241 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's income statement for the year ended 31 December 2023 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

		The Group		The Bank	
	Note	2023	2022	2023	2022
Net profit for the year		30,013,140	26,351,988	26,799,925	23,299,448
Attributable to:					
Shareholders of the Bank		28,750,352	25,385,993	26,799,925	23,299,448
Non-controlling interests		1,262,788	965,995	-	-
Other comprehensive income, net of tax	5(29)	1,191,493	(1,268,713)	454,464	(1,272,470)
Other comprehensive income (net of tax) attributable to shareholders of the Bank		1,174,868	(1,272,657)	454,464	(1,272,470)
Items that may not be reclassified to profit or loss:					
Changes in fair value of financial investments designated at FVOCI		(21,216)	5,315	(21,216)	5,315
Items that may be reclassified to profit or loss					
Changes in fair value of financial investments measured at FVOCI		2,377,232	(1,974,304)	1,673,459	(1,969,160)
Credit losses of financial investments measured at FVOCI		(1,202,019)	695,632	(1,197,779)	691,375
Cash flow hedge reserve		20,666	-	-	-
Translation differences arising from translation of foreign currency financial statements		205	700	-	-
Other comprehensive income (net of tax) attributable to non-controlling interests		16,625	3,944	-	-
Total comprehensive income for the year		31,204,633	25,083,275	27,254,389	22,026,978

The notes on pages 154 to 241 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's income statement for the year ended 31 December 2023 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

		The Group		The Bank	
		2023	2022	2023	2022
Total comprehensive income for the year	Note	31,204,633	25,083,275	27,254,389	22,026,978
Attributable to shareholders of the Bank		29,925,220	24,113,336		
Attributable to non-controlling interests		1,279,413	969,939		
Earnings per share					
Basic earnings per share (RMB yuan)	5(40)	1.69	1.60		
Diluted earnings per share (RMB yuan)	5(40)	1.52	1.36		

These financial statements were approved by the Board of Directors of the Bank on 25 April 2024.

<hr/> Ge Renyu	<hr/> Yuan Jun	<hr/> Lu Songsheng
Legal representative	The person in charge of accounting affairs	The head of the accounting department

The notes on pages 154 to 241 form part of these financial statements.



**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's cash flow statement for the year ended 31 December 2023**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2023	2022	2023	2022
Cash flows from operating activities:					
Net increase in deposits from customers, banks and other financial institutions		371,581,132	192,573,095	374,471,701	193,108,121
Net increase in borrowings from central bank		35,321,759	3,342,079	35,342,176	3,224,578
Interest, fee and commission receipts		115,503,328	100,812,135	104,163,876	94,520,896
Net increase in borrowings from banks and other financial institutions and financial assets sold under repurchase agreements		49,462,579	79,163,656	20,510,899	63,938,167
Proceeds from other operating activities		2,877,083	1,324,439	966,593	690,850
Sub-total of cash inflows		574,745,881	377,215,404	535,455,245	355,482,612
Net increase in loans and advances to customers		(216,510,022)	(214,233,812)	(202,122,079)	(201,835,129)
Net increase in deposits with domestic central bank and other financial institutions		(5,146,705)	(12,520,050)	(4,326,131)	(10,800,951)
Net increase in financial assets held for trading purpose		(14,698,420)	(38,462,417)	(14,460,794)	(38,462,417)
Net increase in placements with banks and other financial institutions and financial assets held under resale agreements		(23,129,526)	(28,266,195)	(22,469,538)	(30,686,195)
Interest, fee and commission payments		(54,690,360)	(46,896,925)	(52,724,037)	(44,471,081)
Payment to and for employees		(8,996,330)	(8,204,845)	(8,621,135)	(7,914,340)
Payment of various taxes		(14,227,426)	(14,358,040)	(12,832,238)	(12,973,054)
Payment for other operating activities		(23,748,222)	(18,086,082)	(5,124,278)	(6,485,300)
Sub-total of cash outflows		(361,147,011)	(381,028,366)	(322,680,230)	(353,628,467)
Net cash inflows/(outflows) from operating activities	5(41)(a)	213,598,870	(3,812,962)	212,775,015	1,854,145

The notes on pages 154 to 241 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's cash flow statement for the year ended 31 December 2023 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2023	2022	2023	2022
Cash flows from investing activities:					
Proceeds from disposal of investments		2,293,125,641	1,112,527,024	2,289,350,932	1,108,828,265
Investments returns received		32,662,539	36,067,472	32,566,432	33,034,231
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		86,149	217,992	55,968	205,313
Sub-total of cash inflows		2,325,874,329	1,148,812,488	2,321,973,332	1,142,067,809
Payment for acquisition of investments		(2,445,305,917)	(1,196,050,993)	(2,436,559,329)	(1,192,520,037)
Payment for establishment of a subsidiary		-	-	(959,913)	-
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(2,657,862)	(848,041)	(1,092,021)	(673,328)
Sub-total of cash outflows		(2,447,963,779)	(1,196,899,034)	(2,438,611,263)	(1,193,193,365)
Net cash outflows from investing activities		(122,089,450)	(48,086,546)	(116,637,931)	(51,125,556)
Cash flows from financing activities:					
Proceeds from establishment of a subsidiary		640,088	-	-	-
Including: Proceeds from non-controlling shareholders of subsidiaries		640,088	-	-	-
Proceeds from issuance of debt securities		770,750,359	674,414,169	768,753,992	672,407,468
Sub-total of cash inflows		771,390,447	674,414,169	768,753,992	672,407,468
Repayment of debt securities		(844,614,429)	(638,860,000)	(842,614,429)	(638,860,000)
Payment for dividends, profits distributions or interest		(12,206,281)	(10,565,277)	(11,972,554)	(10,391,909)
Payment for other financing activities		(544,349)	(441,917)	(483,159)	(415,637)
Sub-total of cash outflows		(857,365,059)	(649,867,194)	(855,070,142)	(649,667,546)
Net cash (outflows)/inflows from financing activities		(85,974,612)	24,546,975	(86,316,150)	22,739,922

The notes on pages 154 to 241 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Consolidated and the Bank's cash flow statement for the year ended 31 December 2023 (continued)**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	The Group		The Bank	
		2023	2022	2023	2022
Effect of foreign exchange rate changes on cash and cash equivalents		80,654	950,002	70,332	917,635
Net increase/(decrease) in cash and cash equivalents	5(41)(b)	5,615,462	(26,402,531)	9,891,266	(25,613,854)
Add: Cash and cash equivalents at the beginning of the year		63,953,659	90,356,190	57,714,355	83,328,209
Cash and cash equivalents at the end of the year	5(41)(c)	69,569,121	63,953,659	67,605,621	57,714,355

These financial statements were approved by the Board of Directors of the Bank on 25 April 2024.

Ge Renyu

Legal representative

Yuan Jun

The person in charge of accounting affairs

Lu Songsheng

The head of the accounting department

The notes on pages 154 to 241 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Consolidated statement of changes in shareholders' equity for the year ended 31 December 2023**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	Attributable to shareholders of the Bank						Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Sub-total
Balance at 1 January 2023		14,769,657	42,762,595	27,693,781	993,917	26,519,192	42,027,725	53,859,863	208,632,730
Changes in equity during the year									
1. Total comprehensive income		-	-	-	1,174,868	-	-	28,750,352	29,925,220
2. Convertible bonds conversion	5(24),(26),(27),(28)	3,581,667	(2,787,837)	20,193,362	-	-	-	-	20,987,192
3 Capital injection by non-controlling shareholders	5(28)	-	-	12,067	-	-	-	-	12,067
4. Appropriation of profits									
(1) Appropriation for surplus reserve	5(30)	-	-	-	-	4,659,890	-	(4,659,890)	-
(2) Appropriation for general reserve	5(31)	-	-	-	-	-	5,003,710	(5,003,710)	-
(3) Ordinary share dividend distribution	5(32)	-	-	-	-	-	-	(7,615,221)	(7,615,221)
(4) Preference share dividend distribution	5(32)	-	-	-	-	-	-	(772,000)	(772,000)
(5) Payments for interest on perpetual bonds	5(32)	-	-	-	-	-	-	(760,000)	(760,000)
Balance at 31 December 2023		18,351,324	39,974,758	47,905,210	2,168,785	31,179,082	47,031,435	63,799,394	250,409,988
								8,706,043	259,116,031

The notes on pages 154 to 241 form part of these financial statements.





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

	Note	Attributable to shareholders of the Bank						Non-controlling interests	Total
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Sub-total
Balance at 1 January 2022		14,769,629	42,762,619	27,699,613	2,266,574	22,786,262	37,215,107	44,727,274	192,227,078
Changes in equity during the year									
1. Total comprehensive income		-	-	-	(1,272,657)	-	-	25,385,993	24,113,336
2. Convertible bonds conversion	5(24),(26),(27),(28)	28	(24)	168	-	-	-	-	172
3. Appropriation of profits									
(1) Appropriation for surplus reserve	5(30)	-	-	-	-	3,732,930	-	(3,732,930)	-
(2) Appropriation for general reserve	5(31)	-	-	-	-	-	4,812,618	(4,812,618)	-
(3) Ordinary share dividend distribution	5(32)	-	-	-	-	-	-	(5,907,856)	(5,907,856)
(4) Preference share dividend distribution	5(32)	-	-	-	-	-	-	(1,040,000)	(1,040,000)
(5) Payments for interest on perpetual bonds	5(32)	-	-	-	-	-	-	(760,000)	(760,000)
Balance at 31 December 2022		14,769,657	42,762,595	27,699,781	993,917	26,519,192	42,027,725	53,859,863	208,632,730
								6,798,609	215,431,339

The notes on pages 154 to 241 form part of these financial statements.

**Bank of Jiangsu Company Limited**  
**Statement of changes in shareholders' equity for the year ended 31 December 2023**  
*(Expressed in thousands of Renminbi, unless otherwise stated)*

	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Total
Balance at 1 January 2023		14,769,657	42,762,595	27,619,843	994,104	26,519,192	40,303,635	50,865,938	203,834,964
Changes in equity during the year									
1. Total comprehensive income		-	-	-	454,464	-	-	26,799,925	27,254,389
2. Convertible bonds conversion	5(24), (26), (27), (28)	3,581,667	(2,787,837)	20,193,362	-	-	-	-	20,987,192
3. Appropriation of profits									
(1) Appropriation for surplus reserve	5(30)	-	-	-	-	4,659,890	-	(4,659,890)	-
(2) Appropriation for general reserve	5(31)	-	-	-	-	-	4,769,819	(4,769,819)	-
(3) Ordinary share dividend distribution	5(32)	-	-	-	-	-	-	(7,615,221)	(7,615,221)
(4) Preference share dividend distribution	5(32)	-	-	-	-	-	-	(772,000)	(772,000)
(5) Payments for interest on perpetual bonds	5(32)	-	-	-	-	-	-	(760,000)	(760,000)
Balance at 31 December 2023		18,351,324	39,974,758	47,813,205	1,448,568	31,179,082	45,073,454	59,088,933	242,929,324

The notes on pages 154 to 241 form part of these financial statements.



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

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

Ge Renyu	Yuan Jun	Lu Songsheng
Legal representative	The person in charge of accounting affairs	The head of the accounting department

The notes on pages 154 to 241 form part of these financial statements.

# Bank of Jiangsu Company Limited

## Notes to the financial statements

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

### 1. General information

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

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

The principal activities of the Bank and its subsidiaries (the "Group") including corporate and personal financial services, settlement, treasury, investment banking, financial leasing and other financial services. See Note 6 for information on the Bank's subsidiaries.

### 2. Basis of preparation

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

### 3. Significant accounting policies and accounting estimates

The Group judges the significance of financial information in terms of both the nature and the amount of the item in accordance with the specific environment in which it operates. In judging the importance of the nature of an item, the Group mainly considers whether the item is an ordinary activity in nature and whether it significantly affects the Group's financial position, financial performance and cash flows; When determining the importance of the project amount, the Group considers the proportion of the project amount to the total assets, total liabilities, total owner's equity, total operating income, total operating costs, net profit, total comprehensive income, and other directly related project amounts, or the proportion of the item amount listed in the financial statements.

#### (1) Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards ("CAS") for Business Enterprises issued by the Ministry of Finance (the "MOF") of the People's Republic of China. These financial statements present truly and completely the consolidated financial position and financial position of the Bank as at 31 December 2023, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Bank for the year then ended.

These financial statements also comply with disclosure requirements of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission ("CSRC") in 2023.

#### (2) Accounting year

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

#### (3) Functional currency

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

#### (4) Consolidated financial statements

##### (a) General principle

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Bank, its subsidiaries and structured entities controlled by the Bank. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through



its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

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

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

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

#### **(b) Changes in non-controlling interests**

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

### **(5) Cash and cash equivalents**

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

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

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

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

In translating the financial statements of a foreign operation, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding retained earnings and the translation differences in other comprehensive income, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed of.



## (7) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related attributable transaction costs are included in their initial costs.

### (b) Classification and subsequent measurement of financial assets

#### (i) Classification of financial assets

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

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

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

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

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

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

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

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

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

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



## (ii) Subsequent measurement of financial assets

### *Financial assets measured at FVTPL*

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

### *Financial assets measured at amortised cost*

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

### *Debt instruments measured at FVOCI*

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

### *Designated At Equity instruments measured at FVOCI*

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

## (c) Classification and subsequent measurement of financial liabilities

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

### *Financial liabilities measured at FVTPL*

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

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

### *Financial liabilities at amortised cost*

The Group recognises other financial liabilities other than Financial liabilities measured at FVTPL, the transfer of financial assets does not meet the conditions for termination of recognition or continues to involve the financial liabilities formed by the transferred financial assets, credit commitments and financial guarantee contracts as financial liabilities measured at amortised cost. After initial recognition, it is measured at amortized cost using the effective interest method.

## (d) Financial guarantees contracts and loan commitments

### *Financial guarantees contracts*

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

### *Loan commitments*

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

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

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

#### **(e) Offsetting**

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

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

#### **(f) Derecognition of financial assets and financial liabilities**

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

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

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

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

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

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

#### **(g) Impairment**

The Group recognises loss allowances for ECL on:

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

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

#### **(i) Measurement of ECLs**

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





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

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

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

For accounts receivable, the Group always measures its loss provision at an amount equivalent to expected credit losses over the entire duration.

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

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

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

The three risk stages are defined as follows:

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

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

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

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

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

#### (iii) Write-off

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

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



period in which the recovery occurs.

**(h) Modification of financial asset contracts.**

In some cases, such as restructured loans, the Group may modify or renegotiate financial asset contracts. The Group will assess whether the contract terms have changed materially after modification or renegotiation.

If there is a material change in the terms of the modified contract, the Group will terminate the recognition of the original financial asset and at the same time recognize a new financial asset in accordance with the modified terms.

If the terms of the modified contract have not been substantially changed but result in changes in contractual cash flows, the Group recalculates the carrying amount of the financial asset and recognises the related gain or loss in profit or loss for the current period. The recalculated carrying amount of the financial asset shall be determined on the basis of the present value of the contractual cash flows to be amended or renegotiated discounted at the financial asset's original effective interest rate (or at a credit-adjusted effective interest rate for purchased or originated financial assets that are credit-impaired). For all costs or expenses arising from modifying or renegotiating a contract, the Group adjusts the carrying amount of the modified financial asset and amortises it over the remaining term of the modified financial asset. In assessing whether there has been a significant increase in the credit risk of the underlying financial instrument, the Group compares the risk of default at the balance sheet date based on the terms of the modified contract with the risk of default at initial recognition based on the terms of the original contract.

**(i) Equity instruments**

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

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

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

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

**(j) Convertible instruments**

Convertible instruments containing an equity component

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

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

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

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, are allocated to the liability and equity components.



The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or directly recognised in equity if it relates to the equity component.

#### **(k) Preference shares and perpetual bonds**

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

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

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

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

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

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

#### **(9) Derivative financial instruments**

Derivative financial instruments are initially recognised at fair value on the date the derivative transaction contract is entered into and subsequently measured at their fair value. A derivative financial instrument with a positive fair value is recognised as an asset and a negative fair value is recognised as a liability.

If a hybrid contract contains a host contract that is an asset within the scope of the Financial Instruments Standard, the embedded derivative is no longer separated from the host contract of the financial asset, and the relevant provisions on the classification of financial assets are applied to the hybrid financial instrument as a whole. If the host contract included in the hybrid contract is not an asset within the scope of the Financial Instruments Standard, when certain embedded derivative financial instruments do not have a close relationship with the economic characteristics and risks of their host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative financial instrument, and the hybrid instrument is not measured at fair value through profit or loss, the embedded derivative financial instrument should be separated from the hybrid contract and treated as a separate derivative financial instrument. These embedded derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

Gains and losses arising from changes in the fair value of derivative financial instruments that do not meet the requirements for hedge accounting should be recognised directly in profit or loss for the period.

#### **(10) Long-term equity investments**

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

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

declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses (Note 3(16)).

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

### (11) Fixed assets

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

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(16)).

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note 3(12).

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

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

The carrying amount of a fixed asset is derecognised:

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

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

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

<i>Class</i>	<i>Estimated useful life</i>	<i>Estimated residual value rate</i>	<i>Depreciation rate</i>
Premises and buildings	20 years	3% - 5%	4.75% - 4.85%
Electronic equipment	3 - 5 years	3% - 5%	19.00% - 31.67%
Motor vehicles	4 - 20 years	5% - 10%	4.50% - 23.75%
Other equipment	5 years	3% - 5%	19.00% - 19.40%

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

### (12) Construction in progress

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

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

Construction in progress is satated in the balance sheet as a cost impairment provision (see Note 3(16)).

### (13) Intangible assets

Useful life and amortisation methods

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



Note 3(16)). For an intangible asset with finite useful life, its cost less estimated net residual value and accumulated impairment losses is amortised using straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

<i>Class</i>	<i>Amortisation period</i>
Land use right	40 – 70 years
Software	2 – 10 years

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

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

Expenditures on research and development

Expenditures on internal research and development projects are classified into expenditures incurred during the research phase and expenditures incurred during the development phase.

Expenditures during the research phase are expensed when incurred. Expenditures during the development phase are capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete the development.

#### **(14) Long-term deferred expenses**

The Group recognizes all expenses that have been incurred and have a benefit period of more than one year as long-term amortization expenses. Long-term amortization charges are shown in assets and liabilities as costs less accumulated amortization and impairment provisions (see Note 3(16)).

#### **(15) Repossessed assets**

Repossessed assets are physical assets or property rights obtained by the Group from debtors, warrantors or third parties following the enforcement of its creditor's rights.

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

For repossessed non-financial assets that are transferred, the Group conducts initial measurement based on the fair value of the waived creditor's rights and other costs that can be directly attributable to the asset, and conducts subsequent measurement based on the lower of the book value of the foreclosed asset and the recoverable amount. The method of impairment testing and the method of accruing impairment reserves See Note 3(16).

#### **(16) Impairment of assets other than financial assets**

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

- fixed assets
- construction in progress
- right-of-use asset
- intangible assets
- long-term equity investments
- long-term deferred expenses
- repossessed assets

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

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note 3(17)) less costs to sell and its present value of expected future cash flows.

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

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

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

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

#### **(17) Fair value measurement**

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

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

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

#### **(18) Provisions and contingent liabilities**

Contingent liabilities refer to potential obligations arising from past transactions or events, the existence of which must be confirmed by the occurrence or non-occurrence of uncertain events in the future or current obligations arising from past transactions or events. The performance of such obligations is not likely to result in the outflow of economic benefits from the Group or the amount of impact of such obligations cannot be measured reliably, and the Group does not recognize such obligations.

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

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined as follows:

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

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



## (19) Employee benefits

### (a) Short-term employee benefits

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

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

The defined contribution plans which the Group participates include:

- Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government.
- According to the "Measures for Enterprise Annuity" (Order of the Ministry of Labor and Social Security and the Ministry of Finance of the People's Republic of China No.36), the Group's employees participate in the enterprise annuity plan that is approved by the Board of Directors and submitted to the labor and social security authority. The amount of the annuity contribution is calculated in accordance with the annuity plan.

Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

### (c) Termination benefits

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

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

### (d) Other long-term employee benefits

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

## (20) Government Grant

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

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

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

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



grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income or offset against related expenses in the periods in which the expenses or losses are recognised. Or included in other income or non-operating income or offset against the related expenses directly.

## **(21) Income tax**

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

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

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

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

If a single transaction is not a business combination, the transaction does not affect either accounting profit or taxable income (or deductible loss) at the time of the transaction, and the initial recognition of assets and liabilities does not result in equal taxable temporary differences and deductible temporary differences, the temporary differences arising from the transaction will not generate deferred income tax.

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

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

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

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

## **(22) Leases**

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

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

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

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





- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, as a lessor, the Group separate lease components from non-lease components. However, as a lessee, the Group has elected not to separate lease components from non-lease components and account for the lease and non-lease components as a single lease component.

#### **(a) As a lessee**

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

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 3.(16).

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

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

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

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

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

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

#### **(b) As a lessor**

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

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

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

received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note 3.(7). Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

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

### **(23) Fiduciary activities**

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

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

### **(24) Revenue recognition**

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

#### **(a) Interest income**

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

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

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

#### **(b) Fee and commission income**

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

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

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



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

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

#### **(c) Dividend income**

Dividend income from equity instruments is recognised in profit or loss for the current period when the group's right to receive dividends is established.

### **(25) Expenses**

#### **(a) Interest expense**

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

#### **(b) Other expenses**

Other expenses are recognised on an accrual basis.

### **(26) Profit distribution**

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

### **(27) Related parties**

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

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

Meanwhile, the Group determines related parties in accordance to Measures for the Administration of Affiliated Transactions of Banking and Insurance Institutions and Provisional Measures on Administration of Equities of Commercial Banks issued by former CBRC.

### **(28) Segment reporting**

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

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

### **(29) Significant accounting estimates and judgements**

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

In the process of implementing the Group's accounting policies, management makes judgements and assumptions about the effects of



uncertain future events on the financial statements. Management has made the following judgements and key assumptions about key future uncertainties at the balance sheet date that may result in significant adjustments to the carrying amounts of assets and liabilities in the next financial period.

#### Measurement of expected credit losses

For investments in debt instruments measured at amortised cost and at fair value through other comprehensive income, as well as for loan commitments and financial guarantee contracts, complex models and numerous assumptions are used in the measurement of expected credit losses. These models and assumptions relate to future macroeconomic conditions and the credit behaviour of customers (e.g. the likelihood of customer defaults and the corresponding losses). The parameters, assumptions and estimation techniques used in the measurement of expected credit losses are specified in note 11(1) Credit risk.

#### Income tax

The Group is required to make judgement on the future tax treatment of certain transactions in order to recognise income tax. The Group makes prudent judgements on the income tax effects of transactions in accordance with relevant tax regulations and provides for income tax accordingly. Deferred tax assets are only recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. Significant judgement is required with respect to the tax treatment of certain transactions and significant estimates are needed to determine whether it is probable that sufficient future taxable income will be available to offset the deferred tax assets.

#### Fair value of financial instruments

For financial instruments for which there is no active market, the Group uses valuation techniques to determine their fair value. Valuation techniques include making reference to transaction prices that would be determined in an arm's length transaction between economic agents with full information in the market and the intention to buy or sell, making reference to the fair value of another similar financial instrument in the market, or estimating by applying discounted cash flow analyses. The valuation techniques utilise observable market information to the maximum extent possible, however, when observable market information is not available, management will estimate significant unobservable information included in the valuation techniques.

#### Judgements about whether a structured entities has control

The Group manages or invests in a number of investment funds, wealth management products, asset management plans, trust plans and asset-backed securities. In determining whether it controls such structured entities, the Group determines whether it is exercising its own decision-making powers as principal or agent, assesses its overall economic interest in such structured entities (including income generated from direct holdings as well as expected management fees) and the extent of its decision-making powers over such structured entities. Where other parties have decision-making powers, it is also necessary to determine whether the other parties are acting as their agents in exercising the decision-making powers on their behalf. For investment funds, wealth management products, asset management plans, trust plans and asset-backed securities in which the Group has an interest or in which the Group is a sponsor but which are not included in the scope of the consolidated financial statements, please refer to Note 6(2).

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

In 2023, the Group has adopted the following newly revised accounting standards and implementation guidance and illustrative examples issued by the MOF:

- the accounting treatment for deferred income taxes related to assets and liabilities arising from a single transaction is not subject to the initial recognition exemption" in CAS Bulletin No.16 (Caikuai [2022] No.31)

According to CAS Bulletin No.16, the group does not apply the provisions of the CAS 18- income tax on exemption from the initial recognition of deferred income tax liabilities and deferred income tax assets in the CAS 18- income tax for individual transactions that do not affect accounting profits or taxable income (or deductible losses) at the time of transaction, and that the initially recognized assets and liabilities lead to the same amount of taxable temporary differences and deductible temporary differences, that is, rental transactions. The Group recognizes the corresponding deferred income tax liabilities for the new taxable temporary differences arising from the initial recognition of the transaction in accordance with the relevant provisions of CAS 18- income tax and other relevant provisions.

In addition, the Group recognised deferred income tax assets equal to the amount of deferred income tax liabilities because the Group has sufficient deductible temporary differences that have not yet been recognised as deferred income assets when the above newly added taxable temporary differences are reversed in future periods. Such newly recognised deferred income tax assets and deferred income tax liabilities satisfy the conditions for net balance sheet presentation, and the adoption of the above provisions after net presentation did not have any significant impact on the Group's financial position and results of operations.

#### 4. Taxation

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

Tax type	Tax rate
Value-added tax ("VAT")	Output VAT is calculated as 6% of taxable revenue based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT in the same period, is VAT payable. Some part of output VAT is calculated as 2% - 13% of product sales and taxable services revenue. VAT is calculated as 3% of taxable revenue based on the simple taxation method for Jiangsu Danyang Rural Bank Ltd. ("Suyin Rural Bank"), a subsidiary of the Bank.
City maintenance and construction tax	5% - 7% of VAT actually paid
Education surcharges	5% of VAT actually paid
Income tax	25% of taxable income

#### 5. Notes to the financial statement

##### (1) Cash and deposits with central bank

	Note	The Group		The Bank	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Cash on hand		2,165,146	1,743,850	2,162,136	1,738,270
Deposits with domestic central bank					
- Statutory deposit reserves	(i)	128,159,536	121,083,712	127,749,638	120,731,201
- Surplus deposit reserves	(ii)	19,799,161	18,317,897	19,782,176	18,308,011
- Foreign exchange risk reserves	(iii)	2,715,553	1,217,791	2,715,553	1,217,791
- Fiscal deposits	(iv)	1,335,317	146,393	1,335,317	146,393
Sub-total		152,009,567	140,765,793	151,582,684	140,403,396
Accrued interest		63,124	59,859	63,092	59,831
Total		154,237,837	142,569,502	153,807,912	142,201,497

(i) Statutory deposit reserves with central bank represent the deposits placed with the People's Bank of China ("the PBOC") in accordance with the relevant regulations, which are not available for use in daily business operating. As at 31 December 2023, the reserve ratio for RMBdeposits of the Bank is 7% (31 December 2022: 7.5%), and the reserve ratio for foreign currency deposits of the Bank is 4% (31 December 2022: 6%). The reserve ratio for RMBdeposits of the Bank's subsidiary, Suyin Rural Bank, is 5% (31 December 2022: 5%), and for Suyin Financial Leasing Co., Ltd., is 5% (31 December 2022: 5%).

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

(iii) The foreign exchange risk reserves are the amount deposited by the Group in accordance with the relevant PBOC requirements on the sale of the foreign exchange forward business. As at 31 December 2023, the foreign exchange risk reserve ratio is 20% (31 December 2022: 20%).

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

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

Analysed by location of counterparties and type

		<i>The Group</i>		<i>The Bank</i>	
		<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Deposits in mainland China					
- Banks		29,332,506	38,586,595	21,437,180	33,551,802
Deposits outside mainland China					
- Banks		7,539,761	5,440,794	7,539,761	5,440,794
Sub-total		36,872,267	44,027,389	28,976,941	38,992,596
Accrued interest		117,068	172,012	79,590	155,051
Less: Provision for impairment losses		(20,117)	(74,770)	(16,018)	(72,852)
Total		36,969,218	44,124,631	29,040,513	39,074,795

As at 31 December 2023, deposits placed with banks in mainland China of the Group, included RMB 1956 million refundable deposits of which RMB 43 million is deposited by the bank (31 December 2022: RMB 817 million refundable deposits of which RMB 65 million is deposited by the bank). As at the balance sheet day, part of deposits with banks and other financial institutions are used as pledges for the issuance of notes (see Note 5(42)(a) for details).

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

Analysed by location and type of counterparties

		<i>The Group</i>		<i>The Bank</i>	
		<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Placements in mainland China					
- Banks		-	443,106	-	443,106
- Other financial institutions		96,026,095	68,598,593	111,326,105	80,558,593
Sub-total		96,026,095	69,041,699	111,326,105	81,001,699
Accrued interest		1,560,530	1,251,702	1,715,908	1,352,283
Less: Provision for impairment losses		(245,638)	(636,894)	(307,306)	(790,590)
Total		97,340,987	69,656,507	112,734,707	81,563,392

**(4) Derivative financial assets and liabilities***The Group*

	<i>31 December 2023</i>			<i>31 December 2022</i>		
	<i>Notional amount</i>	<i>Fair Value</i>		<i>Notional amount</i>	<i>Fair Value</i>	
		<i>Assets</i>	<i>Liabilities</i>		<i>Assets</i>	<i>Liabilities</i>
Currency derivatives	395,994,866	2,258,390	(2,114,888)	347,931,584	1,521,204	(1,651,342)
Interest rate derivatives	240,512,119	404,311	(416,030)	45,375,184	157,637	(153,267)
Credit derivatives	2,320,125	-	(15,430)	1,499,777	30,139	-
Other derivatives	2,142,299	4,527	(27,642)	-	-	-
Total	640,969,409	2,667,228	(2,573,990)	394,806,545	1,708,980	(1,804,609)

*The Bank*

	31 December 2023			31 December 2022		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives	394,780,760	2,222,409	(2,129,914)	347,931,584	1,521,204	(1,651,342)
Interest rate derivatives	240,512,119	404,311	(416,030)	45,375,184	157,637	(153,267)
Credit derivatives	800,000	-	(7,409)	114,286	3,219	-
Other derivatives	2,142,299	4,527	(27,642)			
Total	638,235,178	2,631,247	(2,580,995)	393,421,054	1,682,060	(1,804,609)

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

**(5) Financial assets held under resale agreements**

**(a) Analysed by type of collateral**

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Bonds				
- Bonds issued by banks and other financial institutions	6,433,163	3,999,970	4,632,796	246,100
- Bonds issued by Chinese government	588,335	24,179	388,334	-
- Bonds issued by other institutions	-	600,000	-	-
Sub-total	7,021,498	4,624,149	5,021,130	246,100
Accrued interest	3,309	1,812	1,234	56
Less: Provision for impairment losses	(1,003)	(6,333)	(939)	(5,880)
Total	7,023,804	4,619,628	5,021,425	240,276

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

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
In mainland China				
- Funds and wealth management products	6,621,498	1,196,100	5,021,130	246,100
- Securities company	400,000	-	-	-
- Banks	-	3,428,049	-	-
Sub-total	7,021,498	4,624,149	5,021,130	246,100
Accrued interest	3,309	1,812	1,234	56
Less: Provision for impairment losses	(1,003)	(6,333)	(939)	(5,880)
Total	7,023,804	4,619,628	5,021,425	240,276

## (6) Loans and advances to customers

## (a) Analysed by nature

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<i>Measured at amortised cost</i>				
Loans and advances to corporates	990,197,253	835,245,949	988,886,849	834,021,031
Loans and advances to individuals				
- Personal consumption loans	314,414,135	274,275,875	278,481,764	251,264,871
- Property mortgages	244,710,032	245,012,741	244,564,005	244,844,128
- Personal business loans	53,285,407	49,447,916	53,049,772	49,272,660
- Credit cards	33,129,620	35,779,466	33,129,620	35,779,466
Sub-total	645,539,194	604,515,998	609,225,161	581,161,125
Discounted bills	144,625	205,749	144,625	205,749
Sub-total	1,635,881,072	1,439,967,696	1,598,256,635	1,415,387,905
<i>Measured at FVOCI</i>				
Loans and advances to corporates	34,693,234	19,608,253	34,693,234	20,044,821
Discounted bills	131,222,710	144,613,461	131,222,710	144,613,461
Sub-total	165,915,944	164,221,714	165,915,944	164,658,282
Accrued interest	7,347,777	6,663,236	6,792,617	6,390,057
Less: Provision for impairment losses	(61,667,577)	(54,681,677)	(60,643,385)	(54,010,454)
Carrying amount	1,747,477,216	1,556,170,969	1,710,321,811	1,532,425,790

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

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

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Unsecured loans	687,677,492	610,037,542	651,734,737	587,466,157
Guaranteed loans	670,469,753	530,402,768	669,445,309	529,496,508
Loans secured by tangible assets	385,182,351	395,145,710	384,530,923	394,486,062
Loans secured by monetary assets	58,467,420	68,603,390	58,461,610	68,597,460
Total	1,801,797,016	1,604,189,410	1,764,172,579	1,580,046,187





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

	The Group				The Bank			
	31 December 2023		31 December 2022		31 December 2023		31 December 2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Leasing and commercial services	254,540,166	14.12	204,898,591	12.77	254,516,368	14.42	204,866,390	12.96
Manufacturing	240,201,773	13.33	193,238,235	12.04	239,655,900	13.58	192,725,479	12.19
Water, environment and public utility management	125,393,121	6.96	97,823,555	6.10	125,003,026	7.09	107,850,951	6.83
Wholesale and retail	120,028,731	6.66	107,620,092	6.70	119,815,395	6.79	89,296,925	5.65
Real estate	82,130,460	4.56	89,296,925	5.57	82,130,460	4.66	43,536,652	2.76
Construction	50,902,487	2.83	43,569,462	2.72	28,191,413	2.88	22,679,993	1.44
Agriculture, forestry, husbandry and fishery	28,256,198	1.57	22,733,194	1.42	26,406,324	1.60	17,901,967	1.13
Scientific research and technological services	26,411,224	1.47	17,906,867	1.12	25,776,383	1.50	21,631,862	1.37
Transportation, storage and postal services	25,786,570	1.43	21,642,772	1.35	20,450,944	1.46	14,259,700	0.90
Information transmittal, software and information technology service	20,455,744	1.14	14,263,500	0.89	20,385,967	1.16	16,738,336	1.06
Electricity, thermo power, gas and water supply	20,385,967	1.13	16,738,336	1.04	5,825,729	1.16	5,325,585	0.34
Resident services, repairs and other services	8,341,737	0.46	6,090,441	0.38	3,219,309	0.47	3,126,022	0.20
Culture, sports and entertainment	5,825,729	0.32	5,333,485	0.33	3,111,832	0.33	3,650,027	0.23
Financing	5,326,375	0.30	4,412,989	0.28	2,930,569	0.30	921,902	0.06
Hospitality and catering	3,219,309	0.18	3,126,022	0.19	1,634,400	0.18	1,578,116	0.10
Hygiene and social work	3,119,927	0.17	3,659,718	0.23	254,516,368	0.18	204,866,390	12.96
Mining	2,930,569	0.16	921,902	0.06	239,655,900	0.17	192,725,479	12.19
Others	1,634,400	0.09	1,578,116	0.10	125,003,026	0.09	97,482,765	6.17
Sub-total of Loans and advances to corporates	1,024,890,487	56.88	854,854,202	53.29	1,023,580,083	58.02	854,065,852	54.05
Loans and advances to individuals	645,539,194	35.83	604,515,998	37.68	609,225,161	34.53	581,161,125	36.78
Discounted bills	131,367,335	7.29	144,819,210	9.03	131,367,335	7.45	144,819,210	9.17
Total	1,801,797,016	100.00	1,604,189,410	100.00	1,764,172,579	100.00	1,580,046,187	100.00

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

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Jiangsu	1,542,230,716	1,366,732,229	1,504,606,279	1,342,589,006
Yangtze River Delta (excluding Jiangsu)	122,606,425	106,551,344	122,606,425	106,551,344
Guangdong-Hong Kong-Macao Greater Bay Area	69,491,079	68,508,184	69,491,079	68,508,184
Beijing-Tianjin-Hebei region	67,468,796	62,397,653	67,468,796	62,397,653
Total	1,801,797,016	1,604,189,410	1,764,172,579	1,580,046,187

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

*The Group*

	As at 31 December 2023				Total
	Overdue within three months (inclusive)	Overdue between three months and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	
Unsecured loans	7,067,042	4,478,131	405,208	120,684	12,071,065
Guaranteed loans	671,167	1,323,771	1,052,695	316,418	3,364,051
Loans secured by tangible assets	1,088,443	1,438,668	1,075,396	133,835	3,736,342
Loans secured by monetary assets	1,750	-	56,700	-	58,450
Total	8,828,402	7,240,570	2,589,999	570,937	19,229,908

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

*The Bank*

	As at 31 December 2023				Total
	Overdue within three months (inclusive)	Overdue between three months and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	
Unsecured loans	6,026,669	4,058,864	277,574	120,684	10,483,791
Guaranteed loans	670,374	1,317,990	1,052,695	316,418	3,357,477
Loans secured by tangible assets	1,088,435	1,437,586	1,074,659	133,835	3,734,515
Loans secured by monetary assets	1,750	-	56,700	-	58,450
Total	7,787,228	6,814,440	2,461,628	570,937	17,634,233

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

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



## (f) Movements of provision for impairment losses

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

*The Group*

	2023			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(32,268,638)	(9,312,436)	(13,100,603)	(54,681,677)
Transfer:				
- to stage 1	(3,217,029)	3,217,029	-	-
- to stage 2	1,929,980	(2,978,605)	1,048,625	-
- to stage 3	-	1,094,633	(1,094,633)	-
Charge	(3,751,062)	(3,854,643)	(13,773,209)	(21,378,914)
Written-offs and transfer out	-	-	16,334,697	16,334,697
Recoveries	-	-	(1,936,968)	(1,936,968)
Others	(3,092)	(957)	(666)	(4,715)
As at 31 December	(37,309,841)	(11,834,979)	(12,522,757)	(61,667,577)

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

*The Bank*

	2023			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(31,838,576)	(9,279,751)	(12,892,127)	(54,010,454)
Transfer:				
- to stage 1	(3,215,269)	3,215,269	-	-
- to stage 2	1,919,053	(2,966,485)	1,047,432	-
- to stage 3	-	1,077,891	(1,077,891)	-
Charge	(3,758,557)	(3,586,333)	(12,769,994)	(20,114,884)
Written-offs and transfer out	-	-	15,314,736	15,314,736
Recoveries	-	-	(1,828,068)	(1,828,068)
Others	(3,092)	(957)	(666)	(4,715)
As at 31 December	(36,896,441)	(11,540,366)	(12,206,578)	(60,643,385)

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

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

*The Group and The Bank*

	2023			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(1,444,920)	(4,080)	-	(1,449,000)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	5,548	(5,548)	-	-
- to stage 3	-	-	-	-
Reverse/(Charge)	946,827	(3,822)	-	943,005
As at 31 December	(492,545)	(13,450)	-	(505,995)

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

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



## (7) Financial investment

	Note	The Group		The Bank	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial investments measured at FVTPL	(a)	421,179,950	377,571,282	306,137,642	261,677,751
Financial investments measured at amortised cost	(b)	553,004,126	517,641,295	551,450,507	516,164,845
Financial investments measured at FVOCI	(c)	254,668,286	158,751,177	218,377,277	158,192,634
Financial investments designated at FVOCI	(d)	195,737	224,024	195,737	224,024
Total		1,229,048,099	1,054,187,778	1,076,161,163	936,259,254

## (a) Financial investments measured at FVTPL

Analysed by type of issuer and geographical location

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Debt instruments				
Issued in mainland China:				
- Government	20,932,349	3,700,106	20,901,970	3,690,140
- Policy banks	41,602,221	56,757,872	10,898,710	2,347,124
- Banks and other financial institutions	7,559,778	5,532,908	6,899,773	2,765,851
- Other institutions	57,089,448	44,299,031	39,885,128	33,450,236
Sub-total	127,183,796	110,289,917	78,585,581	42,253,351
Issued outside mainland China				
- Government	-	6,460	-	6,460
- Policy banks	-	452,508	-	452,508
- Banks and other financial institutions	2,450,674	2,377,147	2,450,674	2,377,147
- Other institutions	207,659	551,490	207,659	551,490
Sub-total	2,658,333	3,387,605	2,658,333	3,387,605
Sub-total of debt instruments	129,842,129	113,677,522	81,243,914	45,640,956
Fund investments	247,997,006	195,880,120	198,553,399	149,744,881
Asset-backed securities	4,972,779	4,531,313	4,972,779	4,531,313
Wealth management products	3,528,816	23,024,398	2,666,247	22,400,073
Asset management and trust fund	2,545,782	10,814,947	2,545,782	10,814,947
Equity investments	353,194	338,156	353,194	338,156
Other investments	31,940,244	29,304,826	15,802,327	28,207,425
Total	421,179,950	377,571,282	306,137,642	261,677,751

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

## (b) Financial investments measured at amortised cost

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

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Debt instruments				
Issued in mainland China:				
- Government	390,756,401	345,675,498	389,256,565	344,116,091
- Policy banks	18,197,005	17,149,241	18,197,005	17,149,241
- Banks and other financial institutions	1,150,000	1,550,000	1,450,000	1,850,000
- Other institutions	26,418,215	11,934,287	26,418,215	11,934,287
Sub-total	436,521,621	376,309,026	435,321,785	375,049,619
Issued outside mainland China				
- Government	468,743	440,645	468,743	440,645
- Policy banks	247,891	240,674	247,891	240,674
- Banks and other financial institutions	8,738,057	8,491,606	8,738,057	8,491,606
- Other institutions	35,972,315	27,993,632	35,972,315	27,993,632
Sub-total	45,427,006	37,166,557	45,427,006	37,166,557
Sub-total of debt instruments	481,948,627	413,475,583	480,748,791	412,216,176
Asset management and trust fund	51,023,251	77,756,180	51,023,251	77,756,180
Asset-backed securities	17,699,307	27,330,368	17,699,307	27,330,368
Other investments	4,484,886	7,556,366	4,148,150	7,359,000
Sub-total	555,156,071	526,118,497	553,619,499	524,661,724
Accrued interest	6,406,694	5,837,508	6,389,547	5,817,746
Less: Provision for impairment losses	(8,558,639)	(14,314,710)	(8,558,539)	(14,314,625)
Total	553,004,126	517,641,295	551,450,507	516,164,845

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

## (ii) Movements of provision for impairment losses

## The Group

	2023			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(6,095,710)	(3,951,176)	(4,267,824)	(14,314,710)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	569,922	(804,607)	234,685	-
- to stage 3	-	841,216	(841,216)	-
Reverse/(Charge)	2,999,073	1,422,946	(1,688,268)	2,733,751
Written-offs and transfer out and other movements	(39,439)	(595)	3,062,354	3,022,320
As at 31 December	(2,566,154)	(2,492,216)	(3,500,269)	(8,558,639)

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



## The Bank

	2023			
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Total
As at 1 January	(6,095,625)	(3,951,176)	(4,267,824)	(14,314,625)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	569,922	(804,607)	234,685	-
- to stage 3	-	841,216	(841,216)	-
Reverse/(Charge)	2,999,088	1,422,946	(1,688,268)	2,733,766
Written-offs and transfer out and other movements	(39,439)	(595)	3,062,354	3,022,320
As at 31 December	(2,566,054)	(2,492,216)	(3,500,269)	(8,558,539)

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

## (c) Financial investments measured at FVOCI

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

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Debt instruments				
Issued in mainland China:				
- Government	93,260,398	40,108,116	92,781,414	39,554,431
- Policy banks	61,474,720	26,891,151	27,088,288	26,891,151
- Banks and other financial institutions	20,705,265	16,935,742	19,333,046	16,935,742
- Other institutions	40,672,963	37,282,319	40,621,281	37,282,319
Sub-total	216,113,346	121,217,328	179,824,029	120,663,643
Issued outside mainland China				
- Government	1,667,370	3,755,726	1,667,370	3,755,726
- Policy banks	183,121	176,164	183,121	176,164
- Banks and other financial institutions	7,559,941	6,212,317	7,559,941	6,212,317
- Other institutions	19,063,822	19,004,382	19,063,822	19,004,382
Sub-total	28,474,254	29,148,589	28,474,254	29,148,589
Sub-total of debt instruments	244,587,600	150,365,917	208,298,283	149,812,232
Asset-backed securities	1,956,207	6,262,227	1,956,207	6,262,227
Other investments	5,600,935	-	5,600,935	-
Sub-total	252,144,742	156,628,144	215,855,425	156,074,459
Accrued interest	2,523,544	2,123,033	2,521,852	2,118,175
Total	254,668,286	158,751,177	218,377,277	158,192,634

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

## (ii) Movements of provision for impairment losses

*The Group*

	2023			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(1,426,562)	(28,345)	(233,399)	(1,688,306)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	236,066	(469,466)	233,400	-
- to stage 3	-	198,055	(198,055)	-
Reverse/(Charge)	731,150	116,679	(185,522)	662,307
As at 31 December	(459,346)	(183,077)	(383,576)	(1,025,999)
	2022			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(547,133)	(29,026)	(333,562)	(909,721)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	1,124	(30,150)	29,026	-
- to stage 3	-	29,026	(29,026)	-
(Charge)/Reverse	(880,553)	1,805	(288,309)	(1,167,057)
Written-offs and transfer out and other movements	-	-	388,472	388,472
As at 31 December	(1,426,562)	(28,345)	(233,399)	(1,688,306)

*The Bank*

	2023			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(1,418,256)	(28,345)	(233,399)	(1,680,000)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	236,066	(469,466)	233,400	-
- to stage 3	-	198,055	(198,055)	-
Reverse/(Charge)	722,877	116,679	(185,522)	654,034
As at 31 December	(459,313)	(183,077)	(383,576)	(1,025,966)
	2022			Total
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	
As at 1 January	(547,133)	(29,026)	(333,562)	(909,721)
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	1,124	(30,150)	29,026	-
- to stage 3	-	29,026	(29,026)	-
(Charge)/Reverse	(872,247)	1,805	(288,309)	(1,158,751)
Written-offs and transfer out and other movements	-	-	388,472	388,472
As at 31 December	(1,418,256)	(28,345)	(233,399)	(1,680,000)

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



#### (d) Financial investments designated at FVOCI

##### The Group and the Bank

	31 December 2023	31 December 2022
Equity investments	195,737	224,024

The Group designates non-trading equity investments as financial investments measured at FVOCI. During the year of 2023, dividend income recognised for such equity investments was RMB 13.92 million (2022: RMB 19.46 million).

#### (8) Long-term receivables

##### The Group

	31 December 2023	31 December 2022
Finance leases	25,477,934	30,576,873
Including: Unearned finance income	(3,401,477)	(2,911,449)
Finance leasing receivables	22,076,457	27,665,424
Leaseback receivables after sale	70,074,785	48,481,118
Sub-total	92,151,242	76,146,542
Less: Provision for impairment losses	(3,655,997)	(3,500,431)
Carrying amount	88,495,245	72,646,111

As at the balance sheet date, a portion of the above long-term receivables was pledged for the purpose of breaking into funds, as detailed in note 5.42(a).

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

	31 December 2023			31 December 2022		
	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables	Minimum finance leasing receivables	Unearned finance leasing income	Finance leasing receivables
Overdue	228,532	(58,437)	170,095	415,915	(80,449)	335,466
Within 1 year	10,036,202	(870,814)	9,165,388	14,355,711	(1,034,356)	13,321,355
1 year to 2 years	5,253,051	(653,307)	4,599,744	8,877,589	(900,363)	7,977,226
2 years to 3 years	2,812,603	(476,952)	2,335,651	3,306,984	(300,381)	3,006,603
3 years to 5 years	3,677,338	(575,415)	3,101,923	2,208,353	(387,159)	1,821,194
Above 5 years	3,470,208	(766,552)	2,703,656	1,412,321	(208,741)	1,203,580
Total	25,477,934	(3,401,477)	22,076,457	30,576,873	(2,911,449)	27,665,424

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

##### The Bank

	31 December 2023	31 December 2022
Investments in subsidiaries		
Suyin Finance Leasing	2,460,000	2,460,000
Suyin Wealth Management	2,000,000	2,000,000
Suyin KGI Consumer Finance	2,370,513	1,410,600
Suyin Rural Bank	73,800	73,800
Carrying amount	6,904,313	5,944,400

## Movements of Long-term equity investments:

	2023			
	Balance at 1 January	Additional investment	Balance at 31 December	Balance of provision for impairment losses at 31 December
Investments in subsidiaries				
Suyin Finance Leasing	2,460,000	-	2,460,000	-
Suyin Wealth Management	2,000,000	-	2,000,000	-
Suyin KGI Consumer Finance	1,410,600	959,913	2,370,513	-
Suyin Rural Bank	73,800	-	73,800	-
Total	5,944,400	959,913	6,904,313	-

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

## (10) Fixed assets

## The Group

	Premises and buildings	Electronic equipment	Motor vehicles	Other equipment	Total
Cost					
As at 1 January 2023	8,007,586	774,918	957,733	1,070,162	10,810,399
Additions	137,419	132,423	1,400,553	239,476	1,909,871
Transfers in of construction in progress	1,158,554	-	-	-	1,158,554
Disposals	(28,573)	(121,955)	(12,215)	(108,970)	(271,713)
As at 31 December 2023	9,274,986	785,386	2,346,071	1,200,668	13,607,111
Accumulated depreciation					
As at 1 January 2023	(3,408,313)	(608,185)	(129,506)	(684,536)	(4,830,540)
Charge for the year	(370,243)	(88,270)	(94,786)	(94,090)	(647,389)
Disposals	14,990	114,040	11,604	77,100	217,734
As at 31 December 2023	(3,763,566)	(582,415)	(212,688)	(701,526)	(5,260,195)
Provision for impairment loss					
As at 1 January 2023 and 31 December 2023	(4,710)	-	-	-	(4,710)
Carrying amount					
As at 1 January 2023	4,594,563	166,733	828,227	385,626	5,975,149
As at 31 December 2023	5,506,710	202,971	2,133,383	499,142	8,342,206

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

As at 31 December 2023, there was no significant amounts of temporarily idle fixed assets (as at 31 December 2022: Nil).

As at 31 December 2023, title deeds were not yet finalised for the Group's premises and buildings with the book value of RMB 10 million (as at 31 December 2022: RMB 12 million). The Group's management believed that the Group had the right to legally and effectively occupy or use the above-mentioned premises and buildings.

Aa at As at 31 December 2023, for above fixed assets, the book value of the transport and other equipment leased out by the group through operating leases in the process is RMB 2.39 billion (as at 31 December 2022: RMB 990 million).

## (11) Construction in progress

*The Group and The Bank*

	31 December 2023	31 December 2022
As at 1 January 2023	1,087,010	1,072,144
Additions during the year	414,246	134,556
Transfers out of fix asset	(1,158,554)	(119,690)
As at 31 December 2023	342,702	1,087,010

## (12) Intangible assets

*The Group*

	Land use right	Software	Total
Cost			
As at 1 January 2023	741,354	606,625	1,347,979
Additions	-	55,320	55,320
Disposals	(5,847)	(8,728)	(14,575)
As at 31 December 2023	735,507	653,217	1,388,724
Accumulated amortization			
As at 1 January 2023	(235,673)	(531,598)	(767,271)
Charge for the year	(18,602)	(73,980)	(92,582)
Disposals	1,839	3,928	5,767
As at 31 December 2023	(252,436)	(601,650)	(854,086)
Provision for impairment loss			
As at 1 January 2023 and 31 December 2023	(160)	-	(160)
Carrying amount			
As at 1 January 2023	505,521	75,027	580,548
As at 31 December 2023	482,911	51,567	534,478

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

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

	Note	31 December 2023		31 December 2022	
		可抵扣 / ( 应纳税 ) 暂时性差异	递延所得税 资产 / ( 负债 )	可抵扣 / ( 应纳税 ) 暂时性差异	递延所得税 资产 / ( 负债 )
Deferred tax assets					
Provision for Impairment losses		60,676,580	15,169,145	63,983,782	15,995,946
Employees benefits payable		4,098,446	1,024,612	3,408,000	852,000
Others	(a)	4,706,011	1,176,502	6,169,780	1,542,445
Total		69,481,037	17,370,259	73,561,562	18,390,391
Amount offset		(10,426,648)	(2,606,662)	(2,990,467)	(747,617)
Balance after offsetting		59,054,389	14,763,597	70,571,095	17,642,774
Deferred tax liabilities					
- Fair value change		(7,707,139)	(1,926,785)	(558,116)	(139,529)
- Others	(a)	(2,727,540)	(681,885)	(2,432,351)	(608,088)
Total		(10,434,679)	(2,608,670)	(2,990,467)	(747,617)
Amount offset		10,426,648	2,606,662	2,990,467	747,617
Balance after offsetting		(8,031)	(2,008)	-	-

(i) Others mainly represented the temporary differences arising from the difference in property assessment in the restructuring of the Bank between accounting policy and taxation requirement for fixed assets, as well as the deductible temporary differences arising from intertemporal costs.

**(b) Movements of deferred tax***The Group*

## Deferred tax assets

	Note	2023			
		1 January 2023	Recognised in profit or loss	Recognised in equity	31 December 2023
Deferred tax					
- Provision for Impairment losses	(i)	15,995,946	(1,226,061)	399,260	15,169,145
- Employee benefits Payables		852,000	172,612	-	1,024,612
- Fair value change	(ii)	(139,529)	(1,005,034)	(782,222)	(1,926,785)
- Others		934,357	(439,740)	-	494,617
Total		17,642,774	(2,498,223)	(382,962)	14,761,589

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

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

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



## (14) Other assets

*The Group*

	Note	31 December 2023	31 December 2022
Settlement and liquidation		7,992,799	4,606,598
Precious metals		2,784,863	36,272
Right-of-use assets	(a)	1,583,581	1,431,645
Tax assets		1,446,660	744,372
Cash paid as collateral		907,276	328,018
Long-term deferred expenses	(b)	448,300	431,517
Interest receivables		333,671	196,481
Debt-expiated assets	(c)	314,593	478,481
Other receivables	(d)	162,671	175,832
Prepayments	(e)	144,806	895,889
Total		16,119,220	9,325,105

## (a) Right-of-use assets

*The Group*

	Plant & buildings
Cost	
As at 1 January 2023	2,306,139
Additions during the year	686,757
Decreases during the year	(381,616)
As at 31 December 2023	2,611,280
Accumulated depreciation	
As at 1 January 2023	(874,494)
Charge for the year	(477,189)
Decreases for the year	323,984
As at 31 December 2023	(1,027,699)
Provision for impairment	
As at 1 January 2023 and 31 December 2023	-
Carrying amounts	
As at 1 January 2023	1,431,645
As at 31 December 2023	1,583,581

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

## (b) Long-term deferred expenses

*The Group*

	2023				
	<i>As at 1 January</i>	<i>Additions</i>	<i>Amortisation charged for the year</i>	<i>Other decreases</i>	<i>As at 31 December</i>
Long-term deferred expenses	431,517	229,565	(212,422)	(360)	448,300

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

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

(c) The repossessed assets are mainly buildings and structures, etc. As at 31 December 2023, the Group and the Bank made a provision for impairment of the Debt-expiated assets amounting to 163 million (31 December 2022: Nil).

## (d) Other receivables analysed by aging schedules

*The Group*

	<i>31 December 2023</i>	<i>31 December 2022</i>
Within 1 year (inclusive)	148,019	73,602
Over 1 year but within 2 years (inclusive)	30,478	101,414
Over 2 years but within 3 years (inclusive)	59,874	17,323
Over 3 years	44,930	100,043
Sub-total	283,301	292,382
Less: Provision for bad and doubtful debts	(120,630)	(116,550)
Total	162,671	175,832

(e) The prepayments mainly consisted of prepayments for the purchase of premises and renovation of the head office and business outlets and prepayments for system upgrades of information technology companies.

## (15) Provision for impairment losses

*The Group*

<i>Impaired items</i>	<i>Note</i>	2023			
		<i>As at 1 January 2022</i>	<i>(Reverse)/Charge for the year</i>	<i>Write-off and others</i>	<i>As at 31 December 2022</i>
Deposits with banks and other financial institutions	5(2)	74,770	(54,798)	145	20,117
Placements with banks and other financial institutions	5(3)	636,894	(391,274)	18	245,638
Financial assets held under resale agreements	5(5)	6,333	(5,330)	-	1,003
Loans and advances to customers measured at amortised cost	5(6)	54,681,677	21,378,914	(14,393,014)	61,667,577
Loans and advances to customers measured at FVOCI	5(6)	1,449,000	(943,005)	-	505,995
Financial investments measured at amortised cost	5(7)	14,314,710	(2,733,751)	(3,022,320)	8,558,639
Financial investments measured at FVOCI	5(7)	1,688,306	(662,307)	-	1,025,999
Long-term receivables	5(8)	3,500,431	764,447	(608,881)	3,655,997
Fixed assets	5(10)	4,710	-	-	4,710
Intangible assets	5(12)	160	-	-	160
Other assets	5(14)	116,550	171,863	(4,615)	283,798
Total		76,473,541	17,524,759	(18,028,667)	75,969,633

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

The Bank

Impaired items	Note	2023			
		As at 1 January 2023	(Reverse)/Charge for the year	Write-off and others	As at 31 December 2023
Deposits with banks and other financial institutions	5(2)	72,852	(56,979)	145	16,018
Placements with banks and other financial institutions	5(3)	790,590	(483,301)	17	307,306
Financial assets held under resale agreements	5(5)	5,880	(4,941)	-	939
Loans and advances to customers measured at amortised cost	5(6)	54,010,454	20,114,884	(13,481,953)	60,643,385
Loans and advances to customers measured at FVOCI	5(6)	1,449,000	(943,005)	-	505,995
Financial investments measured at amortised cost	5(7)	14,314,625	(2,733,766)	(3,022,320)	8,558,539
Financial investments measured at FVOCI	5(7)	1,680,000	(654,034)	-	1,025,966
Fixed assets		4,710	-	-	4,710
Intangible assets		160	-	-	160
Other assets		113,093	170,894	(5,502)	278,485
Total		72,441,364	15,409,752	(16,509,613)	71,341,503

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

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

Analysed by geographical location of counterparty and type

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
In mainland China				
- Banks	24,734,684	17,183,421	24,880,819	18,694,510
- Other financial institutions	266,603,327	177,864,557	271,003,231	177,864,557
Sub-total	291,338,011	195,047,978	295,884,050	196,559,067
Outside mainland China				
- Other financial institutions	3,785	-	3,785	-
Sub-total	291,341,796	195,047,978	295,887,835	196,559,067
Accrued interest	2,243,079	1,023,102	2,244,727	1,023,329
Total	293,584,875	196,071,080	298,132,562	197,582,396

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

Analysed by geographical location of counterparty and type

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
In mainland China				
- Banks	138,686,251	94,763,528	53,822,555	34,821,395
- Other financial institutions	2,250,000	500,000	-	-
Sub-total	140,936,251	95,263,528	53,822,555	34,821,395
Outside mainland China				
- Banks	8,853,825	6,036,275	8,853,825	6,036,275
Sub-total	149,790,076	101,299,803	62,676,380	40,857,670
Accrued interest	1,416,377	760,442	669,055	287,903
Total	151,206,453	102,060,245	63,345,435	41,145,573

**(18) Financial liabilities held for trading**

	<i>Note</i>	<i>The Group</i>		<i>The Bank</i>	
		<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Non-controlling interests in consolidated structured entities	(a)	7,314,507	9,032,456	-	-
Short selling of bonds		527,788	-	527,788	-
Financial liabilities related to precious metals		61,231	40,476	61,231	40,476
Total		7,903,526	9,072,932	589,019	40,476

(a) Non-controlling interests in consolidated structured entities is classified as measured at fair value through profit or loss ("FVTPL"). As at 31 December 2023, the above fair value profit or loss does not have any significant change due to credit risk change.

**(19) Financial assets sold under repurchase agreements**

(a) Analysed by type of collateral

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Securities				
- Government bonds	71,426,413	74,723,692	46,068,310	51,645,706
- Bank and other financial institution bonds	18,549,597	13,903,839	18,549,597	13,903,839
- Other bonds	-	624,930	-	624,930
Commercial bills	4,204,115	3,955,358	4,204,115	3,955,358
Sub-total	94,180,125	93,207,819	68,822,022	70,129,833
Accrued interest	147,121	69,260	131,571	53,583
Total	94,327,246	93,277,079	68,953,593	70,183,416





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

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
In mainland China				
- Central bank	43,986,739	39,865,358	18,628,636	39,865,358
- Banks	38,298,705	47,949,242	38,298,705	24,871,256
- Other financial institutions	-	1,499,100	-	1,499,100
Sub-total	82,285,444	89,313,700	56,927,341	66,235,714
Outside mainland China				
- Banks	11,894,681	3,894,119	11,894,681	3,894,119
Sub-total	94,180,125	93,207,819	68,822,022	70,129,833
Accrued interest	147,121	69,260	131,571	53,583
Total	94,327,246	93,277,079	68,953,593	70,183,416

## (20) Deposits from customers

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Demand deposits				
- Corporate customers	426,758,520	353,815,271	426,613,079	353,654,629
- Individual customers	92,580,154	108,814,392	92,545,005	108,770,242
Sub-total	519,338,674	462,629,663	519,158,084	462,424,871
Time deposits (include call deposits)				
- Corporate customers	504,587,720	528,402,432	504,184,430	528,007,223
- Individual customers	615,536,668	446,360,871	614,858,667	445,849,729
Sub-total	1,120,124,388	974,763,303	1,119,043,097	973,856,952
Pledged deposits				
- Bank acceptances	144,187,255	104,248,827	144,187,255	104,242,606
- Letters of credit	21,999,349	23,945,298	21,999,349	23,945,298
- Letters of Guarantee	5,563,533	5,834,004	5,563,533	5,834,004
- Guarantees	2,661,623	2,955,015	2,661,623	2,955,015
- Bill pool	4,841,634	7,489,970	4,841,634	7,489,970
- Others	37,014,172	22,004,034	37,014,172	22,004,034
Sub-total	216,267,566	166,477,148	216,267,566	166,470,927
Treasury Deposit	18,650,000	20,805,000	18,650,000	20,805,000
Outward remittance	55,599	94,220	55,599	94,220
Inward remittance	896,632	371,168	895,912	370,312
Fiscal deposits	2,305	6,041	2,305	6,041
Sub-total	1,875,335,164	1,625,146,543	1,874,072,563	1,624,028,323
Accrued interest	39,613,273	33,531,109	39,579,002	33,501,625
Total	1,914,948,437	1,658,677,652	1,913,651,565	1,657,529,948

## (21) Employee benefits payable

## The Group

	Note	31 December 2023	31 December 2022
Short-term employee benefits	(a)	4,398,826	3,768,897
Post-employment benefits			
- defined contribution plans	(b)	464,629	16,745
Termination benefits		33,004	576,632
Other long-term employee benefits	(c)	7,680,011	5,916,881
Total		12,576,470	10,279,155

## (a) Short-term employee benefits

	2023			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Salaries, bonuses, allowances	3,715,890	6,057,389	(5,430,936)	4,342,343
Staff welfare	-	495,963	(495,963)	-
Social insurance				
- Medical insurance	3,837	328,960	(328,393)	4,404
- Work-related injury insurance	883	7,630	(7,096)	1,417
- Maternity insurance	1,506	25,749	(25,741)	1,514
Housing fund	3,252	527,110	(521,812)	8,550
Labour union fee, staff and workers' education fee	43,529	183,356	(186,287)	40,598
Total	3,768,897	7,626,157	(6,996,228)	4,398,826

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

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

	2023			
	As at 1 January	Accrued during the year	Payment during the year	As at 31 December
Basic pension insurance	9,629	617,188	(616,578)	10,239
Unemployment insurance	2,535	19,142	(19,130)	2,547
Annuity and supplemental pension insurance	4,581	912,975	(465,713)	451,843
Total	16,745	1,549,305	(1,101,421)	464,629

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

## (c) Other long-term employee benefits

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

## (22) Taxes payable

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Income tax payable	4,166,327	6,040,694	3,663,385	5,615,266
Value-added tax and surcharges payable	1,400,359	1,388,718	1,327,299	1,343,420
Others	109,081	94,026	102,149	87,331
Total	5,675,767	7,523,438	5,092,833	7,046,017

### (23) Estimated Liabilities

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Provision for credit commitments impairment losses	2,419,299	3,185,216	2,419,247	3,185,146
Provision for estimated liabilities on unresolved litigations and disputes	90,425	3,361	90,425	3,361
Total	2,509,724	3,188,577	2,509,672	3,188,507

### (24) Debt securities issued

Analysed by types of debt securities issued

	The Group		The Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Inter-bank certificates of deposits issued	268,617,440	379,232,353	268,617,440	379,232,353
Other financial debts securities issued	102,283,357	57,288,146	94,989,562	49,995,522
Subordinated debts issued	19,997,502	19,997,618	19,997,502	19,997,618
Convertible bonds issued	-	20,359,669	-	20,359,669
Sub-total	390,898,299	476,877,786	383,604,504	469,585,162
Accrued interest	1,512,200	1,427,411	1,393,261	1,273,423
Total	392,410,499	478,305,197	384,997,765	470,858,585

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

#### The Group

	Note	2023				
		1 January 2023	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2023
Inter-bank certificates of deposits issued	(a)	379,232,353	718,755,992	(837,610,000)	8,239,095	268,617,440
Other financial debts securities issued	(b)	57,288,146	51,994,367	(7,000,000)	844	102,283,357
Subordinated debts issued	(c)	19,997,618	-	-	(116)	19,997,502
Convertible bonds issued	(d)	20,359,669	-	(20,991,658)	631,989	-
Total		476,877,786	770,750,359	(865,601,658)	8,871,812	390,898,299

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

## The Bank

	Note	2023				
		1 January 2023	Issued for the year	Repaid for the year	Amortisation of discounts or premiums	31 December 2023
Inter-bank certificates of deposits issued	(a)	379,232,353	718,755,992	(837,610,000)	8,239,095	268,617,440
Other financial debts securities issued	(b)	49,995,522	49,998,000	(5,000,000)	(3,960)	94,989,562
Subordinated debts issued	(c)	19,997,618	-	-	(116)	19,997,502
Convertible bonds issued	(d)	20,359,669	-	(20,991,658)	631,989	-
Total		469,585,162	768,753,992	(863,601,658)	8,867,008	383,604,504

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

(a) As at 31 December 2023, the Group and the Bank held 103 unmature negotiable certificates of deposit that were issued in the inter-bank market. The maximum maturity is 365 days. The interest rate ranges from 2.00% to 2.85% (As at 31 December 2022, the Group and the Bank held 113 unmature negotiable certificates of deposit that were issued in the inter-bank market. The maximum maturity is 365 days. The interest rate ranges from 1.92% to 2.81%).

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

	Note	31 December 2023	31 December 2022
Fixed rate green financial bonds maturing in April 2023	(i)	-	5,000,000
Fixed rate ordinary financial bonds maturing in April 2023	(ii)	-	1,999,651
Fixed rate ordinary financial bonds maturing in March 2024	(iii)	1,299,763	1,298,682
Fixed rate Innovation and entrepreneurship financial bonds maturing in April 2024	(iv)	4,998,769	4,999,293
Fixed rate green financial bonds maturing in April 2024	(v)	1,999,339	1,997,151
Fixed rate micro financial bonds maturing in March 2025	(vi)	9,999,058	9,998,899
Fixed rate ordinary financial bonds maturing in August 2025	(vii)	1,998,222	1,997,140
Fixed rate agricultural financial bonds maturing in September 2025	(viii)	7,999,298	7,999,166
Fixed rate ordinary financial bonds maturing in November 2025	(ix)	19,998,677	19,998,414
Fixed rate ordinary financial bonds maturing in June 2026	(x)	25,996,812	-
Fixed rate ordinary financial bonds maturing in July 2026	(xi)	23,997,179	-
Fixed rate ordinary financial bonds maturing in October 2026	(xii)	1,996,471	-
Fixed rate agricultural financial bonds maturing in September 2027	(xiii)	1,999,769	1,999,750
Total		102,283,357	57,288,146

(i) The Bank issued 5-year fixed interest rate financial bonds on 29 March 2018. The coupon interest rate per annum is 5.00% and the interest is settled once a year. The bonds have been paid in full at maturity on 2 April 2023.

(ii) The Bank's subsidiary Suyin Finance Leasing issued a 3-year fixed interest rate non-banking ordinary financial bonds on 2 April 2020. The coupon interest rate per annum is 2.90% and the interest is settled once a year. The bonds have been paid in full at maturity on 7 April 2023.

(iii) The Bank's subsidiary Suyin Finance Leasing issued a 3-year fixed interest rate non-banking ordinary financial bonds on 18 March 2021. The coupon interest rate per annum is 3.65% and the interest is settled once a year.

(iv) The Bank issued 3-year fixed interest rate Innovation and entrepreneurship financial bonds on 8 April 2021. The coupon interest rate per annum is 3.48% and the interest is settled once a year.



(v) The Bank's subsidiary Suyin Finance Leasing issued a 3-year fixed interest rate non-banking green financial bonds on 16 April 2021. The coupon interest rate per annum is 3.55% and the interest is settled once a year.

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

(vii) The Bank's subsidiary Suyin Finance Leasing issued a 3-year fixed-rate non-bank financial institution freight logistics theme bonds on 1 August 2022. The coupon interest rate per annum is 2.72% and the interest is settled once a year.

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

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

(x) The Bank issued 3-year fixed interest rate ordinary financial bonds on 1 June 2023. The coupon interest rate per annum is 2.73% and the interest is settled once a year.

(xi) The Bank issued 3-year fixed interest rate ordinary financial bonds on 25 July 2023. The coupon interest rate per annum is 2.62% and the interest is settled once a year.

(xii) The Bank's subsidiary Suyin Finance Leasing issued a 3- Fixed interest rate micro financial bonds maturing on 17 October 2023. The coupon interest rate per annum is 2.80% and the interest is settled once a year.

(xiii) The bank issued a 5-year Fixed interest agricultural financial bonds maturing on 26 September 2022. The coupon interest rate per annum is 2.86% and the interest is settled once a year.

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

	Note	31 December 2023	31 December 2022
Subordinated fixed rate bonds maturing in September 2029	(i)	19,997,502	19,997,618

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

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

	31 December 2023	31 December 2022
6-years fixed rate convertible bonds issued in March 2019	-	20,359,669

Equity and liability components allocation :

	Liability Components	Equity Components	Total
31 December 2022	20,359,669	2,787,837	23,147,506
Amortisation charged for the year	631,989	-	631,989
Convertible bonds conversion during the year	(20,987,229)	(2,787,232)	(23,774,461)
Amount of redemptions during the year.	(4,429)	(605)	(5,034)
31 December 2022	-	-	-

(i) Approved by the former China Banking and Insurance Regulatory Commission (hereinafter referred to as the "former CBIRC" ) and other relevant agencies, the Bank issued RMB 20 billion of A-shares convertible corporate bonds publicly ("convertible bond") on March 14, 2019. The duration of this convertible bond is 6 years, that is, from March 14, 2019 to March 13, 2025. The coupon rate of the convertible bond is 0.2% in the first year, 0.8% in the second year, 1.5% in the third year, 2.3% in the fourth year, 3.5% in the fifth year, and 4% in the sixth year. Convertible bonds holders may, within the period from the first trading day subsequent to six months after the end of the issuance to the maturity date of the convertible bond (hereinafter referred to as the "conversion period"), the right to convert

this convertible bond into ordinary shares of the Bank according to the conversion price for the current period. Within five trading days after the expiration of the convertible bonds issued, the Bank will redeem all unconverted bonds at the price of 111% of the face value of the convertible bonds issued (including the last annual interest).

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

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

(iv) From July 28, 2023 to September 4, 2023, the bank's shares have met the closing price of 15 trading days in 30 consecutive trading days not less than 130% (including 130%) (7.12 yuan per share) of the current conversion price of 5.48 yuan per share of "Suyin convertible bonds", which has triggered the conditional redemption of "Suyin convertible bonds". On September 4, 2023, the bank held the 33<sup>rd</sup> meeting of the Fifth Board of directors to consider and adopt the bill on early redemption of "Suyin convertible bonds" and decided to exercise the right of early redemption of the bank's convertible bonds, and redeem all the "Suyin convertible bonds" registered on the "redemption registration date" at the price of the par value of the bonds plus the accrued interest for the current period. As of the close of the market on October 19, 2023 (Redemption registration date), a total of RMB19,995,663,000 of "Suyin convertible bonds" have been converted into shares of the company, with a cumulative number of 3,581,790,791 shares. On October 20, 2023, the Bank of Japan redeemed all the "Suyin convertible bonds" (face value of RMB 4,337,000) registered in Shanghai Branch of China Securities Depository and Clearing Co., Ltd. after the closing of the market on October 19, 2023.

## (25) Other liabilities

### The Group

	31 December 2023	31 December 2022
Suspense account for clearing	33,859,574	8,724,562
Deposits for financial leasing and fulfilment payment	7,149,502	6,476,943
Lease liabilities (a)	1,467,412	1,286,285
Contract liabilities	359,921	559,035
Dividend payable	91,447	82,167
Others	1,408,015	799,555
Total	44,335,871	17,928,547

### (a) Lease liabilities

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

	31 December 2023	31 December 2022
Within a year	406,561	400,604
One to two years	359,966	334,011
Two to three years	266,401	248,373
Three to five years	328,392	158,052
More than five years	250,726	260,618
Total undiscounted lease liabilities	1,612,046	1,401,658
Total Lease Liabilities	1,467,412	1,286,285



## (26) Share capital

### The Bank

	Note	2023	2022
Balance at the beginning of the year		14,769,657	14,769,629
Convertible bonds conversion	(a)	3,581,667	28
Balance at the end of the year		18,351,324	14,769,657

(a) As referred to in Note 5(24)(d), approved by the former CBIRC and other relevant agencies, the Bank issued RMB 200 billion of A-shares convertible corporate bonds publicly on March 14, 2019. In 2023, the convertible corporate bonds of Bank of Jiangsu with a par value of RMB19,995.66 million were converted into A-share common shares, with 3,581.79 million shares (in 2022, the convertible corporate bonds of Bank of Jiangsu with a par value of RMB 171,000 were converted into A-share common shares, with 27,916).

## (27) Other equity instruments

### The Group and the Bank

	Note	31 December 2023	31 December 2022
Preference shares	(a)	19,977,830	19,977,830
Perpetual bonds	(b)	19,996,928	19,996,928
Equity components of convertible bonds issued	5(24)(d)	-	2,787,837
Total		39,974,758	42,762,595

### (a) Preference shares

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

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

### (ii) Major terms

#### 1) Dividend

Fixed rate for a certain period (5 years) after issuance. Dividend thereafter reset every 5 years (the sum of the benchmark rate and the Fixed Spread). The Fixed Spread will be equal to the spread between the dividend rate at the time of issuance and the benchmark rate. The Fixed Spread will remain unchanged throughout the term of the Preference Shares. Dividends will be paid annually. From November 28, 2022, the Preference shares Su Yinyou 1 coupon dividend rate of 3.86% for the second interest-bearing cycle and the benchmark interest rate is 2.55%, which the fixed premium of 1.31%.

#### 2) Conditions to distribution of dividends

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

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

#### 3) Dividend stopper

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

#### 4) Order of distribution and liquidation method

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

#### 5) Mandatory conversion trigger events

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

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

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

#### 6) Redemption

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

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

#### 7) Dividend setting mechanism

Non cumulative dividend is a dividend on preference shares which does not cumulate upon omission of payment so as to require payment of a passed or omitted dividend of one year out of earnings of a following year. After receiving dividend at agreed dividend rate, preference shareholders of the Group will not participate the distribution of residual profits with ordinary shareholders. Preference shareholders of the Group are senior to the ordinary shareholders on the right to dividends.

The Group shall distribute dividends for the preference shares in cash, based on the total amount of the issued and outstanding preference shares on the corresponding times (i.e. the product of the issue price of preference shares and the number of the issued and outstanding preference shares).

#### 8) Changes in preference shares outstanding

The preference shares issued by the bank remained unchanged during the year.

For details of dividends declared to holders of the Bank's preference shares, refer to Note 5 (32).

### (b) Perpetual bonds

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

Outstanding financial instruments	Issuance date	Accounting classification	Dividend or interest rate	Issuance price (RMB)	Quantity (million share)	Amount (RMB million Yuan)	Maturity	Conditions for conversion	Conversion
Domestic Perpetual Bonds	2020-4-1	Equity	3.80%	100/share	200	20,000	Perpetual	None	No
Less: Issue fees						(3)			
Book value						19,997			

#### (ii) Major terms

With the approvals of relevant regulatory authorities, the Bank issued RMB20 billion undated capital bonds ("Perpetual Bond") in China's national inter-bank bond market on 1 April 2020. Each Perpetual Bond has a par value of RMB100, and the annual coupon rate of the Bonds for the first five years is 3.80%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread. The fixed spread is the difference between the distribution rate and the benchmark rate as determined at the time of issuance. The fixed



spread will not be adjusted once determined during the duration period.

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

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

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

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

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

(iii) Changes in perpetual bonds outstanding:

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

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

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

	2023	2022
Equity attributable to shareholders of the Bank	250,409,988	208,740,730
- Equity attributable to ordinary shareholders of the Bank	210,435,230	168,765,972
- Equity attributable to holders of the Bank's other equity instruments	39,974,758	39,974,758
Equity attributable to non-controlling shareholders	8,706,043	6,798,609
- Equity attributable to non-controlling ordinary shareholders	8,706,043	6,798,609

### (28) Capital reserve

#### The Group

	2023		
	As at 1 January 2023	Additions during the year (Note 1)	As at 31 December 2023
Share premium	27,699,781	20,205,429	47,905,210

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

#### The Bank

	2023		
	As at 1 January 2023	Additions during the year (Note 1)	As at 31 December 2023
Share premium	27,619,843	20,193,362	47,813,205

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

(a) As referred to in Note 5(24), approved by the former CBIRC and other relevant agencies, the Bank issued RMB 200 billion of A-shares convertible corporate bonds publicly on March 14, 2019. From the issue date to 31 December 2023, the convertible corporate bonds with par value of RMB19,995.66 million were converted into A-shares ordinary shares, with a cumulative number of 3,581.79 million shares and share premium RMB 20,193.36 million.

(From the issue date to 31 December 2022, the convertible corporate bonds with par value of RMB 171,000 were converted into A-shares ordinary shares, with a cumulative number of 27,916 shares and share premium RMB 168,000).

(b) In 2023, the Bank and other minority shareholders rised the capital of Suyin KGI Consumer Finance. The Group included the book net asset share of Suyin KGI, which is RMB 12,070,000 higher than the investment amount, into the capital reserve.

## (29) Other comprehensive income

### The Group

	2023						
	As at 1 January 2022	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Bank	Net-of-tax amount attributable to non-controlling interests	Balance at the end of the year attributable to shareholders of the Bank
Items that may not be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the Financial investments designated at FVOCI	(12,847)	(28,287)	-	7,071	(21,216)	-	(34,063)
Items that may be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the financial investments measured at FVOCI	(1,344,943)	3,724,217	(556,887)	(789,293)	2,377,232	805	1,032,289
- Provision on credit loss of the financial investments measured at FVOCI	2,351,007	(1,605,312)	-	399,260	(1,202,019)	(4,033)	1,148,988
- Cash flow hedge reserve	-	40,324	-	-	20,666	19,658	20,666
- Currency translation differences	700	400	-	-	205	195	905
Total	993,917	2,131,342	(556,887)	(382,962)	1,174,868	16,625	2,168,785

	2022						
	As at 1 January 2022	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Bank	Net-of-tax amount attributable to non-controlling interests	Balance at the end of the year attributable to shareholders of the Bank
Items that may not be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the Financial investments designated at FVOCI	(18,162)	7,087	-	(1,772)	5,315	-	(12,847)
Items that may be reclassified to profit or loss							
- Gains or losses arising from changes in fair value of the financial investments measured at FVOCI	629,361	(1,676,761)	(886,078)	587,764	(1,974,304)	(771)	(1,344,943)
- Provision on credit loss of the financial investments measured at FVOCI	1,655,375	918,611	(388,472)	169,542	695,632	4,049	2,351,007
- Currency translation differences	-	1,366	-	-	700	666	700
Total	2,266,574	(749,697)	(1,274,550)	755,534	(1,272,657)	3,944	993,917



## The Bank

	2023					
	As at 1 January 2023	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Bank	Balance at the end of the year attributable to shareholders of the Bank
Items that may not be reclassified to profit or loss						
- Gains or losses arising from changes in fair value of the Financial investments designated at FVOCI	(12,847)	(28,287)	-	7,071	(21,216)	(34,063)
Items that may be reclassified to profit or loss						
- Gains or losses arising from changes in fair value of the financial investments measured at FVOCI	(1,339,799)	2,779,728	(549,841)	(556,428)	1,673,459	333,660
- Provision on credit loss of the financial investments measured at FVOCI	2,346,750	(1,597,039)	-	399,260	(1,197,779)	1,148,971
Total	994,104	1,154,402	(549,841)	(150,097)	454,464	1,448,568

	2022					
	As at 1 January 2022	Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	Net-of-tax amount attributable to shareholders of the Bank	Balance at the end of the year attributable to shareholders of the Bank
Items that may not be reclassified to profit or loss						
- Gains or losses arising from changes in fair value of the Financial investments designated at FVOCI	(18,162)	7,087	-	(1,772)	5,315	(12,847)
Items that may be reclassified to profit or loss						
- Gains or losses arising from changes in fair value of the financial investments measured at FVOCI	629,361	(1,670,846)	(886,078)	587,764	(1,969,160)	(1,339,799)
- Provision on credit loss of the financial investments measured at FVOCI	1,655,375	910,305	(388,472)	169,542	691,375	2,346,750
Total	2,266,574	(753,454)	(1,274,550)	755,534	(1,272,470)	994,104

## (30) Surplus reserve

## The Group and the Bank

	Statutory surplus reserve	Discretionary surplus reserve	Total
As at 1 January 2022	11,280,563	11,505,699	22,786,262
Appropriation	1,866,465	1,866,465	3,732,930
As at 31 December 2022	13,147,028	13,372,164	26,519,192
Appropriation	2,329,945	2,329,945	4,659,890
As at 31 December 2023	15,476,973	15,702,109	31,179,082

In accordance with the Company Law of the People's Republic of China and the Bank's Articles of Association, the Bank is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital. Subject to the approval of shareholders' meeting, statutory and discretionary surplus reserves may be used to net off with accumulated losses, if any, and may be converted into capital, provided that the balance of statutory surplus reserve after such capitalisation is not less than 25% of the registered capital.

After the appropriation of statutory surplus reserve, discretionary surplus reserve may be appropriated from the net profit subject to the approval of shareholders' meeting. Subject to the approval of shareholders' meeting, discretionary surplus reserves may be used to net off with accumulated losses, if any, and may be converted into capital.

As at 1 January 2017, the balance of the Bank's statutory surplus reserve has exceeded 50% of its registered capital. In accordance with the resolution of the general meeting of shareholders of the Bank on 3 July 2023 and 11 May 2022, the Bank will appropriate 10% of its net profit to statutory surplus reserve.

**(31) General reserve**

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
As at 1 January	42,027,725	37,215,107	40,303,635	36,231,150
Appropriation	5,003,710	4,812,618	4,769,819	4,072,485
As at 31 December	47,031,435	42,027,725	45,073,454	40,303,635

According to the Notice on Administrative Measures on Accrual of Provisions by Financial Enterprises (Cai Jin [2012] No.20) issued by the MOF on 30 March 2012, the Bank is required to maintain a general reserve within equity, through the appropriation of profit, which should not be less than 1.5% of the year-end balance of its risk-bearing assets.

General reserve of the Group also includes other general reserves accrued by the Bank's subsidiaries in accordance with the laws and regulations applicable to their business industry or region.

**(32) Appropriation of profits**

(a) In accordance with the resolution of the 1<sup>st</sup> meeting of the 6<sup>th</sup> board of directors of the Bank on 2023-10-12 the bank distribute RMB 0.77 billion to preference shareholders at RMB 3.86 (including tax) per share based on 3.86% dividend rate.

(b) In accordance with the resolution of the 2<sup>nd</sup> provisional shareholders' meeting of the bank adopted on July 3, 2023, it is decided that the profit distribution plan is as follows:

- 10% of the profit after tax for the statutory surplus reserve of year 2022;
- 10% of the profit after tax for the discretionary surplus reserve of year 2022;
- RMB 4.07 billion for the general reserve; and
- RMB 5.156 per 10 shares (including tax), with the aggregate amount of RMB 7.61 billion as cash dividend to the registered shareholders

(c) The bank distribute RMB 0.76 billion to perpetual bond on 3.80% dividend rate on 2023-4-1.

(d) In accordance with the resolution of the 22<sup>nd</sup> meeting of the 5<sup>th</sup> board of directors of the Bank on 26 September 2022 the bank distribute RMB 1.04 billion to preference shareholders at RMB 5.20 (including tax) per share based on 5.20% dividend rate.

(e) In accordance with the resolution of the general meeting of shareholders of the Bank on 2022-5-12, the shareholders approved the following profit:

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

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



## (33) Net interest income

	The Group		The Bank	
	2023	2022	2023	2022
Loans and advances to customers				
- Corporate loans and advances	43,642,679	38,676,918	43,577,280	38,602,555
- Individual loans and advances	42,704,939	38,741,144	39,054,834	36,228,284
- Discounted bills	2,238,323	2,713,519	2,238,323	2,713,519
Investment in debt instruments	25,074,153	25,203,811	25,044,092	25,183,974
Long-term receivables	5,760,885	4,855,007	-	-
Placements with banks and other financial institutions	3,204,082	2,589,270	3,612,756	2,890,264
Deposits with central bank	2,128,529	1,976,580	2,127,459	1,975,633
Financial assets held under resale agreements	686,322	473,334	676,225	469,515
Deposits with banks and other financial institutions	532,445	476,964	378,685	376,969
Interest income	125,972,357	115,706,547	116,709,654	108,440,713
Deposits from customers				
- Corporate customers	(24,676,617)	(23,027,566)	(24,667,146)	(23,016,987)
- Individual customers	(17,977,993)	(14,181,157)	(17,957,417)	(14,165,116)
Debt securities issued	(12,024,905)	(12,854,339)	(11,821,422)	(12,650,570)
Deposits from banks and other financial institutions	(6,599,736)	(4,301,702)	(6,612,736)	(4,317,490)
Borrowings from central bank	(5,057,002)	(5,081,793)	(5,050,311)	(5,074,077)
Placements from banks and other financial institutions	(4,940,590)	(2,929,527)	(2,621,874)	(1,019,809)
Financial assets sold under repurchase agreements	(1,911,027)	(955,578)	(1,909,745)	(955,259)
Others	(139,644)	(110,977)	(124,844)	(102,232)
Interest expense	(73,327,514)	(63,442,639)	(70,765,495)	(61,301,540)
Net interest income	52,644,843	52,263,908	45,944,159	47,139,173

## (34) Net fee and commission income

	The Group		The Bank	
	2023	2022	2023	2022
Agency service fees	3,986,054	4,687,365	2,736,351	5,591,009
Credit commitment fees	1,176,198	1,011,687	1,176,175	788,381
Custodian and other fiduciary service fees	747,037	869,667	747,037	889,250
Bank card fees	166,585	163,228	166,579	165,967
Settlement and clearing fees	114,581	110,956	114,558	56,116
Advisory service fees	2,927	2,470	2,927	6,325
Others	14,759	36,138	16,729	41,929
Fee and commission income	6,208,141	6,881,511	4,960,356	7,538,977
Settlement and clearing charges	(547,197)	(309,075)	(547,195)	(309,073)
Bank card charges	(165,575)	(78,998)	(165,555)	(78,986)
Others	(1,219,114)	(241,585)	(1,124,756)	(148,916)
Fee and commission expense	(1,931,886)	(629,658)	(1,837,506)	(536,975)
Net fee and commission income	4,276,255	6,251,853	3,122,850	4,847,851

## (35) Investment gains

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
Net gains during the period in which financial instruments are held				
- Financial investments measured at FVTPL	12,222,865	9,510,007	12,194,894	9,500,824
- Financial investments designated at FVOCI	13,920	19,460	13,920	19,460
Net gains/(losses) from disposal of financial instruments				
- Loans and advances to customers measured at FVOCI	516,195	519,017	516,195	519,017
- Financial investments measured at FVOCI	57,135	769,635	57,135	755,533
- Debt instruments measured at amortized cost	40,692	11,555	33,646	11,555
- Financial liabilities held for trading	(63,651)	(12,488)	(63,651)	(12,488)
- Derivative financial instruments	(93,500)	(35,376)	(93,500)	(35,376)
- Financial investments measured at FVTPL	(572,174)	(281,959)	(572,174)	(281,959)
Total	12,121,482	10,499,851	12,086,465	10,476,566

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

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
Financial investments measured at FVTPL	3,848,432	151,950	3,845,645	137,952
Derivative financial instruments	(33,682)	970	(34,670)	970
Financial liabilities held for trading	(7,226)	(4,443)	(7,226)	(4,443)
Others	12,101	-	12,101	-
Total	3,819,625	148,477	3,815,850	134,479

## (37) General and administrative expenses

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
Staff costs				
- Salaries and bonuses	8,599,377	7,584,201	8,031,589	7,196,706
- Social insurance and supplemental pension insurance	1,464,060	1,358,706	1,411,195	1,319,106
- Others	1,196,791	1,056,386	1,139,518	1,011,041
Sub-total	11,260,228	9,999,293	10,582,302	9,526,853
Premises and equipment expenses				
- Depreciation and amortisation	1,300,860	1,219,544	1,255,869	1,186,943
- Rental and property management expenses	158,625	143,857	147,045	136,934
- Utility charges	78,567	74,841	77,109	73,505
- Others	494,566	460,783	458,780	427,519
Sub-total	2,032,618	1,899,025	1,938,803	1,824,901
Other general and administrative expenses	4,532,768	5,408,413	3,704,084	4,992,220
Total	17,825,614	17,306,731	16,225,189	16,343,974



## (38) Impairment losses on credit

	The Group		The Bank	
	2023	2022	2023	2022
Loans and advances measured at amortised cost	21,378,914	19,072,778	20,114,884	18,001,141
Financial investments measured at amortised cost	(2,733,751)	(2,257,471)	(2,733,766)	(2,257,412)
Estimated Liabilities	(785,255)	1,273,574	(785,237)	1,273,574
Long-term receivable	764,447	596,231	-	-
Financial investments measured at FVOCI	(662,307)	1,167,057	(654,034)	1,158,751
Loans and advances measured at FVOCI	(943,005)	(248,446)	(943,005)	(248,446)
Other assets	8,695	(15,268)	7,726	(17,028)
Placements with inter-banks and other financial institutions	(391,274)	172,517	(483,301)	326,233
Deposits with inter-banks and other financial institutions	(54,798)	(33,915)	(56,979)	(34,203)
Financial assets held under resale agreements	(5,330)	(50,832)	(4,941)	(51,285)
Total	16,576,336	19,676,225	14,461,347	18,151,325

## (39) Income tax expenses

## (a) Income tax expenses

	The Group		The Bank	
	2023	2022	2023	2022
Current tax	7,181,429	8,628,047	5,865,502	7,647,343
Deferred tax	2,498,223	(1,721,989)	2,686,437	(1,665,109)
Adjustments for tax filling	(998,501)	(629,256)	(954,735)	(712,790)
Total	8,681,151	6,276,802	7,597,204	5,269,444

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

	Note	The Group		The Bank	
		2023	2022	2023	2022
Profit before tax		38,694,291	32,628,790	34,397,129	28,568,892
Expected income tax at statutory tax rate of 25%		9,673,573	8,157,198	8,599,282	7,142,223
Tax effect of non-taxable income	(i)	(5,282,041)	(4,671,547)	(5,271,812)	(4,623,001)
Tax effect of non - deductible expenses		4,253,177	2,994,332	4,251,522	2,993,367
Adjustments for tax filling and others		36,442	(203,181)	18,212	(243,145)
Income tax expenses		8,681,151	6,276,802	7,597,204	5,269,444

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

## (40) Earnings per share

## (a) Basic earnings per share

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

## The Group

	Note	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Bank	(i)	27,218,352	23,585,993
Weighted average issued ordinary shares (in thousands)	(ii)	16,126,853	14,769,642
Basic earnings per share (in RMBYuan)		1.69	1.60

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

	2023	2022
Consolidated net profit attributable to shareholders of the Bank	28,750,352	25,385,993
Effect of preferred stock dividend announcement	(772,000)	(1,040,000)
Effect of Perpetual bonds interest announcement	(760,000)	(760,000)
Consolidated net profit attributable to ordinary shareholders of the Bank	27,218,352	23,585,993

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

	2023	2022
Issued ordinary shares at the beginning of the year (in thousands)	14,769,657	14,769,629
Effect of conversion of convertible bonds (in thousands)	1,357,196	13
Weighted average number of ordinary shares at the end of the year (in thousands)	16,126,853	14,769,642

#### (b) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Bank (diluted) by the weighted average number of ordinary shares outstanding (diluted):

##### The Group

	Note	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	(i)	27,760,521	24,440,003
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	(ii)	18,243,339	17,909,224
Diluted earnings per share (in RMB Yuan)		1.52	1.36

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

	2023	2022
Consolidated net profit attributable to ordinary shareholders	27,218,352	23,585,993
Diluted adjustments:		
After tax effect of effective interest on the liability component of convertible bonds	542,169	854,010
Consolidated net profit attributable to ordinary shareholders (diluted)	27,760,521	24,440,003

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

	2023	2022
Weighted average number of ordinary shares (in thousands)	16,126,853	14,769,642
Diluted adjustments:		
Effect of conversion of convertible bonds (in thousands)	2,116,486	3,139,582
Weighted average number of ordinary shares (diluted) (in thousands)	18,243,339	17,909,224



#### (41) Note to the statement of cash flow

##### (a) Reconciliation of net profit to cash flows from operating activities:

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
Net Profit	30,013,140	26,351,988	26,799,925	23,299,448
Add/(minus) :				
Impairment losses on credit	16,576,336	19,676,225	14,461,347	18,151,325
Impairment losses on assets	163,168		163,168	
Depreciation and amortisation	1,429,582	1,336,373	1,263,090	1,196,431
Net gains from disposal of fixed assets, intangible assets and other long-term assets	(19,433)	(69,266)	(26,148)	(73,201)
Net gains from changes in fair value	(3,819,625)	(148,477)	(3,815,850)	(134,479)
Net foreign exchange gains	(306,596)	(577,442)	(296,673)	(546,441)
Investment income	(9,207,504)	(11,916,121)	(9,172,487)	(9,060,296)
Interest income from investment in debt instruments	(25,074,153)	(25,203,811)	(25,044,092)	(25,183,974)
Interest expenses on debt securities issued	12,024,905	12,854,339	11,821,422	12,650,570
Interest expenses from lease liabilities	54,539	47,680	53,325	46,453
(Increase)/Decrease in deferred tax assets	2,498,223	(1,721,989)	2,686,437	(1,665,109)
Increase in operating receivables	(276,984,658)	(307,542,473)	(243,985,283)	(284,608,174)
Increase in operating payables	466,250,946	283,100,012	437,866,834	267,781,592
Net cash inflows/(outflows) from operating activities	213,598,870	(3,812,962)	212,775,015	1,854,145

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

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
Cash and cash equivalents at the end of the year	69,569,121	63,953,659	67,605,621	57,714,355
Less: Cash and cash equivalents at the beginning of the year	(63,953,659)	(90,356,190)	(57,714,355)	(83,328,209)
Net increase/(decrease) in cash and cash equivalents	5,615,462	(26,402,531)	9,891,266	(25,613,854)

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

	<i>The Group</i>		<i>The Bank</i>	
	2023	2022	2023	2022
Cash on hand	2,165,146	1,743,850	2,162,136	1,738,270
Unrestricted deposits with central bank	19,799,161	18,317,897	19,782,176	18,308,011
Banks and other financial institutions deposits with a maturity of 3 months or less	31,322,421	33,861,738	26,389,286	31,025,949
Placements with banks and other financial institutions with a maturity of 3 months or less	9,260,895	5,406,025	14,250,893	6,396,025
Financial assets held under resale agreements with a maturity of 3 months or less	7,021,498	4,624,149	5,021,130	246,100
Cash and cash equivalents at the end of the year	69,569,121	63,953,659	67,605,621	57,714,355

**(42) Pledged assets****(a) Assets pledged as security**

Carrying value of pledged assets (excluding accrued interest) in balance sheet is as follows:

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Borrowings from central bank	219,663,859	183,892,000	219,663,859	183,892,000
Financial assets sold under repurchase agreements	55,123,916	63,062,358	55,123,916	63,062,358
Deposits from customers	18,650,000	20,805,000	18,650,000	20,805,000
Borrowings from banks and other financial institutions	1,796,851	-	-	-
Other Liabilities	28,119	752,000	-	-
<b>Total</b>	<b>295,262,745</b>	<b>268,511,358</b>	<b>293,437,775</b>	<b>267,759,358</b>

Transactions above are conducted under customary terms of relevant businesses.

**(i) Carrying value of pledged assets analysed by asset type**

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Securities				
- Government bonds	342,748,260	274,116,998	342,748,260	274,116,998
- Bank and other financial institution bonds	10,082,197	8,258,841	10,082,197	8,258,841
- Corporate bonds	1,629,451	4,040,361	1,629,451	4,040,361
Sub-total	354,459,908	286,416,200	354,459,908	286,416,200
Commercial bills	4,204,115	3,955,358	4,204,115	3,955,358
Deposits with banks and other financial institutions	1,913,119	752,000	-	-
Long-term receivables	177,542	-	-	-
<b>Total</b>	<b>360,754,684</b>	<b>291,123,558</b>	<b>358,664,023</b>	<b>290,371,558</b>

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

	<i>The Group</i>		<i>The Bank</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Financial investments measured at amortised cost	342,159,400	274,104,705	342,159,400	274,104,705
Financial investments measured at FVOCI	12,216,994	12,248,095	12,216,994	12,248,095
Loans and advances to customers	4,204,115	3,955,358	4,204,115	3,955,358
Deposits with banks and other financial institutions	1,913,119	752,000	-	-
Long-term receivables	177,542	-	-	-
Financial investments measured at FVTPL	83,514	63,400	83,514	63,400
<b>Total</b>	<b>360,754,684</b>	<b>291,123,558</b>	<b>358,664,023</b>	<b>290,371,558</b>

**(b) Collaterals accepted as securities for assets**

The Group conducts resale agreements and bonds lending under customary terms of placements, and holds collaterals for these transactions. As at the balance sheet date, the Group did not hold any resale agreement or bonds lending that collaterals were permitted to sell or re-pledge in the absence of the counterparty's default on the agreements.

**(43) Transfer of financial assets**

In normal course of business, the Group transfers the recognised financial assets to third parties in some transactions. These financial assets are derecognised in whole or in part if they meet the criteria for derecognition. When the Group retains substantial risk and return of the transferred assets, transfer of these financial assets does not meet the criteria for derecognition and the Group still recognises these assets in the balance sheet.

#### Financial assets sold under repurchase agreements transactions and bond lending transactions

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

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

	31 December 2023		31 December 2022	
	Book value of transferred assets	Book value of related liabilities	Book value of transferred assets	Book value of related liabilities
Financial assets sold under repurchase agreements transactions	16,507,780	13,698,106	8,092,116	7,067,475
bond lending transactions	13,103,568		5,607,489	-
Total	29,611,348	13,698,106	13,699,605	7,067,475

#### Credit assets securitization

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

Some securitization transactions entered into by the Group resulted in the Group decognising all transferred financial assets. The Group derecognizes the transferred financial assets when the Group transfers substantially all of the risks and rewards associated with ownership of financial assets to an unconsolidated securitisation entity, while retaining a relatively small interests in that entity or arranging follow-up services for the transferred financial assets. As at 31 December 2023, the carrying amount of such securitized credit assets of the Group and the Bank was RMB 56 million on the transfer date (31 December 2022: RMB 27 million).

In addition to the above-mentioned securitization transactions, as at 31 December 2023, the Group transferred credit assets with a face value of RMB14,025 million (31 December 2022: RMB14,025 million) to securitization entities, in which the Group neither transferred nor retained substantially all of the risks and rewards associated with the ownership of the transferred credit assets and retained control over the credit assets. The Group recognizes the asset on its balance sheet in accordance with the continued involvement of the Group and derecognises the remainder. As at 31 December 2023, the Group continued to recognize an asset value of RMB 2,342 million (31 December 2022: RMB 2,181 million).

#### Credit assets Transaction

In 2023, the Group directly transferred RMB 2920 million of non-performing credit assets to third parties and RMB 200 million of financial investment, all the assets were derecognized (2022: RMB 705 million and nil, all derecognized).

## 6. Interests in other entities

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

Structure of the Group

Main subsidiaries directly held through establishment:

Name	The Bank's shareholding percentage (Note i)		The Bank's voting rights percentage (Note i)		Registered capital		Place of operation and registration and date of establishment	Primary business
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022		
Suyin Rural Bank (Note ii)	41%	41%	51%	51%	180,000	180,000	Jiangsu, 10 June 2010	Commercial banking
Suyin Finance Leasing	51.25%	51.25%	51.25%	51.25%	4,000,000	4,000,000	Jiangsu, 13 May 2015	Lease business
Suyin Wealth Management	100%	100%	100%	100%	2,000,000	2,000,000	Jiangsu, 20 Aug 2020	Wealth management
Suyin KGI Consumer finance	54.25%	54.25%	54.25%	54.25%	2,600,000	2,600,000	Jiangsu, 02 Mar 2021	Consumer finance

(i) The Bank's shareholding percentage and voting rights percentage are either direct or indirect percentage at the balance sheet date when the Bank has gained direct or indirect control over its subsidiaries through establishment.

(ii) Pursuant to the group's agreement with other shareholders of Suyin Rural Bank, the Bank holds 51% of the voting rights in the shareholders' meeting of Suyin Rural Bank. Therefore, the Bank considers it to be in control of Suyin Rural Bank, thus includes it in the consolidated financial statements.

(ii) According to the approval of Jiangsu National Financial Regulatory Administration on increasing registered capital and adjusting ownership structure of Suyin KGI Consumer finance (sujinfu [2023] No.172) on December 6, 2023, the registered capital of Suyin KGI Consumer finance was increased by RMB 1.6 billion, and the proportion of capital contribution of the bank was changed to 56.44% after the capital increase.

Management of the Group assesses whether the Group controls the investees and structured entities according to the elements of control in Accounting Standards for Business.

The Group's involvement with the investee's operation is mainly from its shareholding in the investee and voting rights. The Group mainly assesses the purpose and design of the investee, relevant activities and decision-making processes, the Group's voting right percentage and its ability to affect the variable returns through its power over the investee when assessing whether the Group has control over the investees. If the Group believes that it has control over the investee, then it will include it in its consolidated financial statements.

The Group managed or invested in several structured entities, including funds, trust plan, asset management plan and wealth management products. The Group mainly assesses its overall economic interests (including the expected return from direct shareholding and management fee) in the structured entities and its decision-making rights covered through its involvement in the decisions on the establishment of the structured entities and relevant contract arrangements. If the Group has power over the structured activities and exposure to variable returns and the ability to use that power to affect its returns from the structured entities through investment contracts, then the Group believes that it has control over the structured entities and include it in the consolidated financial statements. The Group's structured entities included in the scope of merger are mainly the asset management plan and trust plan invested by the Group. If the Group neither has the substantive power over the structured entities nor enjoys material overall economic interests and thus acted as an agent rather than a principal, the Group does not need to include these structured entities in the consolidated financial statements. Please see Note 6(2) for information about the structured entities in which the Group has interests or acts as principal but are not included in the consolidated financial statements.

## **(2) Interests in structured entities not included in the consolidated financial statements**

### **(a) Background of structured entities not included in the consolidated financial statements:**

According to the definition of "control" in the accounting standards for business enterprises and the relevant principles described in Note 6(1), the Group evaluates whether to include the structured entity into the consolidation scope of the consolidated financial statements, taking into account the relevant agreements and the group's investment in the structured entity.

The Group's structured entities not included in the consolidated financial statements include: Investment funds, trust plan, asset-backed securities, wealth management products, asset management plan, as well as unsecured wealth management products and asset-backed securities established by the Group. These structured entities are designed to manage investors' assets by offering them investment products to raise funds. The Group's interests in these structured entities not included in the consolidated financial statements mainly include direct investment and management fee received for managing these structured entities.

As at 31 December 2023 and 31 December 2022, relevant assets and liabilities as well as their carrying amount/maximum loss exposure of the Group's interests in these structured entities not included in the consolidated financial statements through direct investment are as follows:



	31 December 2023			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment funds	199,156,797	-	-	199,156,797
Trust plans	1,851,372	41,757,705	-	43,609,077
Asset-backed securities	4,972,779	17,761,543	1,962,342	24,696,664
Wealth management products	694,410	3,567,044	-	4,261,454
Asset management plans	3,528,816	-	-	3,528,816
Total	210,204,174	63,086,292	1,962,342	275,252,808

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

The maximum loss exposure of the wealth management products and the investment fund is the fair value at the reporting date. The maximum loss exposure of the trust plan, asset management plan and asset-backed securities is the fair value or amortized cost at the reporting date according to the classification it has confirmed in the balance sheet.

**(b) Interests in structured entities established by third parties and not included in the consolidated financial statements:**

The Group holds interests in structured entities established by third parties and not included in the consolidated financial statements through direct investment. As at 31 December 2023 and 31 December 2022, relevant assets and liabilities as well as their carrying amount/maximum loss exposure of the Group's interests in these structured entities established by third parties through direct investment are as follows:

	31 December 2023			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments designated at FVOCI	
Investment funds	199,156,797	-	-	199,156,797
Trust plans	1,851,372	41,757,705	-	43,609,077
Asset-backed securities	2,628,759	17,760,903	1,962,342	22,352,004
Wealth management products	694,410	3,567,044	-	4,261,454
Asset management plans	2,666,247	-	-	2,666,247
Total	206,997,585	63,085,652	1,962,342	272,045,579

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

The maximum loss exposure of the wealth management products and the investment fund is the fair value at the reporting date. The maximum loss exposure of the trust plan, asset management plan and asset-backed securities is the fair value or amortized cost at the reporting date according to the classification it has confirmed in the balance sheet.

**(c) Interests in structured entities not included in the financial statements (the Group as promoter)**

Determination of the Group as promoter of a structured entity is based on the fact that the Group has played a key role in the process of setting up the structured entity or jointly setting up the entity with other parties, and that the structured entity represents an extension of the Group's main activities and maintains close business relationship with the Group after its setup.

According to the above criteria, structured entities not included in the financial statements (the Group as promoter) include the Group's unsecured wealth management products and investment fund. As at 31 December 2023, the carrying amount of the Group's management fees receivable in the consolidated balance sheet was RMB 177 million (31 December 2022: RMB 226 million).

As at 31 December 2023 and 31 December 2022, relevant assets and liabilities as well as their carrying amount/maximum loss exposure of the Group's interests in these structured entities established by the Group through direct investment are as follows:

	31 December 2023		
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Total
Asset-backed securities	2,344,020	640	2,344,660
Wealth management products	862,569	-	862,569
Total	3,206,589	640	3,207,229

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

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

As at 31 December 2023, balance of the unsecured wealth management products and asset-backed securities that were established by the Group but not included in the Group's the consolidated financial statements was RMB 520.4 billion and 4.8 billion respectively (31 December 2022: RMB 438.3 billion and 6.7 billion).

**(d) Structured entities which the Group no longer held interests in and were not included in the consolidated financial statements as at balance sheet date:**

The structured entities that are no longer included in the consolidated financial statements that the Group no longer enjoys equity at the balance sheet date mainly include the unsecured wealth management products issued by the Group. The Group's fee and commission income from such unsecured wealth management products was not significant in 2023 and 2022.

The Group's unsecured wealth management products issued after 1 January 2023 and matured before 31 December 2023 totaled RMB 9.1 billion (unsecured wealth management products issued after 1 January 2022 and matured before 31 December 2022 totaled RMB 79.5 billion).



## 7. Segment reporting

The Group has 4 reporting segment: corporate banking, retail banking, treasury business and others. Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies.

### *Corporate banking*

This segment provides financial products and services to corporations, government agencies and financial institutions. The range of products and services includes corporate loans, trade financing, finance leasing, deposit products, agency services, corporate banking services, remittance and settlement services, custody and guarantee services, etc.

### *Retail banking*

This segment provides financial products and services to individual customers. The range of products and services includes personal loans, deposit products, personal wealth management services, remittance services, securities agency and credit card services, etc.

### *Treasury business*

This segment covers inter-bank and off-site placement and taking transactions, repurchase transactions, investment in debt instruments, derivatives trading, foreign currency etc. It also covers the Group's overall liquidity position management, including the issuance of debts securities, etc.

### *Others*

This segment represents other miscellaneous activities, none of which constitutes a separately reportable segment.

The accounting policies applied in preparing the segment report are consistent with those for the consolidated financial statements.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment. Interest income and expense earned from third parties are referred to as "external net interest income/expense". Net interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "inter-segment interest income/expense".

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment income, expenses, assets, and liabilities are determined before intra-group balances and intra - group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred during the Relevant Periods to acquire fixed assets, intangible assets and other long-term assets.

## Segment results, assets and liabilities:

*The Group*

	2023				
	Corporate banking	Personal banking	Treasury business	Others	Total
External net interest income/(expenses)	29,978,497	25,843,401	(3,177,055)	-	52,644,843
Inter-segment net interest income/(expenses)	8,190,342	(812,529)	(7,377,813)	-	-
Net interest income/(expenses)	38,168,839	25,030,872	(10,554,868)	-	52,644,843
Fee and commission income	2,197,985	1,151,376	2,858,780	-	6,208,141
Fee and commission expenses	(621,711)	(1,124,818)	(185,357)	-	(1,931,886)
Net fee and commission	1,576,274	26,558	2,673,423	-	4,276,255
Net investment gains	-	-	12,121,482	-	12,121,482
Other income	596,752	131	-	155,503	752,386
Net gains from changes in fair value	-	-	3,819,625	-	3,819,625
Net foreign exchange gains	140,228	3,889	297,416	-	441,533
Other operating incomes	-	-	-	217,876	217,876
Net (losses)/gains of asset disposal	-	-	(7)	19,440	19,433
Operating income	40,482,093	25,061,450	8,357,071	392,819	74,293,433
Business taxes and surcharges	(476,919)	(307,989)	(61,053)	(801)	(846,762)
General and administrative expenses	(9,285,624)	(7,320,901)	(1,096,371)	(122,718)	(17,825,614)
Impairment losses on credit	(10,789,731)	(7,583,818)	1,797,087	126	(16,576,336)
Impairment losses on assets	(163,168)	-	-	-	(163,168)
Other operating expenses	-	-	-	(128,722)	(128,722)
Operating expenses	(20,715,442)	(15,212,708)	639,663	(252,115)	(35,540,602)
Operating profit	19,766,651	9,848,742	8,996,734	140,704	38,752,831
Add: Non-operating income	-	-	-	16,888	16,888
Less: Non-operating expenses	-	-	-	(75,428)	(75,428)
Profit before tax	19,766,651	9,848,742	8,996,734	82,164	38,694,291
Other segment information:					
Depreciation and amortisation	(745,450)	(489,514)	(65,283)	(129,335)	(1,429,582)
Capital expenditure	2,174,472	426,180	57,210	-	2,657,862





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

	31 December 2023				
	Corporate banking	Personal banking	Treasury business	Others	Total
Segment assets	1,229,726,169	703,198,373	1,467,901,469	2,535,826	3,403,361,837
Segment liabilities	1,227,714,296	743,686,495	1,172,238,780	606,235	3,144,245,806
Other segment information:					
Credit commitments	451,970,063	60,515,017	-	-	512,485,080

	31 December 2022				
	Corporate banking	Personal banking	Treasury business	Others	Total
Segment assets	1,080,378,650	647,882,921	1,251,954,631	78,490	2,980,294,692
Segment liabilities	1,118,425,535	578,243,116	1,068,147,072	47,630	2,764,863,353
Other segment information:					
Credit commitments	449,492,644	42,691,268	-	-	492,183,912

## 8. Commitments and contingent liabilities

### (1) Credit commitments

The Group's credit commitments take the form of undrawn loan facilities which are approved and contracted, unutilised credit card limits, issued bank acceptances but not yet matured, financial guarantees, letters of credit.

The contractual amounts of loans and credit card commitments represent the cash outflows should the contracts be fully drawn upon. Acceptances represent undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. The contractual amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties failed to completely perform as contracted.

As credit commitments expire without being drawn upon, the total of the contractual amounts set out in the following table do not represent the expected future cash outflows.

*The Group*

	31 December 2023	31 December 2022
Loan commitments		
- original contractual maturity less than 1 year	5,767,971	2,356,684
- original contractual maturity more than 1 year (inclusive)	55,001,388	43,059,988
Credit card commitments	60,515,017	42,691,268
Sub-total	121,284,376	88,107,940
Bank acceptances	295,475,158	297,018,679
Guarantees	43,293,236	44,315,903
Letters of credit	52,432,310	62,741,390
Sub-total	391,200,704	404,075,972
Total	512,485,080	492,183,912

**(2) Credit risk weighted amount**

*The Group*

	31 December 2023	31 December 2022
Credit risk weighted amount of credit commitments	114,887,617	106,480,955

The credit risk weighted amount of credit commitments was calculated according to the requirements set out in the Administrative Measures on Capitals of Commercial Banks (for Trial Implementation) issued by former CBRC.

**(3) Capital commitments**

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

	31 December 2023	31 December 2022
Contracted for but not paid	123,410	216,761
Authorised but not contracted for	58,062	47,715

**(4) Underwriting and redemption commitments**

As an underwriting agent of PRC government bonds, the Group has the responsibility to buy back those bonds it previously sold should the holders decide to early redeem the bonds held. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interests payable to the bond holders are calculated in accordance with relevant rules of the MOF and the PBOC. The redemption price may be different from the fair value of similar instruments traded in the markets at the redemption date. The redemption commitments below represent the coupon value of PRC government bonds underwritten and sold by the Group and the Bank but not yet matured at the balance sheet date:

	31 December 2023	31 December 2022
Redemption commitments	14,765,253	13,646,837

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

**(5) Unresolved litigations and disputes**

As at 31 December 2023, there were 54 litigations whereby the Group acted as defendants in the unresolved litigations. The total related amount of litigations and disputes whereby the Group acted as defendants was RMB 536 million (31 December 2022: there were 34 litigations whereby the Group acted as defendants in the unresolved litigations. The total related amount of litigations and disputes whereby the Group acted as defendants was RMB 179 million). The Group has made provision of RMB 90.43 million (31 December 2022:



RMB 3.36 million) for estimated liabilities based on facts and circumstances. The Group's management believed that the final result and execution of these litigations will not have material impact on the Group's financial positions or operating results.

## 9. Entrusted lending business

The Group provides entrusted lending business services to government agencies, corporations and individuals. All entrusted loans are funded by entrusted funds from these entities and individuals. The Group does not take any credit risk in relation to these transactions. The Group acts as an agent to hold and manage these assets and liabilities at the direction of the entrustor and receives fee income for the services provided. The entrust assets are not assets of the Group and are not recognised in the balance sheets. The relevant surplus funding is accounted for as deposits from customers.

### *The Group*

	31 December 2023	31 December 2022
Entrusted loans	54,363,834	49,846,326
Entrusted funds	54,363,834	49,846,326

## 10. Risk management of financial instruments

The Group mainly has exposure to the following risks from financial instruments:

- credit risk
- market risk
- liquidity risk
- operational risk

This note presents information about the Group's exposure to each of the above risks and its changes during the year, as well as the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

### *Risk management framework*

The Group's objectives when managing risk are to meet the requirements of external regulators, debtors and other stakeholders in order to optimise shareholder's value by Maintaining risk exposures within acceptable limits.

The Group established a centralised matrix management organisational structure, and developed policies and processes to identify, measure, monitor and control all kinds of risks. The Group also provided relevant technology and tools support.

The Board is ultimately responsible for determining the Bank's risk appetite, risk management strategy, decision-making risk management policy, organizational structure and basic management system, assuming the ultimate responsibility for risk management, and supervising the implementation of the senior management. The Board has established the Risk Management Committee, which is primarily responsible for performing corresponding risk management authorized by the board of directors. The senior management of the bank is responsible for implementing risk management policies and basic management systems determined by the Board of Directors, formulating and improving various risk management regulations, managing risks in various business operations of the bank, and regularly reporting to the Board of Directors and the Board of Supervisors the risk status of the bank. The internal control and risk management committee under the senior management of the group is the deliberation and decision-making body of the Bank's internal control and risk management. The Risk Management Department is the functional department that leads the overall risk management.

At the Branch level, the bank established the Internal Control, Risk Management Committee and the Risk Director. Compliance Department are established and led the branch's comprehensive risk management. Director of Risk Management at the Branch shall be assessed by Risk Management Department of the Head Office and the head of the Branch on its dual-line management and double-line assessment, and shall report to the risk management line of the head office and the head of the branch. The Group also sets up a risk management team in the main business department. The risk management team is managed by the business department in terms of personnel relations, and the business is subject to the guidance and supervision of the risk management department. The Internal Audit Department will review the implementation of risk management policies and the effectiveness of internal control on a regular and irregular basis.

At the same time, under the framework of the Group's overall risk management policy, each subsidiary of the Group, in line with its own reality, has formulated its own risk management system, established a risk management organizational structure, and set up senior management personnel in charge of risk, which is in accordance with the risk management department of the head office. The subsidiary's comprehensive risk management report are reported regularly as requirements, and comprehensive risk.

### (1) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its obligation or commitment to the Group. It arises primarily from the Group's credit businesses and treasury businesses such as investment in debt securities.

#### *Credit business*

To identify, assess, monitor and manage credit risk, the Group has established a reporting structure, credit policies and procedures catering for effective credit risk management and implemented systematic control procedures. The Group continues to optimise its credit approval process, reinforce its credit risk management through its processes, and clarify functions and responsibilities of the credit approval cycle. The Risk Management Department is responsible for overall risk management and developing credit policies, management systems based on law and regulations, monetary policies and the Group's operational strategies on a regular basis along with other departments to continue to implement risk management of credit business.

The Group's credit risk management policies include credit investigation, credit approval and post-loan management. For credit investigation, the Group conducted customer credit risk ratings and credit business liabilities rating and completed a credit report; for credit approval, the credit business need to be approved by approver with authorities; for post-loan management, the Group conducted a continuous monitoring of the granted loans and early warning on any negative events that will have an impact on the borrower's ability for repayment on a timely basis and take appropriate action to prevent and control risk.

The Group developed a series of policies to mitigate credit risk, including requiring customers to provide collateral, deposits and corporate or personal guarantees. The Group's acceptable specific collaterals include: buildings and other attached facilities, land use right, machines and equipment, construction in progress, vehicles, inventories, certificate of deposits, equity, bonds, funds, bills, receivables, warehouse receipts, and rights to receive returns etc. In order to control credit risk, the Group will require the borrowers to provide additional collaterals or guarantors once there's evidence indicating the impairment of individual credit assets.

The Group optimise the credit risk structure by setting exposure limits on individual borrowers, group, industries and countries.

The Group adopts a loan risk classification approach to manage its loan portfolio risk. The Group dynamically adjust the loan risk classification to ensure the current loan risk classification mechanism is accord with the regulations of former CBRC at least once a quarter. Loans are generally classified as normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans are considered to be non-performing loans.

The core definitions of the five-tier grading of credit assets are set out below:

Normal:	Borrowers are able to perform the contract, and there is no objective evidence that the principal, interest or income cannot be paid in full and on time.
Special mention:	Borrowers are currently able to repay the principal, interest or income, although there are some factors that may adversely affect the performance of the contract.
Substandard:	Borrowers' are unable to repay the principal, interest or income in full, or the credit impairment of financial assets has occurred.
Doubtful:	Borrowers have been unable to repay the principal, interest or income in full, and financial assets have been significantly impaired.
Loss:	After taking all possible measures, only a small part of financial assets can be recovered or all financial assets can be lost.

#### *Treasury business*

The Group's treasury operations involve investments in PRC government bonds, other government bonds, financial institution bonds, corporate bonds, inter-bank money market transactions and bank notes transfer discount, etc. The credit risk management for treasury



operations is primarily conducted by the Treasury Operating Centre and Inter-bank Department in accordance with the credit risk management policies, procedures and systems.

The Group conducts credit risk management in respect of the treasury operations primarily through the list management, check credit limits for counterparties. The Group assigns a total credit limit for domestic and foreign financial institutions and sets sub-limits for various business lines. In addition, the Treasury Operating Centre and Inter-bank Department works closely with other departments to form an integrated risk monitoring system for treasury operations.

#### **(a) Measurement of the expected credit loss allowance**

According to the new financial instruments standards require that the expected credit loss provision for at the amortized cost measurement model and measured at fair value and the changes are recorded in other comprehensive income of debt instruments, financial assets and impairment of loan commitments and financial guarantees.

The Group assesses expected credit losses in combination with forward-looking information, and complex models and assumptions are used in the measurement of expected credit losses. These models and assumptions involve future macroeconomic conditions and borrowers' credit conditions (E. G, the likelihood of a customer default and corresponding losses). In accordance with the requirements of accounting standards, the group has used judgments, assumptions and estimates in the measurement of expected credit losses, including:

- a) Risk grouping
- b) Financial instrument risk stage division
- c) Models and parameters
- d) Forward-looking information
- e) Sensitivity analysis and management superposition

#### ***Risk grouping***

According to the credit risk characteristics such as product type, customer type, customer industry and market distribution, the group divides credit risk exposure into public, retail, credit card, interbank and bond investment portfolios to calculate expected credit losses. Among them, the public business is further subdivided into real estate related business and general public business, and the retail business is further subdivided into retail mortgaged business and retail unsecured business.

#### ***Financial instrument risk stage division***

Based on whether the credit risk of financial instruments has increased significantly since the initial confirmation, the Group divides each business into three risk stages and reserves the expected credit loss. For the main definitions of the three phases of a financial instrument, refer to Note 3(7)(g).

#### ***The judgment of a significant increase in credit risk***

Criteria of significant increase in credit risk including but not limited to the followings:

- The overdue date has exceeded 30 days
- A deterioration in credit rating that lead to a significant change the risk of default
- Existing or forecast adverse changes in operation, financial or economic conditions that have a significant effect on the debtor's ability to meet its obligation to the Group
- An actual or expected significant deterioration in the operating results of the debtor;
- Other objective evidence of a significant increase in credit risk

#### ***Definition of financial assets with credit impairment***

In order to evaluate whether credit impairment of financial assets occurs, the Group generally considers the following factors:



- the overdue date has exceeded 90 days
- Significant financial difficulties with the issuer or debtor
- Debtor breaches contract, such as failure to repay interest or overdue interest or principal payments
- The creditor considers economic or contractual reasons relating to the debtor's financial difficulties, give the debtor concessions that it would not have made under any other circumstances.
- The debtor is likely to go bankrupt or undergo other financial restructuring
- The active market for the financial asset disappears due to financial difficulties
- Other objective evidence of impairment of financial assets

The credit impairment of financial assets may be caused by the joint action of multiple events, but not necessarily by events that can be identified separately.

#### *Models and parameters*

In addition to corporate loans, advances and financial investments that have suffered credit impairment, the group measures impairment provisions for different financial assets at expected credit losses of 12 months or the entire duration, depending on whether credit risk has increased significantly and whether financial instruments have suffered credit impairment. Expected credit loss is the result of discounting and weighted averaging the product of the three key parameters of default probability, default loss rate and default risk exposure. The definitions are as follows:

- Probability of default (PD): the likelihood that the debtor will not be able to meet his obligations in the next 12 months or during the entire remaining period. The group's default probability is adjusted based on the results of the internal rating model, and forward-looking information is added to reflect the debtor's default probability at the time point in the current macroeconomic environment.
- Loss Given Default (LGD): the percentage of the risk exposure loss at the time of default.
- Exposure at Default (EAD): the amount to be paid when default happen

The group determines ECL according to forecast default probability, default loss rate and default risk exposure of a single debt.

The Group determines the expected credit loss by predicting the default probability, default loss rate and default risk exposure of a single debt in the future. The group effectively calculates the expected credit losses for future periods by multiplying the three, and then discounts the calculation results for each period to the reporting date and totals them. The discount rate used in the calculation of expected credit losses is the initial effective interest rate or its approximation.

The expected credit losses of corporate loans, advances and financial investments that have been impaired are measured by the discounted cash flow method. If there is objective evidence that financial assets have been impaired, the expected credit losses are measured by the difference between the total book value of the assets and the present value of the estimated future cash flows discounted at the original effective interest rate of the assets. In estimating expected credit losses, management considers the following factors:

- sustainability of the borrower's business plan;
- The ability to improve performance when financial difficulties arise;
- The recoverable amount of assets and the recoverable amount of expected bankruptcy liquidation;
- Other available financial sources and the achievable amount of collateral; and
- Expected timing of cash inflows.

#### *Pledged Assets Held*

As at 31 December 2023, loans and advances to customers of the Group and the Bank that have already suffered credit impairment are RMB10.23 billion and RMB10.22 billion respectively (31 December 2022: The Group and the bank were RMB12.43 billion and RMB12.41 billion respectively). Among them, the collaterals of the Group and the Bank covering such loans are RMB 3.49 billion and RMB 3.49 billion respectively (31 December 2022: The Group and the bank were RMB 4.07 billion and RMB 4.07 billion respectively).

#### Forward-looking information

The group constructs a forward-looking model for the probability of default, establishes a regression model between macro indicators such as the cumulative year-on-year growth rate of GDP and risk factors, drives the calculation of expected credit losses with the forecast results of macro indicators, and realizes the "forward-looking" calculation of expected credit losses.

The Group determines optimistic, benchmark and pessimistic scenarios and their weights based on macro data analysis and expert judgment results, so as to calculate the weighted average expected credit loss of the group. In 2023, the weight of benchmark scenarios accounted for the highest proportion, and the weight of other scenarios was less than 25%.

In 2023, the important macroeconomic assumptions used by the group in various macroeconomic scenarios include the cumulative year-on-year growth rate of gross domestic product (GDP), the cumulative year-on-year growth rate of the stock of social financing scale, and the current year-on-year growth rate of broad money supply (M2). Among them, the forecast value of the cumulative year-on-year growth rate of GDP (GDP) in 2024 ranges from 4.4% to 5.1%.

#### Sensitivity analysis and management superposition

Expected credit losses are sensitive to the parameters used in the model, the macroeconomic variables predicted forward-looking, the weight probability under the three scenarios and other factors considered in the application of expert judgment. Changes in these input parameters, assumptions, models and judgments will have an impact on the significant increase in credit risk and the measurement of expected credit losses.

When the management believes that the potential impact of economic fluctuations cannot be reflected in a timely manner by properly adjusting the above model parameters, the group uses the management to superimpose and adjust the amount of expected credit losses.

During the reporting period, there was no significant change in the estimated technology or key assumptions.

#### (b) Maximum exposure

As at 31 December 2023, the maximum credit risk exposure of the financial instruments included in the impairment scope of the Group is set out below, sum of the book and the expected credit impairment reserve of the following financial assets is the maximum credit risk exposure of the Group with respect to these assets:

	31 December 2023	31 December 2022
Cash and deposits with central bank	152,072,691	140,825,652
Deposits with banks and other financial institutions	36,969,218	44,124,631
Placements with banks and other financial institutions	97,340,987	69,656,507
Derivative financial assets	2,667,228	1,708,980
Financial assets held under resale agreements	7,023,804	4,619,628
Loans and advances to customers	1,747,477,216	1,556,170,969
Financial investments:		
Financial investments measured at fair value through profit or loss	421,179,950	377,571,282
Financial investments measured at amortised cost	553,004,126	517,641,295
Financial investments measured at fair value through other comprehensive income	254,668,286	158,751,177
Long-term receivables	88,495,245	72,646,111
Others	9,396,417	5,343,201
Sub-total	3,370,295,168	2,949,059,433
Credit Commitments	510,065,781	488,998,696
Maximum exposure	3,880,360,949	3,438,058,129

## (c) Financial assets analysed by credit quality

As at 31 December 2023, the Group's financial asset risk stages are divided as follows:

	As at 31 December 2023							
	Carrying amount				Provision for impairment			
	Stage One	Stage Two	Stage Three	Total	Stage One	Stage Two	Stage Three	Total
Financial assets measured at amortized cost								
Cash and deposits with central bank	152,072,691	-	-	152,072,691	-	-	-	-
Deposits with banks and other financial institutions	36,989,335	-	-	36,989,335	(20,117)	-	-	(20,117)
Placements with banks and other financial institutions	97,586,625	-	-	97,586,625	(245,638)	-	-	(245,638)
Financial assets held under resale agreements	7,024,807	-	-	7,024,807	(1,003)	-	-	(1,003)
Loans and advances to customers	1,559,322,335	67,463,778	16,442,736	1,643,228,849	(37,309,841)	(11,834,979)	(12,522,757)	(61,667,577)
Financial investments measured at amortised cost	543,150,336	13,269,905	5,142,524	561,562,765	(2,566,154)	(2,492,216)	(3,500,269)	(8,558,639)
Total	2,396,146,129	80,733,683	21,585,260	2,498,465,072	(40,142,753)	(14,327,195)	(16,023,026)	(70,492,974)
Financial assets measured at FVOCI								
Loans and advances to customers	165,121,552	794,392	-	165,915,944	-	-	-	-
Financial investments measured at fair value through other comprehensive income	253,593,230	639,795	435,261	254,668,286	-	-	-	-
Total	418,714,782	1,434,187	435,261	420,584,230	-	-	-	-
Credit Commitments	507,217,270	5,250,993	16,817	512,485,080	(2,181,417)	(229,735)	(8,147)	(2,419,299)

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

Note: Simplified method was adopted to financial assets measured at amortized cost when measure impairment provision, thus the three-stage division is not applicable. As at 31 December 2023, the balance of impaired financial assets which has adopted simplified method amounted RMB 598 million, and the impairment provision amounted RMB 501 million (As at 31 December 2022, the balance of impaired financial assets which has adopted simplified method amounted RMB 1.36 billion, and the impairment provision amounted RMB 650 million).





#### (d) Credit ratings of receivables from inter-banks (excluding accrued interest)

Receivables from inter-banks include deposits and placements with banks and other financial institutions, and financial assets held under resale agreements. Receivables from inter-banks neither overdue nor impaired are rated with reference to major rating agencies recognised by the PBOC. On the balance sheet date, the book value of accounts receivable due from peers is distributed as follows:

##### The Group

	31 December 2023	31 December 2022
Grade A to AAA	115,155,972	109,991,928
Unrated	24,763,888	7,701,309
Carrying amount	139,919,860	117,693,237

#### (e) Credit ratings of debt instruments (excluding accrued interest)

The Group adopts a credit rating approach to manage the credit risk of the debt instruments portfolio. Debt instruments are rated with reference to major rating agencies generally recognised by the PBOC. The carrying amounts of debt instruments investments analysed by the rating agency designations as at the balance sheet date are as follows:

##### The Group

	31 December 2023	31 December 2022
Grade A to AAA	733,033,072	575,943,962
Lower than A	12,534,281	10,642,972
Unrated	61,733,460	96,159,707
Carrying amount	807,300,813	682,746,641

## (2) Market risk

Market risk is the risk of loss, in respect of the Group's on and off balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates and other prices. The Group's market risk mainly derives from assets and liabilities operating in the market and interest rate risk and foreign exchange rate risk of its products.

The market risk management of the Group oversees the whole process of identifying, measuring, monitoring and controlling market risk. The Group established the market risk management system under the demand of former CBRC. The Board and the Risk Management Committee are responsible for leading the management of market risk and approving the risk management strategy, procedure, quantity criteria, risk quota and etc. The senior management and its Internal Control and Risk Management Committee are responsible for formulating, regularly reviewing and monitoring the policies, procedures and detailed rules of market risk management and the overall evaluation of the Group's market risk management.

The Group is primarily exposed to structural interest rate risk arising from interest generating commercial banking assets and interest bearing commercial banking liabilities and market value fluctuation in transactions. Interest rate risk is inherent in many of its businesses and largely arises from mismatches between the re-pricing dates of assets and liabilities. The Group manages this risk through measures such as the interest rate gap analysis, sensitivity analysis, etc.

The Group's foreign exchange risks mainly arise from the currency structure mismatch of finance assets and liabilities of foreign currency and foreign currency exposure from the foreign exchange derivatives. The Group's major businesses are denominated in RMB business, and the foreign currency exposure is not significant. The Group manages the foreign currency risk mainly by closely monitoring the limit of the currency exposures.

The Group separately monitors the market risk of its trading portfolios and non-trading portfolios. The Group identifies, measures and manages the market risk by using various risk monitoring tools including the gap analysis, position analysis, sensitivity analysis, scenarios analysis and stress test. The Group has established a market risk limit system with business limits, loss limits and market risk limits to monitor the application of these risk limits.

**(a) Interest rate risk**

Interest rate risk is the likelihood of a loss that may arise from adverse movements in the market interest rate. The Group's interest rate risks arise mainly from mismatches of assets and liabilities and market value fluctuation in transactions.

The Group mainly manages interest rate risks through structuring and adjusting its asset portfolios. The Group monitors interest rate gap analysis and risk exposure analysis to measure static re-pricing profile of the assets and liabilities on a regular basis.

The Group organises meetings of the Asset and Liabilities Management Committee and adjust the structure of assets and liabilities based on market interest rate trends to manage interest rate exposure.

*Reform of benchmark interest rate*

The Group attaches great importance to the issue of benchmark interest rate reform and has been promoting the landing and implementation of the Group's benchmark interest rate reform in an orderly manner. On 30 June 2023, all LIBOR varieties ceased to be quoted. The Group has promoted the conversion work in a steady manner in strict accordance with the withdrawal timetable of each LIBOR variety, realising a smooth transition between the old and new benchmark interest rates and the orderly development of the relevant business.

**(i) Analysis of re-pricing date structure**

The following tables indicate the assets and liabilities as at the balance sheet date by the expected next repricing dates or by maturity dates, depending on which is earlier:

*The Group*

	31 December 2023					Total
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets						
Cash and deposits with central bank	3,563,587	150,674,250	-	-	-	154,237,837
Deposits and placements with banks and other financial institutions	1,677,598	66,573,619	39,794,454	26,264,534	-	134,310,205
Financial assets held under resale agreements	3,309	7,020,495	-	-	-	7,023,804
Loans and advances to customers (Note a)	7,347,777	830,943,112	543,506,679	212,337,832	153,341,816	1,747,477,216
Investments (Note b)	263,661,693	106,072,559	132,768,893	378,857,248	347,687,706	1,229,048,099
Long-term receivables (Note c)	821,220	80,770,843	2,869,232	3,844,047	189,903	88,495,245
Other financial assets	12,063,645	-	-	-	-	12,063,645
Total financial assets	289,138,829	1,242,054,878	718,939,258	621,303,661	501,219,425	3,372,656,051
Financial liabilities						
Borrowings from central bank	2,187,082	32,536,000	187,467,858	-	-	222,190,940
Deposits and placements with banks and other financial institutions	3,659,456	226,019,195	213,315,826	1,796,851	-	444,791,328
Financial liabilities held under trading	7,903,526	-	-	-	-	7,903,526
Financial assets sold under repurchase agreements	147,121	91,878,115	2,302,010	-	-	94,327,246
Deposits from customers	39,613,273	982,016,116	336,168,591	557,150,457	-	1,914,948,437
Debt securities issued	1,512,200	108,708,253	168,207,060	93,985,484	19,997,502	392,410,499
Other financial liabilities	44,926,575	91,878	275,768	871,136	228,630	46,393,987
Total financial liabilities	99,949,233	1,441,249,557	907,737,113	653,803,928	20,226,132	3,122,965,963
Gap between assets and liabilities	189,189,596	(199,194,679)	(188,797,855)	(32,500,267)	480,993,293	249,690,088



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

a. For loans and advances to customers, the category "Within three months" includes overdue amounts (net of provision for impairment losses) of RMB 7.785 billion as at 31 December 2023 (31 December 2022: The balance is RMB 6.949 billion). Overdue loans are loans and advances to customers, of which the principal or interest was overdue for one day or more.

b. Financial investments comprise financial investments measured at FVTPL, financial investments measured at amortised cost, financial investments measured at FVOCI, and financial investments designated at FVOCI. These investments that are mature within three month include RMB 2,349 million overdue (net of provision for impairment losses) as at 31 December 2023 (2022: RMB 1,374 million). The above overdue means that the principal or interest is overdue by 1 day or more.

c. Investment securities classified as receivable that are mature within three month include RMB 92 million overdue (net of provision for impairment losses) as at 31 December 2023 (2022: RMB 249 million). The above overdue means that the principal or interest is overdue by 1 day or more.

#### (ii) Sensitivity analysis of interest rate

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net interest income and equity. The following table sets forth the effect on the Group's net interest income and equity from possible interest rate fluctuations with an assumption that all other variables held constant. The effect on net profit refers to the effect of certain interest rate changes on the net profit generated by financial assets and liabilities that are held at the end of the year and are expected to reprice the interest rate within one year. The effect on the equity refers to the effect of fair value changes arising from revaluation of fixed rate available for financial investments measured at fair value held at year end as a result of changes in interest rates.

*The Group*

	Sensitivity of net interest income	
	31 December 2023	31 December 2022
Change in interest rate (basis points)		
+200	2,177,515	2,236,989
-200	(2,584,191)	(3,047,426)

	Sensitivity of equity	
	31 December 2023	31 December 2022
Change in interest rate (basis points)		
+200	(10,856,617)	(6,623,373)
-200	12,619,182	7,192,224

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

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

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

**(b) Foreign currency risk**

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

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

**(i) Foreign currency risk exposure**

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



## The Group

	31 December 2023			
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Financial assets				
Cash and deposits with central bank	148,152,290	5,812,743	272,804	154,237,837
Deposits and placements with banks and other financial institutions	118,642,621	5,554,320	10,113,264	134,310,205
Financial assets held under resale agreements	7,023,804	-	-	7,023,804
Loans and advances to customers	1,735,587,900	10,628,963	1,260,353	1,747,477,216
Investments (Note a)	1,160,231,609	61,694,329	7,122,161	1,229,048,099
Long-term receivables	88,495,245	-	-	88,495,245
Other financial assets	10,381,230	1,281,516	400,899	12,063,645
Total financial assets	3,268,514,699	84,971,871	19,169,481	3,372,656,051
Financial liabilities				
Borrowings from central bank	222,190,940	-	-	222,190,940
Deposits and placements with banks and other financial institutions	426,313,183	18,474,497	3,648	444,791,328
Financial liabilities held for trading	7,903,526	-	-	7,903,526
Financial assets sold under repurchase agreements	80,530,084	13,796,231	931	94,327,246
Deposits from customers	1,834,217,891	69,299,685	11,430,861	1,914,948,437
Debt securities issued	392,410,499	-	-	392,410,499
Other financial liabilities	45,043,747	942,378	407,862	46,393,987
Total financial liabilities	3,008,609,870	102,512,791	11,843,302	3,122,965,963
Net position	259,904,829	(17,540,920)	7,326,179	249,690,088
Credit commitments	476,728,098	24,195,069	9,142,614	510,065,781
Derivative financial instruments (Note b)	(8,335,536)	13,080,667	(4,651,893)	93,238
	31 December 2022			
	RMB	USD (RMB equivalent)	Others (RMB equivalent)	Total
Financial assets				
Cash and deposits with central bank	138,459,743	4,092,524	17,235	142,569,502
Deposits and placements with banks and other financial institutions	100,960,250	6,399,880	6,421,008	113,781,138
Financial assets held under resale agreements	4,619,628	-	-	4,619,628
Loans and advances to customers	1,542,922,595	11,581,159	1,667,215	1,556,170,969
Investments (Note a)	987,394,951	60,931,181	5,861,646	1,054,187,778
Long-term receivables	72,646,111	-	-	72,646,111
Other financial assets	6,105,363	788,440	158,378	7,052,181
Total financial assets	2,853,108,641	83,793,184	14,125,482	2,951,027,307
Financial liabilities				
Borrowings from central bank	186,674,842	-	-	186,674,842
Deposits and placements with banks and other financial institutions	276,284,917	21,846,408	-	298,131,325
Financial liabilities held for trading	9,072,932	-	-	9,072,932
Financial assets sold under repurchase agreements	86,183,536	7,093,543	-	93,277,079
Deposits from customers	1,596,251,935	58,382,938	4,042,779	1,658,677,652
Debt securities issued	478,305,197	-	-	478,305,197
Other financial liabilities	17,787,265	415,675	515,676	18,718,616
Total financial liabilities	2,650,560,624	87,738,564	4,558,455	2,742,857,643
Net position	202,548,017	(3,945,380)	9,567,027	208,169,664
Credit commitments	454,468,176	26,874,781	7,655,739	488,998,696
Derivative financial instruments (Note b)	(2,958,322)	10,571,286	(7,708,593)	(95,629)

a. Financial investments comprise financial investments measured at FVTPL, financial investments measured at amortised cost, financial investments measured at FVOCI, and financial investments designated at FVOCI.

b. The derivative financial instruments reflect the net value of the derivative financial instrument contracts.

**(ii) Sensitivity analysis of foreign currency risk**

The Group uses sensitivity analysis to measure the potential effect of changes in foreign currency exchange rates on the Group's net profit and equity. The following table sets forth the effect on the Group's net profit and equity from possible foreign exchange rate fluctuations with an assumption that all other variables held constant.

*The Group*

	Sensitivity of net profit and equity	
	31 December 2023	31 December 2022
Change in foreign currency exchange rate		
Appreciation against RMB by 5%	(66,974)	318,163
Depreciation against RMB by 5%	66,974	(318,163)

The sensitivity analysis is based on the following assumptions:

- changes in business after balance sheet date is not taken into account, the analysis is based on the static gap at the balance sheet date;
- the foreign currency sensitivity is the gain or loss recognised as a result of a 500-basis point fluctuation in foreign currency exchange rates against RMB at the end of the Relevant Periods (middle price);
- the fluctuation of exchange rates by 500 basis points is based on the assumption of exchange rates movement over the next 12 months;
- due to the immaterial proportion of the Group's total assets and liabilities denominated in foreign currencies other than US dollars, when calculating the effect on net profit, other foreign currencies are converted into US dollars for this sensitivity analysis purpose;
- when calculating the foreign exchange exposures, exposures from foreign currency spot, forward and swap foreign exchange exposures are included;
- other variables (including interest rates) remain unchanged; and
- impact from foreign exchange rate change on customers' activities and market prices are not considered.

The above sensitivity analysis is based on the static structure of the assets and liabilities in respect of foreign exchange risk. It has not taken into account the potential efforts from the Group to mitigate the negative effects on profits from foreign currency positions.

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

**(3) Liquidity risk**

Liquidity risk is the risk that the commercial banks fail to meet the demands associated with its payables due, new loans and reasonable financing activities, or encounter difficulties in meeting these demands with reasonable costs.

The Group established the liquidity risk management system composed of the Board of Directors and its Risk Management Committee, Senior Management and its Assets and Liabilities Management Committee. The Group's Risk Management Department is leading the management of liquidity risk, and the treasurer established under the Planning and Finance Department is responsible for the specific liquidity risk management work. The Group calculated the liquidity risk based on its estimates of liquidity indicators and liquidity gap and performed periodic liquidity stress tests to identify indicators which may lead to any liquidity risk at the earliest stage. The Group established risk limit management and early warning systems and specific emergency plan, and emergency team to address the liquidity risk. The Group also sets up liquidity risk reporting mechanism by reporting the monitoring of liquidity risk per month and conducting stress tests on a quarterly basis.

The Group's fund for assets are mainly from deposits from customers, which include deposits from corporate and individual customer as well as other banks. These deposits continue to increase overall in recent years with diversified categories and maturity, which are diversified and stable source of funds.

**(a) Maturity analysis**

The following tables provide an analysis of the financial assets and liabilities of the Group based on the remaining term at each balance

sheet date:

The Group

	31 December 2023							Total
	Indefinite	Overdue/ repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets								
Cash and deposits with central bank	132,265,220	21,972,617	-	-	-	-	-	154,237,837
Deposits and placements with banks and other financial institutions	-	28,213,911	18,022,352	20,963,567	40,421,253	26,689,122	-	134,310,205
Financial assets held under resale agreements	-	-	7,023,804	-	-	-	-	7,023,804
Loans and advances to customers	-	7,785,054	265,102,818	237,984,227	579,662,629	371,245,641	285,696,847	1,747,477,216
Investments (Note i)	249,980,727	2,349,080	27,552,165	74,669,738	135,337,919	387,570,017	351,588,453	1,229,048,099
Long-term receivables	-	91,999	4,492,882	5,902,819	25,901,613	48,379,664	3,726,268	88,495,245
Others financial assets	-	9,396,417	638,467	691,255	903,579	433,927	-	12,063,645
Total financial assets	382,245,947	69,809,078	322,832,488	340,211,606	782,226,993	834,318,371	641,011,568	3,372,656,051
Financial liabilities								
Borrowings from central bank	-	-	15,242,633	18,070,544	188,877,763	-	-	222,190,940
Deposits and placements with banks and other financial institutions	-	40,459,105	71,717,256	115,587,878	215,209,332	1,817,757	-	444,791,328
Financial liabilities held for trading	7,314,507	589,019	-	-	-	-	-	7,903,526
Financial assets sold under repurchase agreements	-	-	88,429,779	3,527,740	2,369,727	-	-	94,327,246
Deposits from customers	-	552,982,590	210,783,459	227,915,381	344,987,173	578,279,834	-	1,914,948,437
Debt securities issued	-	-	36,590,239	72,390,709	169,446,565	93,985,484	19,997,502	392,410,499
Other financial liabilities	-	32,411,091	1,577,353	2,631,163	7,253,867	1,713,045	807,468	46,393,987
Total financial liabilities	7,314,507	626,441,805	424,340,719	440,123,415	928,144,427	675,796,120	20,804,970	3,122,965,963
Net position	374,931,440	(556,632,727)	(101,508,231)	(99,911,809)	(145,917,434)	158,522,251	620,206,598	249,690,088
Notional amount of derivative financial instruments	-	-	163,281,997	147,552,185	267,069,830	63,045,397	20,000	640,969,409

	31 December 2022							Total
	Indefinite	Overdue/ repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years	
Financial assets								
Cash and deposits with central bank	122,499,883	20,069,619	-	-	-	-	-	142,569,502
Deposits and placements with banks and other financial institutions	-	30,535,637	12,315,681	18,779,396	26,082,471	26,067,953	-	113,781,138
Financial assets held under resale agreements	-	-	4,619,628	-	-	-	-	4,619,628
Loans and advances to customers	-	6,949,178	194,473,550	240,451,881	548,399,483	307,816,746	258,080,131	1,556,170,969
Investments (Note i)	226,474,043	1,565,818	9,648,692	32,972,152	145,243,628	388,697,823	249,585,622	1,054,187,778
Long-term receivables	-	249,428	3,035,597	5,704,428	22,436,283	39,783,159	1,437,216	72,646,111
Others financial assets	-	5,272,835	390,559	247,196	370,983	770,608	-	7,052,181
Total financial assets	348,973,926	64,642,515	224,483,707	298,155,053	742,532,848	763,136,289	509,102,969	2,951,027,307
Financial liabilities								
Borrowings from central bank	-	-	15,587,381	10,467,188	160,620,273	-	-	186,674,842
Deposits and placements with banks and other financial institutions	-	42,089,657	35,704,364	46,233,353	174,103,951	-	-	298,131,325
Financial liabilities held for trading	9,032,456	40,476	-	-	-	-	-	9,072,932
Financial assets sold under repurchase agreements	-	-	84,539,124	5,340,364	3,397,591	-	-	93,277,079
Deposits from customers	-	495,881,367	192,559,811	146,999,435	389,780,000	433,457,039	-	1,658,677,652
Debt securities issued	-	-	22,961,293	41,486,013	323,212,110	70,648,163	19,997,618	478,305,197
Other financial liabilities	-	7,372,585	537,904	1,915,196	6,837,107	1,490,354	565,470	18,718,616
Total financial liabilities	9,032,456	545,384,085	351,889,877	252,441,549	1,057,951,032	505,595,556	20,563,088	2,742,857,643
Net position	339,941,470	(480,741,570)	(127,406,170)	45,713,504	(315,418,184)	257,540,733	488,539,881	208,169,664
Notional amount of derivative financial instruments	-	-	81,979,199	116,642,307	159,045,075	37,139,964	-	394,806,545

(i) Financial investments comprise financial investments measured at FVTPL, financial investments measured at amortised cost, financial investments measured at FVOCI, and financial investments designated at FVOCI.

**(b) Contractual undiscounted cash flow analysis**

The following tables provide an analysis of the contractual undiscounted cash flow of the financial liabilities of the Group at each balance sheet date. The Group's actual cash flows on these instruments may vary significantly from this analysis.

*The Group*

	31 December 2023								
	Carrying amount	Undiscounted cash flow	Indefinite	Overdue/repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years
Non-derivative financial liabilities									
Borrowings from central bank	222,190,940	225,449,441	-	-	15,260,736	18,153,601	192,035,104	-	-
Deposits and placements from banks and other financial institutions	444,791,328	448,883,061	-	40,459,105	71,782,013	116,246,045	218,336,132	2,059,766	-
Financial liabilities held for trading	7,903,526	7,903,526	7,314,507	589,019	-	-	-	-	-
Financial assets sold under repurchase agreements	94,327,246	94,454,653	-	-	88,482,801	3,557,342	2,414,510	-	-
Deposits from customers	1,914,948,437	1,929,456,411	-	552,982,590	211,288,251	228,451,251	347,659,450	589,074,869	-
Debt securities issued	392,410,499	405,314,650	-	-	36,630,000	72,806,450	173,625,600	101,416,600	20,836,000
Other financial liabilities	43,819,997	43,964,631	-	32,411,091	1,208,455	1,900,071	6,345,076	1,270,386	829,552
Total non-derivative liabilities	3,120,391,973	3,155,426,373	7,314,507	626,441,805	424,652,256	441,114,760	940,415,872	693,821,621	21,665,552
Derivative financial instruments									
Derivative financial instruments settled on gross basis of which		640,802	-	-	372,084	173,805	175,934	(81,021)	-
- Total inflow		207,605,301	-	-	87,572,096	26,697,036	86,171,379	7,164,790	-
- Total outflow		(206,964,499)	-	-	(87,200,012)	(26,523,231)	(85,995,445)	(7,245,811)	-
Derivative financial instruments settled on net basis		(547,564)	-	-	(109,533)	(219,506)	(207,179)	(11,334)	(12)
Total derivative financial instruments		93,238	-	-	262,551	(45,701)	(31,245)	(92,355)	(12)
Credit commitments		512,485,080	-	74,014,758	91,907,970	130,126,704	139,995,618	73,014,034	3,425,996

	31 December 2022								
	Carrying amount	Undiscounted cash flow	Indefinite	Overdue/repayable on demand	Within 1 month	Between 1 month and 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years
Non-derivative financial liabilities									
Borrowings from central bank	186,674,842	189,121,968	-	-	15,177,105	10,508,420	163,436,443	-	-
Deposits and placements from banks and other financial institutions	298,131,325	302,444,102	-	42,089,657	36,346,303	47,312,997	176,695,145	-	-
Financial liabilities held for trading	9,072,932	9,072,932	9,032,456	40,476	-	-	-	-	-
Financial assets sold under repurchase agreements	93,277,079	93,433,079	-	-	84,559,895	5,374,303	3,498,881	-	-
Deposits from customers	1,658,677,652	1,673,468,829	-	495,881,367	193,285,732	147,504,813	394,047,893	442,749,024	-
Debt securities issued	478,305,197	494,945,293	-	-	22,980,000	41,856,430	329,149,000	79,287,863	21,672,000
Other financial liabilities	16,914,007	17,020,607	-	7,372,585	353,555	1,467,145	6,364,776	875,279	587,267
Total non-derivative liabilities	2,741,053,034	2,779,506,810	9,032,456	545,384,085	352,702,590	254,024,108	1,073,192,138	522,912,166	22,259,267
Derivative financial instruments									
Derivative financial instruments settled on gross basis of which		(109,937)	-	-	22,579	(37,956)	(117,957)	23,397	-
- Total inflow		54,319,685	-	-	15,225,181	10,602,643	20,699,953	7,791,908	-
- Total outflow		(54,429,622)	-	-	(15,202,602)	(10,640,599)	(20,817,910)	(7,768,511)	-
Derivative financial instruments settled on net basis		14,308	-	-	180,932	(168,417)	(1,915)	3,708	-
Total derivative financial instruments		(95,629)	-	-	203,511	(206,373)	(119,872)	27,105	-
Credit commitments		492,183,912	-	53,011,845	83,247,897	85,738,850	197,703,729	57,679,379	14,802,212



#### (4) Operational risk

Operational risk refers to the risk of loss caused by incomplete or problematic internal procedures, employees and information technology systems, and external events. Including legal risks but not tactical risks and reputational risks.

The Group established an operational risk governance structure composed of the Board of Directors and its Risk Management Committee, Senior Management and its Internal Control and Risk Management Committee. The Risk Management Department is responsible managing the Bank's operational risk.

The Group identifies, assesses, monitors and controls operational risks by setting up a risk management team with full-time and part-time professionals, adopting a top-down reporting approach and establishing a feedback system on risk events. The operational risk management system includes the following areas:

- enhance risk prevention and improve management system;
- applied three major tools of operational risk to streamline business and management processes. The Group conducts Control Self-Assessment ( RCSA ) on operational risk, and use Governance, Risk and Compliance system ( GRC ) to monitor key risk indicators, collect loss data, and identify defects;
- adopts early warning monitoring platform to strengthen automated monitoring of operational risk ;
- and clarifies functions and responsibilities
- implement the "Intensify Internal Control, Check for Missing and Missing Leakage" Activities, conduct internal training, risk assessment, internal inspection and employee behaviour investigation;
- identify risks and implement supervision on rectification. The Group implement specific self-examination and comprehensive examination and rolling inspection on each business line to identify risks. The Group also establishes supervision mechanism to develop rectification plan for the identified problems; and
- Implement staff shift and mandatory leave policy.

### 11. Fair value of financial instruments

#### (1) Fair value measurement

##### (a) Fair value hierarchy

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring basis. As at 31 December 2022, the Group's assets and liabilities which are measured at fair value on a recurring basis were not significant. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments, measured at fair value at the balance sheet day by the level in the fair value hierarchy into which the fair value measurement is categorised:

*The Group*

	31 December 2023			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Assets				
Derivative financial assets	-	2,667,228	-	2,667,228
Loans and advance	-	152,093,336	13,822,608	165,915,944
Financial investments measured at FVTPL				
- Fund investments	174,092,663	73,904,343	-	247,997,006
- Debt instruments	-	129,842,129	-	129,842,129
- Wealth management product investments	2,826,076	702,740	-	3,528,816
- Asset management and trust fund	-	-	2,545,782	2,545,782
- Asset-backed securities	-	4,972,779	-	4,972,779
- Equity investments	241,486	-	111,708	353,194
- Other investments	-	31,940,244	-	31,940,244
Financial investments measured at FVOCI				
- Debt instruments	-	246,792,504	312,505	247,105,009
- Asset-backed securities	-	1,962,342	-	1,962,342
- Other investments	-	5,600,935	-	5,600,935
Financial investments designated at FVOCI				
- Equity investments	-	-	195,737	195,737
Total assets measured at fair value on a recurring basis	177,160,225	650,478,580	16,988,340	844,627,145
Liabilities				
Derivative financial liabilities	-	2,573,990	-	2,573,990
Financial liabilities held for trading	3,118,226	4,785,300	-	7,903,526
Total liabilities measured at fair value on a recurring basis	3,118,226	7,359,290	-	10,477,516

	31 December 2022			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Assets				
Derivative financial assets	-	1,705,761	3,219	1,708,980
Loans and advance	-	150,673,552	13,548,162	164,221,714
Financial investments measured at FVTPL				
- Fund investments	119,214,495	76,665,625	-	195,880,120
- Debt instruments	-	113,677,522	-	113,677,522
- Wealth management product investments	29,137	2,003,015	20,992,246	23,024,398
- Asset management and trust fund	-	-	10,814,947	10,814,947
- Asset-backed securities	-	4,531,313	-	4,531,313
- Equity investments	238,952	-	99,204	338,156
- Other investments	-	29,304,826	-	29,304,826
Financial investments measured at FVOCI				
- Debt instruments	-	152,167,348	316,646	152,483,994
- Asset-backed securities	-	6,267,183	-	6,267,183
Financial investments designated at FVOCI				
- Equity investments	-	-	224,024	224,024
Total assets measured at fair value on a recurring basis	119,482,584	535,588,318	47,406,275	702,477,177
Liabilities				
Derivative financial liabilities	-	1,804,609	-	1,804,609
Financial liabilities held for trading	3,998,718	5,074,214	-	9,072,932
Total liabilities measured at fair value on a recurring basis	3,998,718	6,878,823	-	10,877,541

#### (b) Level 1 fair value measurement

If there is a reliable active market quote (such as an authorised stock exchange or active open-end fund manager), the closing price of the last trading day prior to the balance sheet date is used as fair value.

#### (c) Level 2 fair value measurement

The financial instruments of the Group belonging to the second level of fair value measurement mainly include debt investments, bill discounting, Investment funds financial products and derivative financial instruments.

The fair value of discounted bonds based on the quotation of the relevant securities settlement agency or exchange valuation system. The relevant quotation agencies adopted observable input values reflecting market conditions in the process of forming quotations. The fair value of discounted bills is determined by discounted cash flow model, key parameters applied in discounted cash flow model involved relevant yield curve. The relevant yield curve adopted observable input values reflecting market conditions in the process of forming quotations. The fair value of investment funds and financial products shall be determined according to the net share value announced by the manager. Relevant institutions have adopted observable inputs reflecting market conditions in the valuation process.

The fair value of foreign exchange forwards and swaps, currency interest rate swaps, interest rate swaps, and commodity forward and swap included in the derivative financial instruments is determined by discounting the expected receivable and payable of future contracts and calculating the net present value of the contracts. The discount rate used is the market rate curve of respective currency. System quotations provided by market are used for exchange rates and commodity prices. These interest rate curves and quotations are observable input values that reflect market conditions.

#### (d) Level 3 fair value measurement

The Group has developed relevant procedures to determine the appropriate valuation techniques and inputs for level 3 fair value measurement on a recurring basis, and regularly reviews the appropriateness of the relevant procedures and determination of the fair value.

Quantitative information of level 3 fair value measurement is as follows:

	Fair value at 31 December 2023	Valuations technique	Unobservable inputs	Range/value
Bill discounting	13,822,608	Discounted cash flow method	Risk-adjusted discount rate	[0.41%, 1.47%]
Fixed term Asset management plan and trust fund	1,753,945	Discounted cash flow method	Risk-adjusted discount rate	[4.60%, 5.94%]
Active Asset management plan and trust fund	791,837	Refer to trading market laws	Not Applicable	Not Applicable
Debt instruments	312,505	Cost Method	Not Applicable	Not Applicable
Unlisted equity investments	307,445	Guideline listed Company Method	Liquidity discount	20%
Total	16,988,340			

	Fair value at 31 December 2022	Valuations technique	Unobservable inputs	Range/value
Net worth Wealth management products	20,992,246	Refer to trading market laws	Not Applicable	Not Applicable
Bill discounting	13,548,162	Discounted cash flow method	Risk-adjusted discount rate	[0.44%, 1.15%]
Active Asset management plan and trust fund	7,104,715	Refer to trading market laws	Not Applicable	Not Applicable
Fixed term Asset management plan and trust fund	3,710,232	Discounted cash flow method	Risk-adjusted discount rate	[4.30%, 5.94%]
Unlisted equity investments	323,228	Guideline listed Company Method	Liquidity discount	20%
Debt instruments	316,646	Cost Method	Risk-adjusted discount rate	Not Applicable
Over-the-counter total return swap	3,219	Discounted cash flow method	Risk-adjusted discount rate	[1.70%, 2.10%]
Total	45,998,448			

Valuation of the Group's expected return wealth management products, asset management plan and trust plan, bill discounting, and Over-the-counter total return swap uses a technique that employs unobservable market data, and the valuation model used is discounted cash flow model. The unobservable assumptions used by the model includes risk-adjusted discount rate.

The fair value of unlisted investments in equity instruments were determined by the net market ratio of comparable listed companies

with the adjustments for liquidity discount. The liquidity discount in the above model was adjusted to an unobservable input value.

The fair value of net worth wealth management products, some asset management plans and trust plans invested or held by the Group is determined by referring to the recent market method.

As at December 31, 2023 and December 31, 2022, replacing the original unobservable inputs in the model with other reasonable non-observable inputs has no significant impact on fair value measurement results.

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

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

*The Group*

2023

	As at January 2023	Total gains and losses during the year		Additions and settlements		As at December 2023	For asset held and liabilities at the end of the year, unrealized gains or losses recognised in profit or loss
		Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
Assets							
Derivative financial assets							
- Interest rate derivative instruments	3,219	-	-	-	(3,219)	-	-
Loans and advance							
- Bill Discounting	13,548,162	328,814	(12,855)	609,874,220	(609,915,733)	13,822,608	-
Financial investments measured at FVTPL							
- Wealth management product investments	20,992,246	218,484	-	-	(21,210,730)	-	-
- Asset management and trust fund	10,814,947	735,085	-	25,400,000	(34,404,250)	2,545,782	(219,910)
- Equity investments	99,204	12,504	-	-	-	111,708	12,504
Other financial investments measured at amortised cost							
- Debt investment	316,646	9,249	-	-	(13,390)	312,505	9,249
Financial investments designated at FVOCI							
-Equity investments	224,024	-	(28,287)	-	-	195,737	-
Total	45,998,448	1,304,136	(41,142)	635,274,220	(665,547,322)	16,988,340	(198,157)

2022

	As at January 2022	Total gains and losses during the year		Additions and settlements		As at December 2022	For asset held and liabilities at the end of the year, unrealized gains or losses recognised in profit or loss
		Recognised in profit or loss	Recognised in other comprehensive income	Additions	Settlement		
Assets							
Derivative financial assets							
- Interest rate derivative instruments	22,349	(3,713)	-	-	(15,417)	3,219	(3,713)
Loans and advance							
- Bill Discounting	359,542	91,782	15,888	19,447,575	(6,366,625)	13,548,162	-
Financial investments measured at FVTPL							
- Wealth management product investments	26,452,880	683,625	-	14,190,000	(20,291,275)	20,992,246	337,490
- Asset management and trust fund	986,353	860,828	-	63,860,000	(54,892,234)	10,814,947	2,947
- Equity investments	108,436	(7,431)	-	-	(1,801)	99,204	(9,231)
Other financial investments measured at amortised cost							
- Debt investment	486,242	-	-	-	(169,596)	316,646	-
Financial investments designated at FVOCI							
-Equity investments	216,938	-	7,086	-	-	224,024	-
Total	28,632,740	1,582,107	22,974	97,497,575	(81,736,948)	45,998,448	327,493

Details of the above gains or losses charged to profit or loss recognised by the Group in 2023 and 2022 are as follows:

	2023	2022
Realised gains or losses recognised in profit or loss during the year		
- Interest income	270,642	91,782
- investment income	1,231,651	1,162,832
Unrealised gains or losses recognised in profit or loss during the year		
- Net losses on changes in fair value	(198,157)	327,493
Gains or losses recognised in other comprehensive income		
- Changes in fair value of loans and advances to customers measured at FVOCI	(12,855)	15,888
- Changes in fair value of financial investments designated at FVOCI	(28,287)	7,086

Analysis of level 3 fair value measurement items on a recurring basis and sensitivity of unobservable inputs is as follows:

The fair value of the Group's Expected return wealth management products, asset management plan and trust plan, bill discounting, and total return rate swap is determined by discounting the expected cash flow related to the above assets by using the risk-adjusted discount rate. The discount rate used has been adjusted to the counterparties' credit risks and other factors. Fair value measurement and risk-adjusted discount rate are negatively correlated.

The fair value of the Group's unlisted equity instruments investment is determined using the price/earning ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability

#### (2) Change of items measured at fair value between different levels

During the reporting period, the Group's assets and liabilities measured at fair value have not been changed between different levels.

#### (3) Change of valuation techniques and the reasons

During the reporting period, valuation techniques used by the Group for fair value measurement were not changed.

#### (4) Fair value of financial assets and liabilities not measured at fair value

In addition to the following items, there was no significant difference between the carrying amount and the fair value of the Group's other financial assets and liabilities as at 31 December 2023 and 31 December 2022.

	31 December 2023			
	Level 2	Level 3	Fair value	Carrying amount
Financial assets				
Financial investments measured at amortised cost	511,463,341	48,627,103	560,090,444	553,004,126
Financial liabilities				
Debt securities issued	392,976,856	-	392,976,856	392,410,499

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

For the above financial assets and liabilities not measured at fair value, the Group mainly used the following methods to determine their fair value:

(a) Fair value of debt instruments in financial instruments measured at amortised cost, asset-backed securities, negotiable certificate of deposits and debt securities issued are determined based on the quotes provided by the valuation system of securities clearing institutions. Observable inputs that reflect market conditions are used by quotation institutions when preparing the quotation.

(b) There is no quotation for asset management plans and trust plans in financial investments measured at amortised cost. As a result, the Group estimates the fair value of these financial investments by applying the discounted cash flow method. The discount

rate used is the yield curve adjusted to the credit risk of these financial investments at the end of reporting year.

## 12. Related party relationships and transactions

### (1) Changes in the shareholding percentage of the Group's substantial shareholders in the reporting period

Company name	Note	31 December 2023	31 December 2022
Jiangsu Phoenix Publishing & Media Group Corporation Limited ("Phoenix Group")		6.93%	8.11%
Jiangsu International Trust Corporation Limited ("Jiangsu Trust")		6.58%	8.17%
Huatai Securities Co., Ltd ("Huatai Securities")		5.03%	5.88%
Jiangsu Ninghu Expressway Co., Ltd	i	3.93%	4.88%
Wuxi Construction and Development Investment Co., Ltd.		3.87%	4.81%
Jiangsu Broadcasting Corporation		3.00%	3.06%
Suzhou International Development Group Co., Ltd.		1.91%	2.38%
Nantong State-owned Assets Investment Holding Co., Ltd		1.22%	1.51%
Zhenjiang State Owned Investment Holding Group Co., Ltd.		0.72%	0.89%
Yangzhou Modern Financial Investment Group Co., Ltd.	ii	0.42%	0.52%

In addition to the main shareholders identified in accordance with the CAS and the Administrative Measures on Information Disclosure by Listed Companies, the above companies also include the main shareholders identified in accordance with the relevant requirements in the Provisional Measures on Administration of Equities of Commercial Banks.

According to the relevant requirements in the Provisional Measures on Administration of Equities of Commercial Banks, the main shareholders of commercial banks are those who hold or control more than 5% of the shares or voting rights of commercial banks, or hold less than 5% of the total capital or shares but have significant impact on the operation and management of commercial banks. Important impacts include, but are not limited to, the appointment of directors, supervisors or senior managers to commercial banks to influence the financial and operational management decisions through agreements or other means.

i. Mr. Dai Qian, a director accredited to the bank by Jiangsu Ninghu Expressway Co., Ltd., resigned on August 30, 2023.

ii. Mr. Xiang Rong, a supervisor assigned to the bank by Yangzhou Modern Financial Investment Group Co., Ltd., ceased to hold the position of supervisor due to the change of office in October 2023.



## (2) Transactions with related parties

The significant transaction amounts with related parties and significant balances of transactions with related parties and significant off-balance items as at the balance sheet date:

	<i>Jiangsul Trust and its subsidiaries</i>	<i>Phoenix Group and its subsidiaries</i>	<i>Huatai Securities and its subsidiaries</i>	<i>Company of the key management personnel (Note i) (excluding the above shareholders)</i>	<i>Others</i>	<i>Total</i>	<i>Percentage of associated transaction amount /balances</i>
Significant transactions amount in 2023:							
Interest income	5,190	-	22,954	377,500	10,015	415,659	0.33%
Interest expense	(5,237)	(43,187)	(24,075)	(233,548)	(7,417)	(313,464)	0.43%
Fee and commission income	86	75	415	26,204	15	26,795	0.43%
Fee and commission expense	-	-	-	-	(1)	(1)	0.01%
Investment income	-	-	-	22,207	-	22,207	0.18%
Net gains on changes of fair value	-	-	8,408	68,733	-	77,141	2.02%
General and administrative expenses	-	(170)	-	(5,338)	-	(5,508)	0.03%
Issuance expenses paid	-	-	(398)	-	-	(398)	Not applicable
The balances of transactions with related parties as at 31 December 2023							
Deposits with banks and other financial institutions	-	-	-	1,282,275	-	1,282,275	3.47%
Placement with banks and other financial institutes	826,400	-	1,000,270	533,736	-	2,360,406	2.42%
Derivative financial assets	-	-	10,785	45,627	-	56,412	2.12%
Financial assets held under resale agreements	60,262	-	48,051	15,920,027	240,213	16,268,553	0.93%
Loans and advances to customers	-	-	-	2,977,636	-	2,977,636	0.71%
Financial investments measured at fair value through profit or loss	-	-	-	795,967	-	795,967	0.14%
Financial investments measured at amortised cost	-	-	240,734	3,189,276	-	3,430,010	1.35%
Financial investments measured at fair value through other	-	-	-	-	186	186	0.01%
Deposits from banks and other financial institutions	-	(809)	(1,241,895)	(1,481,309)	-	(2,724,013)	0.93%
Borrowings from banks and other financial institutions	-	(251,332)	-	(4,647,758)	-	(4,899,090)	3.24%
Derivative financial liabilities	-	-	(6,211)	(16,089)	-	(22,300)	0.87%
Deposits from customers	(45,019)	(1,137,934)	(49,426)	(10,154,424)	(597,660)	(11,984,463)	0.63%
Significant off-balance sheet items as at 31 December 2023							
Loan commitment	-	-	-	2,079,000	-	2,079,000	3.42%
Credit card commitments	-	-	-	-	113,487	113,487	0.19%
Bank acceptances	2,378	13,864	-	208,556	-	224,798	0.08%
Letter of guarantee	-	-	-	1,571,972	-	1,571,972	3.63%
Letters of credit	37,136	-	-	50,463	-	87,599	0.17%
Entrusted loans	-	-	-	64,000	-	64,000	0.12%
Credit line	926,176	13,864	1,289,055	27,326,613	353,886	29,909,594	Not applicable

	<i>Jiangsul Trust and its subsidiaries</i>	<i>Phoenix Group and its subsidiaries</i>	<i>Huatai Securities and its subsidiaries</i>	<i>Company of the key management personnel (Note i) (excluding the above shareholders)</i>	<i>Others</i>	<i>Total</i>	<i>Percentage of associated transaction amount /balances</i>
Significant transactions amount in 2022:							
Interest income	15,414	-	22,358	388,507	10,644	436,923	0.38%
Interest expense	(2,875)	(80,785)	(10,605)	(258,830)	(6,007)	(359,102)	0.57%
Fee and commission income	111	74	1	3,379	10	3,575	0.05%
Fee and commission expense	-	-	(1)	-	-	(1)	0.01%
Investment income	-	-	-	14,599	-	14,599	0.14%
Net gains on changes of fair value	-	-	(4,826)	(25,542)	-	(30,368)	(20.45%)
General and administrative expenses	-	(956)	-	(14,991)	-	(15,947)	0.09%
Issuance expenses paid	-	-	(548)	-	-	(548)	Not applicable

	<i>Jiangsul Trust and its subsidiaries</i>	<i>Phoenix Group and its subsidiaries</i>	<i>Huatai Securities and its subsidiaries</i>	<i>Company of the key management personnel (Note i) (excluding the above shareholders)</i>	<i>Others</i>	<i>Total</i>	<i>Percentage of associated transaction amount /balances</i>
The balances of transactions with related parties as at 31 December 2022:							
Deposits with banks and other financial institutions	-	-	-	1,602,684	-	1,602,684	3.63%
Placement with banks and other financial institutes	300,107	-	500,143	2,303,129	-	3,103,379	4.41%
Derivative financial assets	-	-	-	2,018	-	2,018	0.12%
Financial assets held under resale agreements	-	-	-	250,216	-	250,216	5.41%
Loans and advances to customers	10,013	-	-	10,988,899	247,985	11,246,897	0.70%
Financial investments measured at fair value through profit or loss	-	-	-	2,993,787	-	2,993,787	0.79%
Financial investments measured at amortised cost	342,053	-	-	664,607	-	1,006,660	0.19%
Financial investments measured at fair value through other	-	-	230,406	1,574,184	-	1,804,590	1.14%
Deposits from banks and other financial institutions	(8,985)	(8)	(1,709,239)	(7,296,039)	-	(9,014,271)	4.60%
Borrowings from banks and other financial institutions	-	-	-	(1,009,778)	-	(1,009,778)	0.99%
Derivative financial liabilities	-	-	-	(8,408)	-	(8,408)	0.47%
Deposits from customers	(3,540)	(1,117,440)	(146,762)	(6,198,467)	(430,815)	(7,897,024)	0.48%

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

The above-mentioned transactions with related parties are conducted in accordance with general business terms and normal business procedures, and the pricing principles are consistent with independent third-party transactions.





### (3) Transactions with its key management personnel

Remuneration of key management personnel:

	2023	2022
Payment for remuneration of key management personnel	27,798	25,018

The group's key management personnel refers to those personnel who have the authority and responsibilities for planning, directing or controlling the Group's activities directly or indirectly, including the board of directors, supervisors and senior management. The group conduct normal banking transactions with these key management personnel during the ordinary business. The transactions and balance between the group and key management personnel are not significant for the year ended 31 December 2023 and 2022.

### (4) Transactions with subsidiaries

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

	2023	2022
Interest income	468,015	357,019
Interest expense	(13,000)	(8,457)
Fee and commission income	2,002	5,835
Other operating incomes	4,119	4,119
Investment income	-	108
Net gains from changes in fair value	-	13

Significant balances with subsidiaries during the reporting period:

	31 December 2023	31 December 2022
Deposits with banks and other financial institutions	-	105,279
Placements with banks and other financial institutions	16,821,682	13,770,452
Loans and advances to customers	-	456,337
Debt investments	308,497	305,760
Other assets	2,586	1,608
Deposits from banks and other financial institutions	(4,547,687)	(1,511,315)
Deposits from customers	(681)	(1,329)
Derivative financial liabilities	(18,558)	-

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

	31 December 2023	31 December 2022
Letters of credit	858,000	2,060,000

All intra-group transactions and balances are written off when the financial statements is consolidated.

### (5) Transactions with annuity plan

In addition to contributions to the Group's annuity fund, no related party transactions have been made during the reporting period.

### (6) Significant transactions with related parties

In 2023, there was no significant related party transactions between the Bank and related parties (2022: Nil).

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

## 13. Capital management

The Group's capital management includes capital adequacy ratio management, capital financing management and economic capital

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

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

#### Capital allocation

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

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

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

#### The Group

	31 December 2023	31 December 2022
Constituent parts of capital		
Core tier one capital:		
- Share capital	18,351,324	14,769,657
- Capital reserve which may be included	47,905,210	27,699,781
- Surplus reserve	31,179,082	26,519,192
- General risk reserve	47,031,435	42,027,725
- Retained earnings	63,799,394	53,859,863
- The portion of minority shareholders' capital which may be included	3,960,793	3,612,667
- Others	2,168,785	3,781,754
Total core tier one capital	214,396,023	172,270,639
Adjustments:		
- Other intangible assets excluding right to use land (deferred tax liabilities deducted)	(51,567)	(75,027)
- Deductible amount in deferred tax assets that rely on future profitability	-	(423,213)
Total adjustments	(51,567)	(498,240)
Net core tier one capital	214,344,456	171,772,399
Other tier one capital		
- Other tier one capital instruments	39,974,758	39,974,758
- The portion of minority shareholders' capital which may be included	601,439	481,689
Total other tier one capital	40,576,197	40,456,447
Net tier one capital	254,920,653	212,228,846
Tier two capital:		
- Tier two capital instruments and their premium	20,000,000	20,000,000
- Extra loan impairment provision	25,423,553	22,044,107
- The portion of minority shareholders' capital which may be included	1,202,878	963,378
Net tier two capital	46,626,431	43,007,485
Net capital	301,547,084	255,236,331

#### 14. Subsequent events

The profit appropriation plan for the year ended 31 December 2023 was approved by the Bank's Board of Directors on 25-04-2024 and submitted for approval at the shareholders' meeting.

#### 15. Comparative figures

Certain comparative figures have been reclassified to meet the presentation requirement for the year.

## Bank of Jiangsu Company Limited

### Supplemental information to the financial statements

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

#### 1. Non-recurring gain or loss

The Group's non-recurring gain or loss is as follows in accordance with the disclosure requirement of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.1: Non-recurring Gain or Loss" as revised by the China Securities Regulatory Commission ("CSRC", revised 2023).

	Note	2023	2022
Gains on disposal of non-current assets		19,433	69,266
Government grants		752,386	568,228
Other losses meeting the definition of non-recurring gain or loss		(58,540)	(45,184)
Net non-recurring gain	(i)	713,279	592,310
Tax impact on the above items		(187,292)	(159,952)
Total		525,987	432,358
Including:			
Non-recurring gain or loss attributable to shareholders of the Bank		505,601	428,537
Non-recurring gain or loss attributable to non-controlling interests		20,386	3,821

(i) According to the disclosure requirement of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.1: Non-recurring Gain or Loss" as revised by the China Securities Regulatory Commission ("CSRC", revised 2023), non recurring gains and losses refer to the gains and losses arising from transactions and events that are not directly related to the normal business of the company, and that are related to normal business, but due to their special nature and happenstance, affect the user of the statement to make a correct judgment on the operating performance and profitability of the company. The above non-recurring gain or loss is accounted as gains from asset disposals, other income, non-operating income and non-operating expenses.

Gains or losses on the financial assets which the Group entrusted to others for investing or management, reversal of financial investments credit loss provision, possession and disposal of financial investments measured at FVTPL and financial investments measured at FVOCI and custodian fee income received as trustee are not presented as extraordinary gains and losses because the above gains and losses are generated from normal operation.

#### 2. Return on equity and earnings per share

The Group's return on equity ("ROE") and earnings per share ("EPS") are as follows in accordance with the disclosure requirement of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9: Return on Equity and Earnings per Share" as revised by the CSRC in 2010 and relevant accounting standards.

	Weighted average ROE (%)		Basic EPS		Diluted EPS	
	2023	2022	2023	2022	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Bank	14.52	14.79	1.69	1.60	1.52	1.36
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	14.25	14.52	1.66	1.57	1.49	1.34

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

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

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

#### (b) Basic earnings per share deducted by non-recurring gain or loss

The basic earnings per share after deducting non-recurring gain or loss of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank after deducting non-recurring gain or loss by the weighted average number of ordinary shares outstanding.

##### The Group

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Bank	27,218,352	23,585,993
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(505,601)	(428,537)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	26,712,751	23,157,456
Weighted average issued ordinary shares (in thousands)	16,126,853	14,769,642
Basic earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.66	1.57

#### (c) Diluted earnings per share

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

#### (d) Diluted earnings per share deducted by non-recurring gain or loss

The diluted earnings per share after deducting non-recurring gain or loss of the Group is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Bank (diluted) after deducting non-recurring gain or loss by the weighted average number of ordinary shares outstanding (diluted).

##### The Group

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Bank (diluted)	27,760,521	24,440,003
Non-recurring gain or loss attributable to ordinary shareholders of the Bank	(505,601)	(428,537)
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss(diluted)	27,254,920	24,011,466
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	18,243,339	17,909,224
Diluted earnings per share deducted by non-recurring gain or loss (in RMB Yuan)	1.49	1.34

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

#### (a) Return on weighted average equity

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

##### The Group

	Note	2023	2022
Consolidated net profit attributable to shareholders of the Bank		27,218,352	23,585,993
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	(i)	187,418,801	159,470,503
Return on weighted average equity		14.52%	14.79%

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

	2023	2022
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the beginning of the year	168,657,972	152,252,320
Effect of consolidated comprehensive income attributable to ordinary shareholders of the Bank	14,196,610	11,156,668
Other effect of attributable to ordinary shareholders of the Bank	4,564,219	(3,938,485)
Weighted average consolidated equity attributable to ordinary shareholders of the Bank at the end of the year	187,418,801	159,470,503

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

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

*The Group*

	2023	2022
Consolidated net profit attributable to ordinary shareholders of the Bank, deducted by non-recurring gain or loss	26,712,751	23,157,456
Weighted average consolidated equity attributable to ordinary shareholders of the Bank	187,418,801	159,470,503
Return on weighted average equity deducted by non-recurring gain or loss	14.25%	14.52%

**3. Disclosure of leverage ratio**

For details of leverage ratio of the Group, refer to the "Investor Relations -- Regulatory Information Disclosure" on the Bank's website ([www.jsbchina.cn](http://www.jsbchina.cn)).

**4. Regulatory capital**

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

	2023	2022
Adequacy ratio of core tier one capital	9.46%	8.79%
Adequacy ratio of tier one capital	11.25%	10.87%
Capital adequacy ratio	13.31%	13.07%
Net core tier one capital	214,344,456	171,772,399
Net tier one capital	254,920,653	212,228,846
Net capital	301,547,084	255,236,331
Total risk weighted assets	2,266,040,689	1,953,237,519



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