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# BANK OF JIANGSU

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## Important Notice

- I. Board of Directors, Board of Supervisors as well as directors, supervisors and senior administrative officers of the Company warrant that there are no false representations or misleading statements contained in this report, and severally and jointly take responsibility for authenticity, accuracy and completeness of the information contained in this report.
- II. The report was deliberated and approved in the 19th board meeting of the Third Board of Directors on February 1, 2016.
- III. Except otherwise noted, financial data and indexes set forth in the Annual Report are consolidated financial data of Bank of Jiangsu Co., Ltd., its subsidiary corporation Jiangsu Danyang Baode Rural Bank Co., Ltd. and Suxing Financial Leasing Co., Ltd.
- IV. Annual financial report of the Company was audited by BDO China Shu Lun Pan Certified Accountants LLP, and the auditor issued an unqualified opinion.
- V. Xia Ping, legal representative of the Company, Ji Ming, person in charge of accounting work, and Luo Feng, director of the accounting unit, warrant the authenticity, accuracy and integrality of the financial report in the Annual Report.

### Signatures of directors:

Xia Ping 	Ji Ming 	Zhu Qilon 
Gu Xian 	Hu Jun 	Wang Weihong 
Jiang Jian 	Tang Jinsong 	Shen Bin 
Du Wenyi 	Gu Yingli 	Liu Yuhui 
Yan Yan 	Yu Chen 	Yang Tingfang 

## Message from the Chairman

In 2015, on facing the “New Normal” of economy and finance, Bank of Jiangsu has deepened strategy transformation, promoted service innovation and provided vigorous support to real economy development under leadership of the provincial Party Committee and Government as well as guidance and assistance from the People’s Bank of China and government regulator. By the end of 2015, the total assets of the Bank had reached RMB1,290.3 billion, an increase of 24%; the balance of various deposits had reached RMB776.4 billion, an increase of 14%; the balance of various loans had reached RMB561.8 billion, an increase of 15%. In the whole year, the Bank had realized net profit of RMB9,505 million, an increase of 9.26%, with all supervision indexes retained steady. The capital adequacy ratio, the liquidity ratio of Renminbi and foreign currency and the provision coverage were 11.54%, 57.35% and 192.06% respectively. As ranked by a UK magazine *The Banker*, the Bank of Jiangsu took the 136th position among all banks in the world, increased by 17 over the previous year. Moreover, the Bank was rated as “Advanced banking institution in financial service for small and medium-sized enterprises in China” by China Banking Regulatory Commission (CBRC) and won the title of “The most competitive small/medium bank in 2015” granted by *Financial Times*.

In the past year, we carefully fulfilled the supervision requirements, positively improved the corporate governance and accelerated the strategy transformation, making breakthrough in key areas and showing brilliant and varied highlights. Moreover, the Bank had passed the IPO issuance examination. Suxing Financial Leasing Co., Ltd. formally started business. The Bank was approved for carrying out business in Free Trade Zone. The separate accounting business unit of Shanghai Free Trade Zone passed inspection of the People’s Bank of China, providing new platform for cross-border financial business. Successively getting the business qualifications of large-denomination certificates of deposit, third-party depository business and insurance funds trusteeship, the Bank had been continuously improving its service innovation ability. The headquarter building was put into use. Besides, we also made available and campaigned on the nation-wide service hotline 95319, officially offered the private bank service and reformed consumer finance and credit card businesses, and so that the operation supporting competence was greatly improved. The Bank strengthened the teamwork spirit and corporate culture construction, promoted working style change and efficiency improvement and ceaselessly enhanced the cohesive force and ability of the team. The enterprise culture was updated to the core value of “integrated innovation, pragmatic responsibility and lean for growth” to speed up improvement of the culture soft power of the whole bank.

Looking back at the year of 2015, we continued optimizing asset structure, strengthened product

and service innovation, made great efforts to risk prevention and control, promoted endogenous growth, improved service efficiency and made outstanding achievements. The Bank took the lead in offering the online loan product “Shui e Rong”, creating a new mode for providing batched online service to small and micro businesses. The balance of loan to SMEs was RMB226.5 billion, an increase of 20.9%. The Bank had achieved the goal of “three no less than” (the growth of agriculture-related loans shall be no less than the previous year, the increase rate of agriculture-related loans shall be no less than that of other loans and the proportion of agriculture-related loans shall be no less than the goal defined in the previous year). For SMEs loan less than RMB 5 million per customer, the Bank continuously occupied the largest market share compared to other banks who offered the same product in Jiangsu Province. The financial loan for science and technology increase by 31.42% over the beginning of the year; wherein, through “Jiangsu loan for science and technology”, the Bank accumulatively provided RMB 11 billion for 2,200 scientific and technological enterprises, the first ranking in market place of Jiangsu Province. The balance of agriculture-related loan reached RMB 117.8 billion. The numbers of online and mobile banking customers both exceeded 2 million. The managed assets of online banking exceeded RMB 16 billion with asset size ranking the first among city commercial banks; the number of customer of mobile banking took the first place among all city commercial banks in China. Besides reform in performance assessment, treasury management, internal asset transfer pricing, profitability analysis and other mechanisms, the Bank also enhanced FTP system operation and introduced management tools like ERP, improving management capability. The Bank had built the “Financial innovation bank” data platform, independently developed and put into production the “Search e-finance” big data analysis cloud platform, cooperated with Nanjing University in building big data work station and established sound application system for risk early warning and operation risk monitoring, etc.

For the support and help provided by the Party and government leadership at all levels, enterprise & public institution as well as shareholders and customers in the past year, I hereby, on behalf of Bank of Jiangsu, express our sincere thanks and gratitude to all!

In 2016, the international and domestic environments are still complex and fast changing. The world economy is recovering slowly, while the domestic economy is undergoing strategic adjustment in development module and structure. We will carefully carry out the spirit of the central and provincial economic working conference, firmly follow the development concepts of innovation, harmony, green, open and sharing, stick to the overall basis of seeking improvement in stability, strive to make new progress in transformation development, and speed up the pace in building “characteristic, intelligent, comprehensive and international” leading commercial bank!

Chairman of Bank of Jiangsu:





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## Company Profile

## Company Profile

I. Registered name in Chinese: 江苏银行股份有限公司 (i.e. “Bank of Jiangsu”, hereinafter referred to as “the Company” or “our Company” )

Registered name in English: BANK OF JIANGSU CO., LTD.

II. Legal representative: Xia Ping

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

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

IV. Registered address and office address: No. 26, Zhonghua Road, Nanjing, Jiangsu, China.

Post Code: 210001

V. Other related information

First registration date: January 22, 2007

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

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

Unified social credit code: 91320000796544598E

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

Email: [dshbgs@jsbchina.cn](mailto:dshbgs@jsbchina.cn)

Place of the Annual Report issue: The Company’s Office of Board of Directors

Auditing Firm: BDO China Shu Lun Pan Certified Accountants LLP

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

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

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## Accounting Data and Business Data Summary

### I. Major accounting data and financial indexes in reporting period

Unit: RMB1,000

Item	2015	2014	2013
<b>Assets and liabilities</b>			
Total assets	1,290,333,336	1,038,309,050	763,652,173
Loan and advance issued	561,783,471	488,511,845	411,690,610
Including: Corporate loan and advance	380,058,455	356,950,074	318,957,667
Personal loan and advance	98,098,804	73,896,378	60,038,479
Discount	83,626,212	57,665,393	32,694,464
Loan loss reserves	15,394,136	13,148,296	10,617,343
Total lending funds	5,431,649	8,595,168	6,505,595
Total liabilities	1,224,798,773	982,243,964	715,757,045
Deposit taking	776,428,471	681,297,329	596,553,924
Including: Corporate deposit	462,999,019	403,231,280	365,990,961
Personal deposit	153,157,090	134,542,734	123,808,106
Total inter-bank lending	6,464,588	2,243,325	6,695,748
Shareholders' equity (excluding minority shareholders' equity)	65,155,806	55,935,208	47,763,497
<b>Profits and losses</b>			
Business income	28,047,070	25,325,842	22,325,709
Business profit	12,044,892	11,375,594	10,879,846
Net interest income	23,971,402	22,338,619	19,817,785
Net income in fees and commissions	3,899,399	2,802,284	2,382,976
Investment income	195,544	34,012	22,105
Net amount of non-business income and expense	37,176	39,042	162,380
Total profit	12,082,068	11,414,636	11,042,226
Net profit	9,504,808	8,699,124	8,199,363
Net profit net of non-recurring profits and losses	9,475,907	8,664,752	8,063,566
<b>Cash flow</b>			
Net cash flows from operating activities	148,568,272	175,461,820	47,970,742
Net increase in cash and cash equivalents	-16,506,552	20,578,365	29,230,074
<b>Value per share (RMB/share)</b>			
Basic earnings per share (EPS)	0.91	0.84	0.86
Basic earnings per share net of non-recurring profits and losses (RMB)	0.91	0.83	0.85
Net assets per share	6.27	5.38	4.60
Net cash flows per share from operating activities	14.30	16.89	5.03
Net cash flows per share	-1.59	1.98	3.07
<b>Profitability (%)</b>			
Return on total assets	0.82	0.97	1.16
Net assets income rate	15.63	16.74	19.96
Net assets income rate net of non-recurring gains and losses	15.59	16.66	19.61
Weighted average net assets income rate	15.72	16.76	21.69
Weighted average net assets income rate net of non-recurring gains and losses	15.69	16.71	21.36



## Non-recurring profits and losses and amounts

Unit: RMB1,000

Item	2015	2014	2013
Profits and losses in disposing illiquid assets, including the write-off of allotted asset impairment reserves	33,490	22,567	109,020
Government subsidy included in current profit and loss, excluding that closely related to normal operation business of the Company, complying with national policies and being enjoyed continuously according to certain standard quota.	26,986	25,892	53,396
Non-business income and expense other than above items	-23,300	-9,417	-36
Minus: Influence number of income tax	11,096	13,662	34,972
Influence number of minor shareholders	4,554	5,185	5,472
Influence number of non-recurring profit and loss attributable to the parent company	21,526	20,195	121,936

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

Unit: %

Item	Statistical caliber	Benchmark	2015	2014	2013
Liquidity ratio	RMB		57.15	50.99	40.19
	Foreign currency		71.35	60.49	59.29
	RMB and foreign currency	≥25	57.35	51.34	40.77
Loan-to-deposit ratio	RMB	≤75	73.30	72.14	69.00
	Foreign currency	≤85	35.40	55.62	69.72
	RMB and foreign currency	≤75	72.35	71.30	69.01
Proportion of borrowed funds	Borrowing funds proportion	≤4	0.83	0.33	1.12
	Lending funds proportion	≤8	0.70	1.26	1.09
Proportion of non-performing loan		≤4	1.43	1.30	1.15
Loan concentration ratio of the largest single borrower		≤10	1.62	2.19	2.65
Loan concentration ratio of the largest 10 borrowers		≤50	14.01	15.44	16.64
Provision coverage ratio		≥150	192.06	207.00	224.81
Revenue-cost ratio		≤35	29.37	29.57	32.29

## III. Provision of loan loss reserve in reporting period

Unit: RMB1,000

Item	2015	2014	2013
Balance at the beginning of the period	13,148,296	10,617,343	9,402,705
Provision in current period	5,315,343	4,525,677	2,645,289
Writing-off and disposal in current period	-2,964,846	-1,938,776	-1,330,349
Turning back	-104,657	-55,948	-100,302
Balance at end of the period	15,394,136	13,148,296	10,617,343

## VI. Capital composition and capital adequacy ratio

Based on the requirements of Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) enacted by China Banking Regulatory Commission on January 1, 2013, the tier one core capital adequacy ratio of commercial banks should be no less than 7.5%, tier one capital adequacy ratio no less than 8.5% and capital adequacy ratio no less than 10.5%. The following information is disclosed by the Company regarding the mentioned relevant provisions:

Unit: RMB1,000

Item	2015	2014
Net core tier one capital	65,354,464	55,966,339
Net tier one capital	65,367,865	55,968,208
Tier two capital	22,414,351	21,811,429
Net capital	87,782,216	77,779,637
Risk-weighted asset	760,506,090	638,991,613
Core tier one capital adequacy ratio	8.59%	8.76%
Tier one capital adequacy ratio	8.60%	8.76%
Capital adequacy ratio	11.54%	12.17%



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## Management Discussion and Analysis

### I. Main Business Scope

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

### II. Macro-environment Changes and Influences

The macro economy has entered into the period of the new "five-year plan". In the central and provincial economic work conference, profound analysis and scientific judgment are made on the economic situation. Internationally, the global economy will continue an anemic pace of recovery. Some developed countries, like the United States, become normalized to easy monetary policy, while emerging economies are under pressure of complex and changing external environment. Domestically, China's economy may grow in an "L" type path, while the economy of Jiangsu Province will be further exposed to the downturn pressure. The macro economy will enter a period of easy and frequent occurrence of risks, which exerts impact on the whole banking industry. As a result, the amount of non-performing item has been increased for 17 successive months, and the non-performing loan ratio has been increased for 10 successive months. The newly increased non-performing loans are about 2 times of those in 2014. But at the same time, China entered into the new period of the "13th five-year plan". The central government determined five development concepts of "innovation, harmony, green, open and sharing", defined five tasks of "eliminating excess production capacity, eliminating cash reserve, eliminating lever, lowering cost and making up the deficiencies", proposed five policies of "being stable in macro policies, being accurate in industrial policies, being flexible in micro policies, being realistic in reform policies and taking into account the grass roots for social policies", greatly promoted structural reform at the supply side and improved total productivity. Therefore, the economy is basically under good condition. The regions covered by service provision of the Banks are mostly taking the leading role in reform and opening up. In particular, Jiangsu, with solid economic foundation and strong science and education strength, is the region where a series of important strategies have been implemented, creating important opportunities for transformation development of the banking industry. The financial reform and opening up shows new characteristic of two-way advance. Internally, the financial reform is further strengthened. Private banking and mixed operation obtain progressively more permissions, and limited access is granted to remote account opening, which not only aggravate the market competition but also enlarged the financial innovation space. The market mechanism in

interest, exchange rate and national debt treasury bonds return rate is gradually formed. Autonomy of bank operation is further enhanced. It should be specially emphasized that, as the macro prudential assessment (MPA) system being built, it catalyzes the bank differentiation. As a result, the banking industry will face a period of merge and integration. Externally, as China enters the SDR, the RMB internationalization will be further accelerated. The capital market is opened up in an orderly manner and the Free Trade Zone ceaselessly upgrades the finance, with large scale “going out” and high level “introducing” both existing and showing huge potential in cross-border financial business. The banking industry is expected to enter a new period of global asset allocation. All these require us to speed up the pace in improving business capacity and better adapt to “New Normal” of financial reform and opening up.

### III. Business Performance Review

#### (I) Overall Business Performance of the Company

As the economic growth continuously slowed down, financial reform accelerated and banking operation differentiated, the Bank positively responded to the severe challenges of economic new normal and capital restraint. With value creation as the core, promoting listing as the key and taking reform and innovation as the motive power, the Bank adjusted company structure, created own service and product features, controlled risk and improved the efforts, achieving steady progress in business operation. By the end of 2015, total assets of the Bank had reached RMB1,290.3 billion, an increase of 24%; the balance of various deposits had reached RMB776.4 billion, an increase of 14%; the balance of various loans had reached RMB561.8 billion, an increase of 15%. Market shares of branches in loans and deposits market among all financial institutions in Jiangsu Province increased by 0.16 and 0.13 percent points respectively, while those among six commercial banks increased by 0.9 and 0.89 percent points respectively. The net profit after tax reached RMB9,595 million, an increase of 9.26% over the previous year; the capital adequacy ratio was 11.54%, decreased by 0.63 percent point from the beginning of the year; the supervision indexes, like liquidity ratio and lever ratio, were all superior to the supervision requirements.

In the past year of 2015, the Bank made breakthrough mainly in the following five aspects. First, listing promotion. The Bank passed the IPO insurance examination, becoming the first commercial bank passing examination in 8 years after the government permitting listing. Second, comprehensive business operations. Suxing Financial Leasing Co., Ltd had started business successfully. Third, service pattern. The Bank took the lead in introduction of “Shui e Rong” online loan product, creating new mode for batched and online businesses. The number of external customers had exceeded the amount of small and micro customers. Fourth, business qualification. The Bank was approved to run business in the Shanghai Free Trade Zone, obtained many important qualifications in third part deposit management, insurance funds trusteeship, large-denomination deposit certificate, built the “Rong Lian Chuang” interbank cooperation platform, made available and launched the nation-wide service hotline 95319, and officially offered the private banking service, so that the operation supporting competence was greatly improved. Fifth, brand building. The Bank built a series of key influential brands, like “Rong Xiang+” personal business brand and “Rong Zhi” corporate business brand. Moreover, the Bank also obtained the title of “Advanced small and micro business serving institution in China”.

#### (II) Business Performance Analysis

##### 1. Comparison and analysis on major data in income statement

###### (1) Net profit

In 2015, the Company realized RMB 9,505 million of net profit, increased by 9.26% than the previous year. The following table presents major profits and losses items of the Company and influence of such changes on profits before tax in 2015.

Unit: RMB1 million

Item	2015	2014	Increase/decrease	Variation (%)
Net interest income	23,971.40	22,338.62	1,632.78	7.31
Net fee and commission income	3,899.40	2,802.28	1,097.12	39.15
Other net income	176.27	184.94	-8.67	-4.69
Business and management expense	8,236.86	7,488.42	748.44	9.99
Business tax and surcharges	1,990.94	1,787.16	203.78	11.40
Provision for assets impairment reserve	5,772.66	4,671.57	1,101.09	23.57
Other business costs	1.72	3.10	-1.38	-44.39
Net amount of non-business revenue and expenditure	37.18	39.04	-1.86	-4.77
Total profits	12,082.07	11,414.64	667.43	5.85
Income tax	2,577.26	2,715.51	-138.25	-5.09
Net profits	9,504.81	8,699.12	805.69	9.26

###### (2) Business income

In 2015, the Company accumulatively realized RMB28,047 million of business income with each item shown as follows:

Unit: RMB1 million

Item	2015		2014		Increase/decrease	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Range (%)
Net interest income	23,971.40	85.47	22,338.62	88.20	1,632.78	7.31
Fee and commission income	3,899.40	13.90	2,802.28	11.06	1,097.12	39.15
Investment income	195.54	0.70	34.01	0.13	161.53	474.96
Income from changes in fair value	-5.69	-0.02	77.04	0.30	-82.73	-107.39
Foreign exchange gain	-71.55	-0.26	58.20	0.23	-129.75	-222.95
Other business income	57.97	0.21	15.69	0.06	42.28	269.46
Total	28,047.07	100.00	25,325.84	100.00	2,721.23	10.74



## (3) Net interest income

Interest income and expenditure were increased by 20.77% and 32.18% respectively; wherein, the interest income had a growth rate of 7.31%, as shown in the following table:

Unit: RMB1 million

Item	2015	2014	Increase / decrease	Range (%)
Loans and advances	30,674.70	28,679.35	1,995.35	6.96
Bond investment	16,906.02	8,236.52	8,669.50	105.26
Deposit in Central Bank	1,945.38	1,803.62	141.76	7.86
Deposit or lending in inter-bank and other financial institution	4,373.30	4,901.11	-527.81	-10.77
Other inter-bank income	4,888.27	5,058.31	-170.04	-3.36
Total interest income	58,787.68	48,678.90	10,108.78	20.77
Interest expenditure	34,816.27	26,340.28	8,475.99	32.18
Net interest income	23,971.40	22,338.62	1,632.78	7.31

## (4) Net income in handling charge and commission

In 2015, the Company totally realized RMB3,899 million of net income in handling charge and commission, increased by 39.15% than the year of 2014 as follows:

Unit: RMB1 million

Item	2015	2014	Increase / decrease	Range (%)
Settlement and clearing fee	283.83	340.84	-57.01	-16.73
Agency service fee	1,965.96	1,053.66	912.30	86.58
Credit commitment fee and commission	527.39	494.84	32.55	6.58
Bank card fee	565.82	250.86	314.96	125.55
Consultancy and advisory fee	137.18	265.35	-128.17	-48.30
Trusteeship and other entrusted business commissions	452.98	444.84	8.14	1.83
Others	92.94	55.20	37.74	68.37
Fee and commission income	4,026.09	2,905.59	1,120.50	38.56
Fee and commission expenditure	126.70	103.30	23.40	22.65
Net fee and commission income	3,899.40	2,802.28	1,097.12	39.15

## (5) Other net income

In 2015, the Company realized RMB176 million of other net income in total, accounting for 0.63% in net business income, decreased by RMB 9 million from 2014, which is 4.69%. Major composition and variations are shown as follows:

Unit: RMB1 million

Item	2015	2014	Increase / decrease	Range (%)
Investment income	195.54	34.01	161.53	474.96
Income from changes in fair value	-5.69	77.04	-82.73	-107.39
Foreign exchange gain	-71.55	58.20	-129.75	-222.95
Other business income	57.97	15.69	42.28	269.46
Total	176.27	184.94	-8.67	-4.69

## (6) Business and management expenses

Unit: RMB1 million

Item	2015	2014	Increase / decrease	Range (%)
Employees' salary	5,068.11	4,386.46	681.65	15.54
Business expense	2,081.74	2,089.85	-8.11	-0.39
Rental expense	399.15	356.91	42.24	11.84
Depreciation of fixed assets	414.28	433.44	-19.16	-4.42
Low-value consumption goods	42.98	10.58	32.40	306.28
Amortization of intangible assets	65.46	51.41	14.05	27.32
Branch decoration expense and amortization of long-term deferred expenses	102.16	101.37	0.79	0.78
Taxes and charges	62.98	58.42	4.56	7.80
Total business and management expense	8,236.86	7,488.42	748.44	9.99

## (7) Income tax

Actual income tax rate of the Company in 2015 was 21.33%, while the income tax expense was RMB2,577 million.

## 2. Comparison and analysis on major data in balance sheet

### (1) Assets

#### a. Overall condition of assets

As at December 31, 2015, total assets of the company has reached RMB 1,290.3 billion, increased by 24.3% than that at the end of last year. Total assets of the company are constituted as follows:

Item	Unit: RMB1 million			
	2015		2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Net amount of loans and advances	546,389.34	42.34	475,363.55	45.78
Total loans	561,783.47	43.54	488,511.85	47.05
Minus: Loan impairment reserves	15,394.14	1.19	13,148.30	1.27
Investment	461,939.37	35.80	261,495.09	25.18
Cash and deposit in Central Bank	121,097.41	9.38	132,054.55	12.72
Deposit in inter-bank or other financial institution	54,315.85	4.21	92,550.45	8.91
Inter-bank lending, buying and sale financial assets	81,613.44	6.32	58,529.09	5.64
Interest receivable	6,264.00	0.49	6,017.74	0.58
Fixed assets	5,321.69	0.41	4,929.16	0.47
Intangible assets	692.98	0.05	727.15	0.07
Investment real estate, deferred income tax assets	2,611.55	0.20	2,561.09	0.25
Other assets	10,087.71	0.78	4,081.19	0.39
<b>Total assets</b>	<b>1,290,333.34</b>	<b>100.00</b>	<b>1,038,309.05</b>	<b>100.00</b>

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

#### b. Loans and advances

As at December 31, 2015, total amount of loans and advances had reached RMB561,783 million, a year-on-year increase of 15.0%. Notes discounted were RMB83,626 million, a year-on-year increase of 45.02%. The following table shows the loans and advances classified by product types.

Item	Unit: RMB1 million			
	2015		2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Enterprise loan	380,058.46	67.65	356,950.07	73.07
Notes discounted	83,626.21	14.89	57,665.39	11.80
Retail loan	98,098.80	17.46	73,896.38	15.13
<b>Total loans and advances</b>	<b>561,783.47</b>	<b>100.00</b>	<b>488,511.85</b>	<b>100.00</b>

The retail loan was RMB98,099 million, a year-on-year increase of 32.75% and accounting for 17.46% in total loans and advances. The following table presents the retail loans classified by product types:

Item	Unit: RMB1 million			
	2015		2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Housing mortgage loan	51,932.26	52.94	47,248.35	63.94
Credit card receivables	10,134.00	10.33	5,115.16	6.92
Others	36,032.54	36.73	21,532.86	29.14
<b>Total retail loans</b>	<b>98,098.80</b>	<b>100.00</b>	<b>73,896.38</b>	<b>100.00</b>

#### c. Credit assets risk

##### I. Five-grade loan classification

Item	Unit: RMB10,000					
	December 31, 2015		December 31, 2014		December 31, 2013	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Normal loans	53,624,056	95.45	47,150,141	96.52	39,787,969	96.65
Special-mentioned loans	1,752,800	3.12	1,065,871	2.18	908,816	2.21
Subtotal	55,376,856	98.57	48,216,012	98.70	40,696,785	98.85
Substandard loans	141,069	0.25	142,193	0.29	268,581	0.65
Doubtful loans	566,509	1.01	391,373	0.80	163,831	0.40
Loss loans	93,913	0.17	101,607	0.21	39,864	0.10
Subtotal	801,491	1.43	635,173	1.30	472,276	1.15
<b>Total loan</b>	<b>56,178,347</b>	<b>100</b>	<b>48,851,184</b>	<b>100.0</b>	<b>41,169,061</b>	<b>100.0</b>

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

Enterprise loans of the Company were mainly issued to whole sale and retail industry, manufacturing industry, lease and commercial service industry, water conservancy, environment and public utilities industry, and real estate industry; loans issued to above five industries amounted to RMB378,497 million.



Unit: RMB1 million

Industry	December 31, 2015		December 31, 2014	
	Total loan	Proportion (%)	Total loan	Proportion (%)
Company loan	380,058.46	67.65	356,950.07	73.07
Including: Whole sale and retail	118,876.81	21.11	102,633.48	20.96
manufacturing industry	118,425.59	21.03	124,892.76	25.52
Lease and commercial service	59,023.42	10.48	40,010.92	8.17
Water conservancy, environment and public utilities	41,768.58	7.42	32,328.18	6.60
Real estate	40,402.49	7.18	38,899.37	7.94
Total of above top five industries	378,496.88	67.37	338,764.72	69.19
Notes discounted	83,626.21	14.89	57,665.39	11.80
Retail loan	98,098.80	17.46	73,896.38	15.13
Total customer loans	561,783.47	100.00	488,511.85	100.00

## III. Loans classified by warranty type

Unit: RMB1 million

Item	2015		2014 年	
	Amount	Proportion (%)	Amount	Proportion (%)
Mortgage loan	142,979.75	25.45	194,812.21	39.88
Pledge loan	142,632.89	25.39	84,176.79	17.23
Including: notes discounted	83,626.21	14.89	57,665.39	11.80
Loan on guarantee	240,374.70	42.79	177,792.05	36.39
Loan on credit	35,796.14	6.37	31,730.79	6.50
Total customer loans	561,783.47	100.00	488,511.85	100.00

## IV. Top-10 clients and loan concentration

Unit: RMB1 million

No.	Borrower	Amount	Proportion in total net capital (%)	Proportion in total loan (%)	Five-grade classification
1	Client A	1425.00	1.62%	0.25%	Normal
2	Client B	1400.00	1.59%	0.25%	Normal
3	Client C	1350.00	1.54%	0.24%	Normal
4	Client D	1300.00	1.48%	0.23%	Normal
5	Client E	1223.12	1.39%	0.22%	Normal
6	Client F	1220.00	1.39%	0.22%	Normal
7	Client G	1200.00	1.37%	0.21%	Normal
8	Client H	1108.75	1.26%	0.20%	Normal
9	Client I	1053.16	1.20%	0.19%	Normal
10	Client J	1022.00	1.16%	0.18%	Normal
	Total	12302.03	14.01%	2.19%	

## d. Bonds held

Unit: RMB1 million

Bond type	2015	2014	Increase / decrease	Range (%)
Government bonds	36,550.36	30,576.78	5,973.58	19.54
Financial bonds	36,540.90	34,733.40	1,807.51	5.20
Other bonds	389,246.68	196,316.61	192,930.07	98.27
Total	462,337.94	261,596.97	200,740.97	76.74

## e. Fixed assets

Unit: RMB1 million

Item	2015	2014	Increase/ decrease	Range (%)
Fixed assets	7,603.79	5,729.70	1,874.09	32.71
Accumulated depreciation	2,753.29	2,398.66	354.63	14.78
Fixed assets depreciation reserves	4.78	4.78	0.00	0.00
Net value of fixed assets	4,845.72	3,326.26	1,519.46	45.68

## (2) Liabilities

As at December 31, 2015, total liabilities of the Company had reached RMB1,224,799 million, increased by 24.7% than the end of previous year. Total customer's deposit reached RMB776,428 million, a year-on-year increase of 13.96% and accounting for 63.39% of total liabilities of the Company. The following table presents composition of the Company's total liabilities.

Unit: RMB1 million

Item	2015		2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Borrowings from the Central Bank	7,300.00	0.60	5,050.00	0.51
Deposit taking	776,428.47	63.39	681,297.33	69.36
Inter-bank and other financial institutions deposit	296,364.73	24.20	205,319.54	20.90
Interbank borrowing	6,464.59	0.53	2,243.33	0.23
Selling out and repurchasing financial assets	4880.00	0.40		
The employee salary payable	58,949.96	4.81	40,845.46	4.16
Tax payable	3,651.51	0.30	3,276.04	0.33
Interest payable	1,170.58	0.10	1,090.72	0.11
Bonds payable	13,801.41	1.13	11,478.08	1.17
Estimated liabilities	51,649.49	4.22	28,978.79	2.95
Deferred income tax liabilities	2.06	0.00	2.08	0.00
Other liabilities	0.00	0.00	0.00	0.00
Total liabilities	4,135.97	0.34	2,662.60	0.27
Borrowings from the Central Bank	1,224,798.77	100.00	982,243.96	100.00

Note: Other assets include derivative financial assets.

As at December 31, 2015, the company's deposit balance was RMB776,428 million, including RMB462,999 million of corporate deposit, accounting for 59.63%, and RMB153,157 million of retail deposit, accounting for 19.73%. The fixed-term deposit was RMB355,251 million, accounting for 45.75% of total deposit, increased by 0.96 percent point than the end of previous year. Wherein, corporate fixed-term deposit accounted for 51.53% of corporate deposit, increased by 0.02 percent points than the end of last year, while retail fixed-term deposit accounted for 76.18% of retail deposit, increased by 0.02 percent point than the end of previous year.

Item	Unit: RMB1 million			
	2015		2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Corporate deposit subtotal	462,999.02	59.63	403,231.28	59.19
Current deposit	224,415.83	28.90	203,816.77	29.92
Fixed-term deposit	238,583.19	30.73	199,414.51	29.27
Retail deposit subtotal	153,157.09	19.73	134,542.73	19.75
Current deposit	36,489.41	4.70	28,821.29	4.23
Fixed-term deposit	116,667.68	15.03	105,721.44	15.52
Other deposit	160,272.36	20.64	143,523.32	21.07
Total	776,428.47	100.00	681,297.33	100.00

### (3) Changes in shareholders' equity

Item	Shareholders' equity attributable to the parent company					Minority stockholders' interest	Total stockholders' interest		
	Share capital	Capital reserve	Other comprehensive income	Surplus reserves	General risk provision			Undistributed profit	Total
Opening balance	10,390,000	10,097,373	42,911	7,288,454	11,777,885	16,338,585	55,935,208	129,878	56,065,086
Increase in current period	0	0	554,365	1,816,121	3,937,577	9,497,433	10,051,798	257,375	10,309,173
Decrease in current period	0	0	0	0	0	-6,584,898	-831,200	-8,496	-839,696
Closing balance	10,390,000	10,097,373	597,276	9,104,575	15,715,462	19,251,120	65,155,806	378,757	65,534,563

Unit: RMB1,000

### (III) Main Measures Taken in 2015

Under the pressure of economic downturn and slow growth of bank industry, the Company promoted reform and innovation, accelerated all businesses development and enhanced core competitiveness; and steady growth and benefits were realized in the business. Main measures taken are as follows:

1. Further expanding high-quality assets and optimizing asset structure. Responding to the asset management requirements in a new era, the Company upgraded high quality expanding to strategic level, expanding asset allocation from single credit market to currency, bonds, capital, derivative and other markets, and gradually optimized the asset structure. First, increase innovative financing methods. The Company has set up city development fund, and implemented the first PPP support fund in Jiangsu. Rapid development and fast annual growth had been witnessed in structural financing business. Second, take full advantage of the credit scale. On the basis of taking full advantage of loan projects, the Company made more efforts in providing featured service and achieved the goal of "three no less than" (the growth of agriculture-related loans shall be no less than the previous year, the increase rate of agriculture-related loans shall be no less than that of other loans and the proportion of agriculture-related loans shall be no less than the goal defined in the previous year). Green finance, technical finance and consumer finance all maintained rapid growth. Third, seize market opportunities. Seizing the opportunities brought by capital market development, the Company started initial public offerings process, quantitative, hedge and structured funds and other financial assets. In the golden age of interbank market development, the Company increased allocation of products with a stable return. During trial period of asset securitization, the Company successfully issued RMB3.1 billion of corporate credit asset securities. As trusteeship business development provides abundant opportunities, the Company enriched the trusteeship product line, and the trusteeship capital had exceeded RMB100 million.

2. Strengthening product and service innovation and further explore the innovative advantages. By introducing internet and big data into business



management and making services available online, the Company made great efforts in building “Bank of Jiangsu Online”. “E Finance” platform was expanded and upgraded. “Shui e Rong” business had covered the whole province and expanded further to some other provinces. The Company introduced “Xiang E Rong”, personal banking “Shui E Rong” and “Chuang e Rong” online loan products, significantly enhanced the business competitiveness. By accelerating the update of self banking service, Bank of Jiangsu became the first bank to apply face recognition technology for customer authentication in direct banking; moreover, online intelligent customer service mode was launched, gradually enriching the platform features. Bank of Jiangsu was ranked the fourth in direct banking service by a famous media in China. The Company has made even more efforts in promoting e-banking services. In the whole bank, substitution rate of e-channel service increased to 85.3% from 71.6% in previous year. Mobile banking transactions quadrupled from previous year. By deepening big data application, the Company built the independently developed “Financial innovation bank” data platform, put the “Search e-finance” big data analysis cloud platform into production and enhanced interbank cooperation. As a result, big data application exerted increasingly wide influence.

3. Striving to prevent risks and further improving risk management level. On the basis of stabilizing asset quality, the Company controlled assets growth and started the inventory optimization. It optimized granting of credit loan, strictly controlled credit conferring examination and approval; focused on risk prevention in key and insensitive fields, carried out periodic re-inspection on customer classification. To prevent risks in innovative businesses, the Company carried out special audits and included “pro-credit” businesses in unified credit and risk management. The linkage disposition mechanism built for Head Office and branches gradually restricted increasing of non-performing loans. With regard to compliance construction, the Company stressed the emphasis on internal control and event prevention. Through self inspection, re-inspection, compliance examination and operation risk troubleshooting, the Company normalized the inspection and rectification. The measures like credit conferring responsibility confirmation and investigation were taken. People who fulfilled their duties could be exempted, while the ones breaking rules bound to take responsibilities. Typical cases were documented and distributed to the staff for the purpose of alerting. As CBRC and the Ministry of Public Security cooperated to carry out security assessment, the Company also enhanced risk control in tangible items, technology, people and compliance.

4. Positively responding to the capital constraint and further strengthening endogenous growth capability. The Company focused on value creation, effectively allocated finite resources, strengthened economical and intensive capital use and gradually formed a benign mechanism for internal capital supplement. The inventive mechanism was improved and a cost allocation system with profit assessment as the core had been built. The Company carried out treasury reform, optimized FTP internal transfer pricing mechanism, introduced loan pricing system and ERP multi-dimensional profitability analysis system, led the assets flow to high-profit fields and incline to low-risk businesses, and made the internal resource flow channel available. By running the bank in a hardworking and thrifty manner, the Company enhanced centralized procurement management, carried out activities concerning reducing cost and improving efficiency. Moreover, the Company improved consolidated statement management including Suxing Financial Leasing Company and Baode Rural Bank Co., Ltd. in the consolidated statement management scope.

5. Deepening specialized operation and further improving customer service efficiency. Focusing on building “two motors” of Head Office and sub-branches, the Company started reform on business operation system and consumer financial department, and preliminarily established specialized business operation system. With regard to branch transformation and upgrading, transformation of 6 branches had been completed. The Company established personal banking center as well as 3-level treasure service system constituted of personal banking center, wealth management center and financing center. To strengthen background operation support, the Company speeded up the pace introducing intelligent devices, built customer-aid service system and improved paperless, online and centralized service function.

6. Enhancing party construction and team building and further inspiring development vigor. Special education of “Three Stricts and Three Steadies” (be strict in cultivating one's integrity, preventing abuse of power and disciplining oneself, and be steady in planning matters, undertaking starting and conducting oneself) was carried out in the whole bank to investigate and solve negligence and counterfeit problems and promote transformation in work style. By rectifying problems, the construction of Party conduct and the company working atmosphere of integrity and honesty had been reinforced.

## IV. Future Development Prospects

### (I) Requirements on business development in 2016

Adapting to the “New Normal” of economy and finance, the Company will stick to the overall requirement of growth and sustainability and seize the opportunity that the government encouraged listing. Taking strategic transformation as the main line, value creation as the core and deepening innovation as the motive force, the Company will work on its features, adjust structure, prevent and control risks, enhance management, improve overall competitiveness and speed up the pace in building the first-rate “special, intelligent, comprehensive and international” commercial bank.

### (II) Main work measures in 2016

1. Focus on creating features and innovative business development, and make achievement in promoting structure adjustment. Given the context of the national and provincial structure reform trends, while accelerating traditional business development, the Company should attach attention and efforts on both featured and innovative businesses to promote structural optimization. 2. Highlight online business and technological support, and make achievement on enhancing intelligence building. Relying on new technologies and tools, the Company should strengthen intelligent service, intelligent management and intelligent decision-making. 3. Stress on deepening structural reform and mechanism improvement, and make achievement on fine management. Due to the changing environment and listing requirements, the Company should accelerate the reform on system and mechanism, strengthen corporate governance, improve business supporting system, further build “two motors” and enhance management efficiency. 4. Stress on overall risk management, active prevention and elimination, and make achievement on improving risk control efficiency. The Company will make great efforts to implement decisions made at the supervision and management working conference of banking industry, prevent key risks, stick to bottom line of financial

risk, and enhance comprehensiveness, activeness and effectiveness of risk management. 5. Focus on comprehensively strengthening Party discipline and team building, and make achievement on improve team capability. The Company should adapt to new changes in the situation, make comprehensive effort to rectification and reform, connect the work style requirements of “Three Stricts and Three Steadies” (be strict in cultivating one’s moral character, preventing abuse of power and disciplining oneself, and be steady in planning matters, starting undertakings and conducting oneself) to requirements on professional integrity, and combine principles of placing cadres under party supervision with the market-oriented employment mechanism, thereby to promote strict bank management through strengthening Party discipline, and facilitate business development via team building.

## V. Risk management

### (I) Risk Management Overview

#### 1. Overall goal of risk management

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

#### 2. Construction goals and basic principles of risk management

##### (1) Construction goals

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

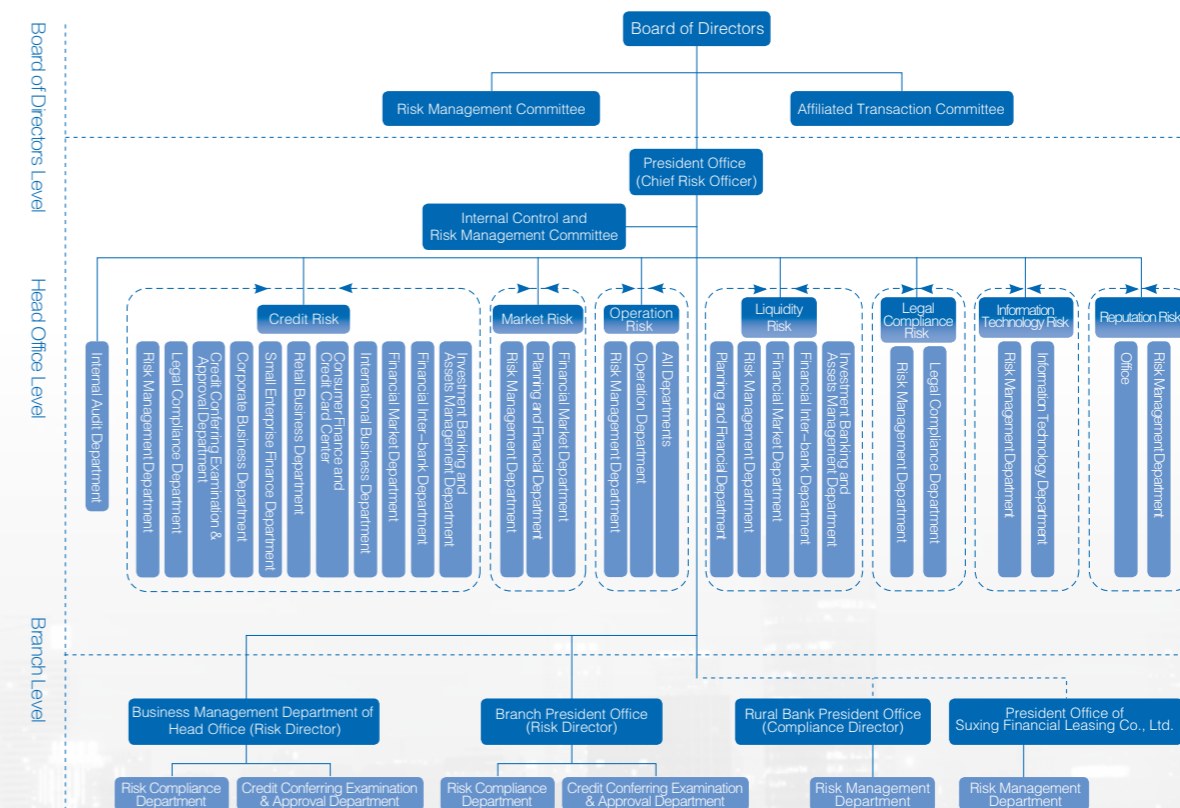
##### (2) Basic principles

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

### 3. Risk management measures

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

(2) Establishing stable risk management organization. Overall risk management organization constitutes of the Board of Directors, Risk Management Committee of the Board of Directors, internal control and Risk Management Committee of senior management and operation layers, all risk management departments and internal audit department of the Company.





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

(4) Developing applied technologies to realize risk management goals. The company accelerated the development of risk measuring tools, promoted construction of internal evaluation system of credit risk, developed internal rating system and model. Moreover, the risk warning platform, collateral management system, loan pricing system, non-credit asset impairment and classification system and customer risk early warning system (phase II) were introduced, gradually improving the risk measurement and fine management capabilities.

(5) Establish advanced risk management culture. The Company gradually cultivated and perfected the risk management culture for the purposes of capital constraint, risk and profit balance, promoting sustainable business development and realizing the maximum value for the shareholders; advocated by the Board of Director and senior management, the risk management culture had been pervasive throughout the whole process of all risks management. Moreover, through risk education, the risk management ideas of pursuing uniformity, balance, independence, rationality, stability and prudence were strengthened.

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

## (II) Main risks in business operation and the countermeasures

### 1. Credit risk management

The Company further built long-term credit asset quality management mechanism, formulated *Access Management Methods for Corporate Customers*, *Implementation Rules for Enclosed Management of Real Estate Development Loan Projects* and *Instruction on Corporate Customer Risk disposal*, amended *Management Methods of Credit Conferring to Corporate Customers* and *Report on Major Credit Risks in Credit Conferring to Corporate Customers* and the *Disposal Implementation Rules* and documented the Credit Conferring Risk Case Set to further improve inspection mechanism before, during and after granting loans. The three-level system (first responsible person, business suspension and resumption, and asset quality) and regular risk eliminating system were built. The Company formulated *Annual Credit Conferring Guidance* to control issue direction of newly increased loan, accelerate structural adjustment on stock loan, and strengthen non-performing loan clearance. The pace was speeded up in creating risk management and control technologies with internal rating and big data technology in Basel New Capital Accord as the core.

Moreover, customer risk alert system, internal rating system, loan pricing system and collateral management system were developed to further enhance the capability in risk identification, measurement, monitoring and control. Efforts were also made in strengthening asset quality evaluation and incentive system. At the end of 2015, non-performing loan in total amounted to RMB8,015 million, an increase of RMB1,663 million over the previous year; and the non-performing loan ratio was 1.43%, increased by 0.13 percent point over the previous year, indicating an overall stability.

### 2. Operation risk management

Continuous efforts were made in perfecting operation risk management system, improving management mechanism, enriching management measures, so as to enhance operation risk management. The Company strengthened application of internal compliance and operation risk management system (GRC system), organized business and management flows, carried out self assessment on operation risk control, key risk index monitoring and loss statics collection, so as to continuously identify, evaluate and mitigate operation risk, realize active management on operation risk and promote business process reengineering. In-process risk early warning platform and multi-angle design and monitoring model were developed to improve automatic operation risk management and control capabilities through risk identification and supervision by the system. The Company enhanced system investigation, built consultation system and improved institutional management level. Furthermore, it further enhanced management and organized troubleshooting on employees' behaviors, amended accountability standards on prohibited behaviors and strengthened the force on responsibility investigation for behavior violating prohibitions. Furthermore, the Company carried out annual inspection on compliance and risk investigation by quarter, built interbank linkage mechanism, rectified problems and enhanced management on violation points and accountability.

### 3. Market risk management

The Company established market risk quota management system, optimized and upgraded market risk management system and produced periodical analysis reports on market risks; improved fundamental systems of market risk management, formulate market risk management policies and measures, differentiated trading accounts and banking account, strengthened revaluation on market value of trading products and carried out periodical pressure test on market risk; built accrediting system for market risk management, further enhanced authorization management, transaction auditing and on-site monitoring; enhanced investigation on market trend, checked situations in monetary, bonds and foreign exchange markets periodically as well as supervision on interest rate risk of banking account; moreover, by integrating and analyzing national policies, macro-economy, market segment, market linkage and other factors, changing trends in financial market are estimated, so as to timely adjust trading strategies and allocate asset portfolio in advance. At the end of 2015, all indexes of Renminbi business, foreign exchange business and derivative products were controlled within predetermined quota limits.

### 4. Liquidity risk management

The Company strengthened integrative position management of Renminbi and foreign currencies, optimized liquidity management operation mechanism and early warning mechanism, emphasized daily liquidity

risk prevision to prevent “payment and liquidity” risks and secured orderly business operation and liquidity across the bank. It adjusted function of the treasury to realize effective segregation of liquidity risk management and profitable functions; applied capital transfer pricing system and other price control measures to lead balanced development of all businesses; accurately calculated fund levels, maintained reasonable provisions, ensured to pay off the reserves against deposit for Renminbi and foreign currencies, and ensured safety and smoothness of fund payment; established and perfected liquidity quota system and early warning system, dynamically monitoring liquidity index condition, timely aware of cash flow, reasonably regulated term structure of credit assets, made efforts to improve fund utility effectiveness and prevent liquidity risk. The Company made periodical analysis report and carried out pressure test, accurately estimated financial policies and monetary market trends, made timely report to Asset and Liability Management Committee, appropriately adjusted operation strategies, positively used the asset and liability management system and payment management system for Renminbi and foreign currencies to improve perceptiveness and predictability of liquidity risk management. At the end of 2015, indexes such as liquidity coverage, loan-to-deposit ratio and liquidity ratio all satisfied the supervision standards and were controlled within predetermined quota limits.

#### 5. Information technology risk management

The Company built three-line mechanism for IT governance and information technology risk and further optimized information technology system and internal management process. For architecture management and control, the Company continuously amended and implemented information technology application, safety, data and basic technology architecture, and promoted construction of cloud computing and key application platform. Building of independent control ability was enhanced. Valuing information security as well as Internet, mobile security, data, desktop security, anti-virus ability, and outsourcing security, the Company improved technical prevention measures, strengthened in-process monitoring and carried out risk inspection, evaluation and audit on information technology. It actively engaged in Internet finance, big data and asset management businesses, developed supporting business for information system construction, enhanced IT business continuity management, improved emergency mechanism, normalized operation and maintenance system and ensured secure and stable operation of information system. In 2015, information technology risks of the Company were well controlled and no material information technology risk event was found.

#### 6. Compliance risk management

For compliance risk management, the Company carried out operation and management activities strictly in accordance with the laws, regulations and rules, set compliance ideas as initiative compliance and created value compliantly in the whole bank, implemented professional integrity and value in the Company, integrated compliance culture into the whole process of enterprise culture construction; consummated the compliance risk management system adapted to business scope, organization structure and business scale of the Company. Besides, efforts were also made in perfecting internal control system related to compliance risk management, enhancing rules, regulations and product process management, and preventing compliance risk from the source. The Company attached great importance to compliance training and education, issued

*Instructions on Compliance of Bank of Jiangsu* and organized training and examination across the bank. It also carried out continuous compliance supervision and risk evaluation, supervised and urged compliant operation of all lines, institutions and staff. At each branch and sub-branch, the Company built full-time or part-time internal control compliance management team and defined corresponding responsibilities and requirements to enhance special training on compliance of internal control and improve duty performing capabilities. Based on the values of encouraging compliance and penalizing rule violation, the Company strengthened compliant performance assessment on operation and management staff. Besides, the Company strengthened efforts in compliance accountability, identified and investigated responsibilities of related illegal behaviors, took corrective measures to timely improve operation and management process and timely revised related policies, procedures and operation instruction.

#### 7. Reputation risk management

The Company established and improved reputation risk management mechanism, optimized reputation risk management methods, strengthened efforts in investigating and eliminating potential reputation risk, further improved reputation risk management capacity, built a finance brand image of intelligence and responsibility. The Company also made contingency plan for reputation risk events and defined work process and carrying out publicity management, so as to avoid reputation loss. Other measures include: formulating reputation risk management manual, popularizing knowledge about reputation risk management in the company to enhance reputation risk prevention consciousness of all staff. In 2015, reputation risk of the Company was generally maintained stable, and there's no material reputation risk event.



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## Shareholders and Share Capital

### I. Share Capital

As at December 31, 2015, Bank of Jiangsu Co., Ltd. had had RMB10.39 billion of paid-in capital; wherein, the number corporate share holders were 968, holding 9,942,375,423 shares (RMB), accounting for 95.69%, while the number of individual share holder was 23,526, holding 447,624,577 shares (RMB), accounting for 4.31%. As at December 31, 2015, pledged shares accounted for 61.26% of the total shares; wherein, shares pledged by one major shareholder accounted for 61.26% of all its held shares; and there were 8 share pledging transactions were involved in judiciary freeze.

### II. Top-10 Shareholders

#### (I) Shares held by Top-10 shareholders and proportion

No.	Shareholders	Number of shares	Proportion
1	Jiangsu International Trust Corporation Limited	910000000.00	8.76%
2	Jiangsu Phoenix Publishing & Media Group Co., Ltd.	890000000.00	8.57%
3	Huatai Securities Co., Ltd.	640000000.00	6.16%
4	Wuxi Construction & Development Investment Company	557015540.00	5.36%
5	Jiangsu Shagang Group Co., Ltd.	350000000.00	3.37%
6	China Orient Asset Management Corporation	301300000.00	2.90%
7	Suzhou International Development Group Co., Ltd.	275560771.00	2.65%
8	Jiangsu Radio and Television Group Co., Ltd.	253086140.00	2.44%
9	Jiangsu Huaxicun Company Limited	248809215.00	2.39%
10	Nantong State-owned Assets Investment Holdings Co., Ltd.	222448644.00	2.14%

#### (II) Changes in Top-10 shareholders in reporting period

Rank before change	Rank after change	Shareholders	Shares before change	Shares after change
9	8	Jiangsu Radio and Television Group Co., Ltd.	2400861 40.00	253086 140.00

### III. Shareholders Holding More Than 5% Shares

#### (I) Jiangsu International Trust Corporation Limited

As at December 31, 2015, Jiangsu International Trust Corporation Limited (hereinafter referred to as “Jiangsu International Trust”) has held 8.76% shares of the company, becoming the first majority shareholder. Established in 1981, Jiangsu International Trust is a large-scale financial institution established under approval of Jiangsu People’s Government, People’s Bank and China Banking Regulatory Commission and completed re-registration in August 2002. Jiangsu Guoxin Investment Group Limited holds control of Jiangsu International Trust. Since establishment, through insisting on prudent operation and its own business,

compliant operation, steady growth of economic benefit and practically protecting stakeholder interest, Jiangsu International Trust has become a trust company with high quality assets, standardized management, compliant operation, transparent information and strong risk control capability.

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

As at December 31, 2015, Jiangsu Phoenix Publishing & Media Group Co., Ltd. (hereinafter referred to as "Phoenix Media") has held 8.57% shares of the company. Established in 2001 and with overall economic scale and strength both ranking the first in press and publishing industry for successively 6 years, Phoenix Group has four listed companies, i.e. Phoenix Media, Phoenix Share, Shanghai FPL and Jiangsu Xinguanglian Technology Co., Ltd.; wherein, Phoenix Media is a role model in the cultural media listing section. The Group has been rated as "Top 30 cultural enterprises in China" for 7 successive years and ranked the 6th in Top 50 publication enterprise in the World in 2015. The Group has had comprehensive publication capacity and capacity growth being both ranked the first in China. Moreover, it has had public publication taking the leading in Chinese publication industry and had obtained the most national publishing awards in China.

### (III) Huatai Securities Co., Ltd.

As at December 31, 2015, Huatai Securities Co., Ltd. has held 6.16% shares of the company. With Jiangsu Security Company as the predecessor, Huatai Securities was established in April 1991 and an earliest comprehensive securities trader approved by China Securities Regulatory Commission and also one of the earliest securities traders obtained innovative trial trading qualifications in China; it is rated as A class, AA grade securities trader in the latest securities traders classification and rating supervision. In February 2010, Huatai Securities was successfully listed in Shanghai Stock Exchange. In June 2015, H stock of Huatai Securities was listed in the Stock Exchange of Hong Kong. Huatai Securities has become a security holding group engaging in security, fund, futures and investment, whose subsidiaries include Huatai United Securities Co., Ltd., Huatai Futures Co., Ltd., Jiangsu Equity Exchange Co., Ltd. in China. Besides, it has solely funded Huatai Finance Holding (Hong Kong) Limited., Huatai Zijin Investment LLC., Huatai Innovation Investment Company and Huatai Securities (Shanghai) Assets Management Co., Ltd. and jointly holds China South Asset Management Co., Ltd., Huatai-PineBridge Investments Co., Ltd., GP Capital Co., Ltd. and E-Capital Transfer Co., Ltd.

### (IV) Wuxi Construction & Development Investment Company

As at December 31, 2015, Wuxi Construction & Development Investment Company (hereinafter referred to as "Wuxi Construction & Development") has held 5.36% shares of the company. Wuxi Construction & Development was established in April 1991 with Wuxi Investment Development Corporation as this predecessor, which was reorganized into Wuxi Construction & Development under approval of Wuxi People's Government, while the contributor was Wuxi State-owned Asset Management Commission. In September 2012, the Company was restructured as a wholly state-owned company and renamed to Wuxi Construction & Development Investment Company. Current business scope includes engineering contracting, project construction, foreign investment, house leasing, parking lot management and advertising space operation, etc. Wuxi Construction & Development has 5 holding companies and 8 joint stock companies with scope of investment covering water affairs, rail transport, airport and other segments of public utilities.

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Directors, Supervisors, Senior administrative officers and Employees



## I. Directors, supervisors and senior administrative officers

### (I) Directors

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

**Mr. Ji Ming**, born in July 1962, a member of the Communist Party of China, is a director and the president. He graduated from Department of Geology, Nanjing University, majoring in hydrogeology and engineering geology and obtained the B.S. degree and also from Department of Law, Nanjing University, majoring in law and obtained the Bachelor of Law. Mr. JI Ming once served as the section-level secretary of Party-masses Department of Nanjing Municipal Committee Policy Research Office, section-level organizer of City and County Cadres Section and Office of Jiangsu Provincial Committee Organization Department, inspector at the deputy-director level and associate director of the Office of Jiangsu Provincial Committee Organization Department, deputy director of Cadres Section I and director of Youth Cadres Division of Jiangsu Provincial Committee Organization Department as well as deputy secretary of the Party Committee, Secretary of Committee for Discipline Inspection, vice supervisor, Vice President and general manager of business management department of the head office (concurrently) of Bank of Jiangsu

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

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

**Mr. Hu Jun**, born in February 1970, a member of the communist Party of China and economist, is a director. He has bachelor degree with major in finance from the School of Banking and Finance as well as the master degree of business administration with graduate degree from School of Business, Nanjing University. He once served as an officer, manager assistant of finance section II, and general manager assistant, vice general manager and general manager of Jiangsu International Trust and Investment Company, president of Jiangsu Xinxin Treasure Assets Management Co., Ltd. and director of China Life Insurance Company Ltd.

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

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

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

**Mr. Shen Bin**, born in September 1979 and graduated from Staffordshire University with Master's Degree

in Economics, is an economist and also the director of the company. Mr. SHEN Bin once served as the standing executive director, executive Vice President and chief accountant of board of directors of Jiangsu Shagang Group. He is now the standing executive director, secretary of the Party Committee an executive Vice President of Shagang Group, director of Jiangsu Shagang Group Co., Ltd., director of Changjiang Runfa Machinery Co., Ltd. and director of Bank of Suzhou Co., Ltd.

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

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

**Mr. Liu Yuhui**, born in 1970, is an independent director. He graduated from Graduate School of Chinese Academy of Social Sciences with a Doctor's Degree in quantitative economics. He once served as the chief economist of Huatai Securities Co., Ltd. and is now a researcher of financial research institute of Chinese Academy of Social Sciences, chief economist of GF Securities Co., Ltd., professor and doctoral supervisor in Chinese Academy of Social Science and Nankai University, independent director of Bank of Hangzhou, external supervisor of Bank of Zhengzhou, independent director of Central China Land Media Co., Ltd. and independent director of Shenzhen Keybridge Communications Co., Ltd.

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

**Mr. Yu Chen**, born in February 1972, is an independent director. He has master's degree in computer from Illinois Institute of Technology (US) and bachelor's degree in computer in Peking University, and is now a student in PBC School of Finance, Tsinghua University (EMBA). Mr. Yu Chen once served as product marketing manager of Oracle, council member of Silicon Valley – China Wireless Association. He is now the President of YeePay.

**Mr. Yang Tingdong**, born in May 1960, is an independent director. With graduate degree and as a senior engineer and senior economist, he is an expert enjoying special allowance granted by the State Council. Yang Tingdong once served as a teacher in Hongze Business Vocational School in Yuaiyin, Jiangsu Province, secretary assistant, secretary, vice manager and manager of Policy Research Center of Huanyin Municipal Party Committee; the Deputy County Chief, a member of the standing committee, the Executive deputy County Chief and deputy secretary of Siyang County; the secretary of the Party Committee, president and general manager of Jiangsu Yanghe Distillery (Group) Co., Ltd.; the secretary of the Party Committee and president of Jiangsu Yanghe Distillery (Sujiu Group) Co., Ltd; vice secretary of Party Work Committee and deputy director of administration committee in Yanghe New District, Suqian, Jiangsu Province; the President of Jiangsu Yanghe Group and the President Jiangsu Shuanggou Group. He is now the vice general manager of Jiangsu Backto Ecological Agriculture Development Co., Ltd.

## (II) Supervisor

**Mr. ZHU Dashu**, born in August 1961, a member of the Communist Party of China and senior economist, is the chief supervisor and member of the Party Committee. With graduate degree and doctoral degree and as a senior economist, ZHU Dashu once served as the deputy section chief of Jiangsu Government Economic Research Center, project manager of China International Center for Economic and Technical Exchanges of Ministry of Foreign Trade and Economic Cooperation, deputy director of Credit Operations Department, Section II and Comprehensive Business Section of Bank of China, director of Company Business Department, Section II of Bank of China, assistant general manager, vice general manger, deputy general manger (in charge of presiding work) and general manger of Bank of China in Canada.

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

**Mr. Tang Xiaoqing**, born in August 1954, a member of the Communist Party of China, is an external supervisor. He once served as an engineer and deputy director general of Chinese Academy of Sciences; deputy director general and deputy director of Financial Department of the State Development Planning Commission; vice general manager of market development department of Agricultural Bank of China; the person in charge of planning capital department, credit loan management department, deputy director of supervision department of non-bank financial institutions, deputy director of cooperative finance supervision department, Vice President of Henan Branch of People's Bank of China; the Director General of Inner Mongolia Supervision Bureau, the Director General of Shanxi Supervision Bureau, director of Supervision Division I and director of financing accounting department of China Banking Regulatory Commission; Vice President, member of the Party Committee and Secretary of Committee for Discipline Inspection of the Head Office of China Merchants Bank.

**Mr. Yu Jiaqin**, born in March 1958, a member of the Communist Party of China, is a supervisor. With



Master's Degree, he is a senior economist. He has once served as deputy director of Business Department of Jiangsu Branch, deputy director of credit loan department of Jinling Branch, deputy director of credit loan department of Nanjing Branch of Bank of China, manager of Bank of China (Hong Kong) Limited, director of credit loan department, president assistant of Nanjing Branch, president of Nanjing Chengbei (under administration) Sub-branch of Bank of China; manager of assets appraisal department of Nanjing Office, senior manager, senior manager of Assets Management Section II, vice general manager and discipline inspection commission secretary of China Orient Asset Management Corporation. At present, he is general manager of Nanjing Office of China Orient Asset Management Corporation and director of Shanghai Meishan Steel Co., Ltd.

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

**Ms. Yuan Weijing**, born in July 1963, a member of the Communist Party of China, is a supervisor. With Bachelor's Degree, she is a senior accountant. She once served as an officer of Corporate Finance Department of Suzhou Bureau of Finance and General Manager of Suzhou Yingcai Investment Group Co., Ltd. and now is the director, member of the party committee and chief accountant of Suzhou International Development Group Co., Ltd. and director of Suzhou Trust Co., Ltd., Soochow Securities, Co., Ltd., Suzhou International Development Venture Capital Holding Co., Ltd. and Suzhou Guofa Small & Medium Enterprises Guarantee Investment Co., Ltd.

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

**Ms. Shi Wenqi**, born in April 1972, a member of the Communist Party of China, is a supervisor. She has bachelor's degree and is an economist and international certified internal auditor. She once served as an officer and deputy director of Dachang Sub-branch of Nanjing Branch of China Construction Bank; vice business manager of Nanjing Audit Division (field I), business manager of General Office, business manager of non-field and IT Audit Division of China Construction Bank; vice manager of Audit Quality Control and General Management Team of Internal Audit Department, manager of IT and non-field audit team of Bank of Jiangsu. She is now General Manager Assistant of Internal Audit Department of Bank of Jiangsu.

### (III) Senior administrative officers other than directors and supervisors

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

**Mr. Wang Yi**, born in February 1965, a member of the Communist Party of China, is a member of the Head Office's Party Committee and the technical products director. He obtained a bachelor's degree in Nanjing University major in computer software and then a master's degree in Sino-Dutch International Business Center of Nanjing University, majoring in business administration. He has senior professional title major in engineering. Mr. WANG Yi once served as the deputy director of Information & Technology Division of Bank of China, Jiangsu branch, general manager of E-Banking Department of Bank of China, Jiangsu branch, general manager of Information & Technology Department of Bank of Jiangsu and general manager of Information & Technology Department (concurrently).

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

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



## II. Remunerations and shareholding of directors, supervisors and senior administrative officers in the Company during the reporting period

### (I) Process and basis for determining remunerations of the directors, supervisors and senior administrative officers

Remunerations of directors, supervisors and senior administrative officers were paid in accordance with *Methods of Management on Remunerations of Senior administrative officers of Bank of Jiangsu*, *Methods of Remuneration Assessment of Bank of Jiangsu (Trial)*, *Methods of Assessment and Management on Senior administrative officers of Bank of Jiangsu* and *Methods of Management on Remunerations of Independent Directors and External Supervisors Remuneration in Bank of Jiangsu*.

### (II) Basic information

Name	Position	Gender	Age	Remuneration before tax during the report period (Unit: RMB)	Shares holding
Xia Ping	Chairman, Secretary of the Party Committee	Male	52	914,00	0
Ji Ming	Director, President	Male	53	902,00	0
Zhu Qilong	Director, Vice President, Secretary of the Board of Directors	Male	51	850,400	0
Gu Xian	Director, Vice President,	Female	52	820,200	0
Hu Jun	Director	Male	46	-	0
Wang Weihong	Director	Male	54	-	0
Jiang Jian	Director	Male	49	-	0
Tang Jinsong	Director	Male	46	-	6635
Shen Bin	Director	Male	36	-	0
Du Wenyi	Director	Male	52	-	0
Gu Yingbin	Independent director	Male	52	200,000	0
Liu Yuhui	Independent director	Male	45	200,000	0
Yan Yan	Independent director	Male	43	200,000	0
Yu Chen	Independent director	Male	45	83,300	0
Yang Tingdong	Independent director	Male	56	-	0
Zhu Dashu	Chief supervisor	Male	54	865,000	0
Du Baoqi	External supervisor	Male	65	180,000	0
Tang Xiaoqing	External supervisor	Male	61	165,000	0
Yu Jiaqin	Supervisor	Male	57	-	0
An Ran	Supervisor	Female	43	-	0
Yuan Weijing	Supervisor	Female	52	-	0
Wu Dianjun	Supervisor	Male	46	1,033,500	0
Shi Wenqi	Supervisor	Female	44	394,400	0
Zhang Rongsen	Vice President, and President and Secretary of the Party Committee of Beijing Branch,	Male	47	500,00	0
Wang Yi	Technical Products Director	Male	50	820,200	0
Zhao Hui	Director of Operation	Male	50	999,200	0
Li Min	President Assistant, and President and Secretary of the Party Committee of Shenzhen Branch	Male	52	1,393,800	0

Note: The remunerations (excluding risk provision for deferred payment) above are pre-tax remunerations obtained by directors, supervisors and senior administrative officers from the Company in 2015. The finalized remunerations in 2015 will be reviewed and determined by administrative department.

### III. Dismissal and appointment of directors, supervisors and senior administrative officers during the reporting period

#### (I) Changes in directors, supervisors and senior administrative officers during reporting period

On April 20, 2015, Mr. Jiang Kai submitted resignation to the Board of Directors to resign from the position of director; on June 18, 2015, Mr. Zhang Qu submitted resignation to the Board of Directors to resign from the position of independent director; on July 2, 2015, Mr. Zhu Dashu submitted resignation to the Board of Directors to resign from the positions of director and Vice President; on October 28, 2015, Ms. Zhou Suming submitted resignation to the Board of Directors to resign from the position of independent director.

On August 21, 2015, at the second extraordinary general meeting of 2015, Mr. Ji Ming, Ms. Gu Xian and Mr. Hu Jun were elected as directors of the Third Board of Directors, while Mr. Yu Chen was elected as independent director of the Third Board of Directors. Qualifications of Mr. Ji Ming and Ms. Gu Xian as directors were approved by Jiangsu Bureau of China Banking Regulatory Commission (CBRC) in October 2015. Qualification of Hu Jun as director was approved by Jiangsu Bureau of CBRC in November 2015. Qualification of Mr. Yu Chen as an independent director was approved by Jiangsu Bureau of CBRC in January 2016. On December 26, 2015, Mr. Yang Tingdong was elected as independent director of Third Board of Directors at the third extraordinary general meeting of 2015. Corresponding qualification as independent director was approved by Jiangsu Bureau of CBRC in March 2016.

On January 12, 2015, Ms. Zuo Hong submitted resignation to the Board of Directors to resign from the position of external supervisor. On February 6, 2015, Mr. Tang Xiaoqing was elected as an external supervisor at the first extraordinary general meeting of 2015.

On March 11, 2015, Mr. Shi Wenqi was elected as an employee supervisor of the Third Board of Supervisors at the employees' meeting, and Mr. Luo Feng no longer took the position of supervisor.

On June 29, 2015, Mr. Zhu Dashu was elected as an employee supervisor of the Third Board of Supervisors at the employees' meeting, and Mr. Liu Changji no longer took the position of supervisor. On July 2, 2015, Mr. Zhu Dashu was elected as chief supervisor at the sixth meeting of the Third Board of Supervisors.

On April 20, 2015, Mr. Ji Ming was appointed as the President at the 11th meeting of the Third Board of Directors, and his qualification as President was approved by Jiangsu Bureau of CBRC in June 2015. On July 3, 2015, Ms. Gu Xian and Mr. Zhang Rongsen were appointed as Vice President at the 14th meeting of the Third Board of Directors, and their qualifications were approved by Jiangsu Bureau of CBRC in October 2015.

#### (II) Changes in directors, supervisors and senior administrative officers after the end of reporting period and until publishing of the report

On February 1, 2016, Mr. Zhu Qilong submitted resignation to the Board of Directors to resign from the positions of director, Vice President and Secretary of the Board of Director. On February 22, 2016, Mr. Wang Yi was elected as a director of the Third Board of Directors on Annual General Meeting of Shareholders of 2015, and his qualification was approved by Jiangsu Bureau of CBRC in April 2016.

On January 8, 2016, Mr. Zhu Dashu submitted resignation to the Board of Directors to resign from the position of chief supervisor. On February 1, 2016, Mr. Zhu Qilong was elected as chief supervisor on the 9th meeting of the Third Board of Supervisors.

On February 1, 2016, Mr. Yang Kai was appointed as Vice President at the 19<sup>th</sup> meeting of the Third Board of Directors, and his qualification was approved by Jiangsu Bureau of CBRC in April 2016.

On February 23, 2016, Jiangsu Provincial Party Committee approved Mr. Ji Jinsong to take the position of the Secretary of Committee for Discipline Inspection, and the Organization Department of Jiangsu Provincial Party Committee decided to appoint Mr. Ji Jinsong as a member of the Company's Party Committee.

### IV. Employees

At the end of the reporting period, the company had a total of 14,046 employees, among which, on-the-job employees were 13,683, accounting for 97.42% of all the employees and early retirees (including employees taking long sick leave) were 363, accounting for 2.58%. Among the all the employees, 1,339 have doctors' or masters' degrees, accounting for 9.53%; 11,585 have college degrees or bachelors' degrees, accounting for 82.48%; 1,122 employees were graduated from technical secondary schools, accounting for 7.99%; and 337 employees were dispatched to the company, accounting for 2.4%.



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## Corporate Governance Structure and Mechanism

### I. Corporate Governance

The Company has always been dedicated to building a company governance system of integrity, fairness, transparency and responsibility according to supervisory standards and been striving to improve governance structure, mechanism and efficiency. In 2015, strictly adhering to supervisory rules, the Company actively adapted to New Normal of economic finance and simultaneously dealt with the slowdown in economic growth, made difficult structural adjustments, and absorbed the effects of previous economic stimulus policies, further improved corporate governance, enhanced business coordination of the Board of Directors, improved information liaison through the management hierarchy, perfected resolution execution and feedback mechanism of the Board, and further standardized the company governance, so that prominent improvement was made to it.

#### (I) Shareholders and general meeting of the shareholders

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

In 2015, the Company held the Annual General Meeting of Shareholders of 2015 and 3 extraordinary general meetings, which all complied with relevant legal procedures, ensuring that shareholders could participate and fully exercise right in the meetings.

#### (II) Directors and Board of Shareholders

The composition, director qualification and appointment procedures of the Board of Directors have all been complied with Articles of Association, laws and regulations. All members of the Board of Shareholders have performed their duties in an honest, diligent, professional and efficient manner and executed decision-making function of the Board of Directors and undertaken the responsibilities in commercial bank operation and management strictly in accordance to relevant regulations and governance procedures of the Company, which facilitated building of good and integrity enterprise culture and social image. The directors have carefully reviewed and read conference minutes and memorandums and fully grasped the information before holding the board meeting and seriously reviewed and discussed undetermined matters, given independent, professional and objective opinions, and have made independent judgment and decision. In 2015, Board of Directors held a total of 11 meetings (including 6 communication meetings and 5 on-site meetings), discussing and approving 58 proposals. The directors have made careful preparation and actively spoken in the meetings. The details about meeting attendance of company directors were given in the following table:

Name	Times of attendance	Personal attendance	Delegated attendance	Absence
Xia Ping	11	11	0	0
Ji Ming	3	3	0	0
Zhu Qilong	11	11	0	0
Gu Xian	3	3	0	0
Hu Jun	3	3	0	0
Wang Weihong	11	10	1	0
Jiang Jian	11	9	2	0



Name	Times of attendance	Personal attendance	Delegated attendance	Absence
Tang Jinsong	11	11	0	0
Shen Bin	11	7	4	0
Du Wenyi	11	10	1	0
Gu Yingbin	11	11	0	0
Liu Yuhui	11	8	3	0
Yan Yan	11	11	0	0

Some directors who failed to attend meetings personally due to public issues, personal health conditions and other reasons, had authorized other directors on the board to act as their agents in written form in accordance with the relevant laws and regulations, which guaranteed the board meetings legitimacy and effectiveness and decision making efficiency. When the board of directors was not in session, directors have been focusing on the operation and management situation of the company through information communication in the company, and had put forward suggestions and opinions through the office of board of directors, meetings of special committee of board of directors and other forms.

Special committees of the board of directors were constituted of Strategic Development Committee, Audit Committee, affiliated transactions control committee, Risk Management Committee and nomination and remuneration committee. The members of Strategic Development Committee included Xia Ping, Ji Ming, Liu Yuhui (independent director), Yu Chen (independent director) and Hu Jun; Xia Ping was the chairman. The Audit Committee members included Yan Yan (independent director), Gu Yingbin (independent director), Du Wenyi and Zhu Qilong; Yan Yan was the chairman. The affiliated transactions control committee members included Gu Yingbin and Gu Xian; Gu Yingbin was the chairman. The Risk Management Committee members included Ji Ming, Gu Xian, Yan Yan (independent director) and Jiang Jian; Ji Ming was the chairman. The nomination and remuneration committee members included Liu Yuhui (independent director) and Zhu Qilong.

### (III) Supervisors and Board of Supervisors

The composition and qualification of supervisors and selection and appointment procedures of the board of supervisors were all in accordance with the Articles of Association, laws and regulations. There were supervision committee and nomination committee under the board of supervisors. Members of the supervision committee included Du Baoqi (external supervisor), Yu Jiaqin, An Ran and Shi Wenqi; Du Baoqi was the chairman. Members of the nomination committee included Tang Xiaoqing (external supervisor), Yuan Weijing and Wu Dianjun; Tang Xiaoqing was the chairman.

In 2015, the Board of Supervisors held a total of 5 meetings, discussing and approving 27 proposals. Special committees of the Board of Supervisors totally held 3 meetings, discussing and approving 3 proposals.

In 2015, the Board of Supervisors totally attended 5 on-site meetings of Board of Directors and gave supervision opinions for 46 proposals, and attended 4 general meetings of shareholders and fully participated in discussion of 20 proposals.

During the reporting period, the Board of Supervisors constantly improved the supervision mechanism and carefully performed the supervisory duties according to the laws, regulations and Articles of Association of the Bank.

1. Carried out performance supervision and assessment. The Board of Supervisors have carefully performed

all supervision duties and responsibilities in regards to requirements, actively improved the innovative performance supervision, and supervised performance of the directors through attending meetings of the Board of Directors, reading materials and reviewing performance self-assessment reports. The Board of Supervisors held annual meeting of the board to evaluate performances of the directors, and formulated *Methods of the Board of Supervisors of Bank of Jiangsu Co., Ltd. on Evaluating Performance of Senior Administrative Officers*, providing institutional basis for performance assessment on senior administrative officers.

2. Carried out effective financial supervision. The Board of Supervisors further attached importance on financial operations of the Company as well as formulation, review and disclosure of periodic reports, regularly communicated with external audit institutions and related departments of the Head Office, checked financial data of the Company as scheduled, read operation and management reports and gave feedback and suggestions. Moreover, it has strengthened guidance on external audit, periodically received reports on external audit and implemented supervision on auditing independence and effectiveness.

3. Strengthened internal control and supervision on risks. The Board of Supervisors paid close attention to business environment dynamics under New Normal of economic finance and positively carried out various supervision activities to predict the risks. It has audited the dismissed directors and guided Internal Auditing Department of the Head Office to carry out special audits on effectiveness of credit conferring examination and approval. The supervisors also had visited branches and sub-branches to inspect operation situation and risk prevention measures. Furthermore, continuous attention was put on internal risk control as well as validity and effectiveness of internal control system, and internal control condition of key businesses.

4. Further strengthened self-construction. *Working Rules for Board of Supervisors of Bank of Jiangsu Co., Ltd.* was formulated to regularize internal work mechanism of the Board of Supervisors. Performance evaluation methodology of supervisors was completed according to *Performance Evaluation Methods for Supervisors in Bank of Jiangsu Co., Ltd.* to stimulate and constrain performance of the supervisors. A series of training sessions were carried out to enhance expertise and professional due diligence. The supervisors also had communicated with listed banks on business to learn from their experience and best practice. Moreover, rotation and election procedures of supervisors were standardized.

Through supervision on business operation compliance, financial report, fund raising and spending, asset procurement and disposal, affiliated transaction, internal control, information disclosure, execution of resolutions of shareholders' meeting and other important matters during reporting period, the Board of Supervisors assured and ascertained the Board of Directors or senior administrative officers having not breaching any laws, regulations or Articles of Association or compromising interests of any shareholders or the company.

### (IV) Senior administrative officers

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

## (V) Information disclosure and transparency

The Company has disclosed the information strictly in accordance with the relevant laws & regulations, conscientiously done a good job in information disclosure of the annual report and other regular reports, timely disclosed temporary information announcement, enhanced the validity and compliance of external disclosure, enlarged the content of regular reports, abided by time limit and confidential discipline of information disclosure and reflected the company's operating and management information comprehensively and accurately, ensuring timeliness, fairness, authenticity, accuracy and integrity of information disclosure.

## II. Performance of Independent Directors and External Supervisors

Independent directors of the Third Board of Directors had specialty widely covering economy, accounting and finance and they enjoyed high social prestige and reputation. In 2015, with a sense of responsibility and accountability towards all shareholders, the independent directors who were diligent and responsible safeguarded the overall interest of the company and the legitimate rights and interests of small and middle shareholders, played a positive role in objective and scientific decision making in the Board of Directors. The chairmen of the Audit Committee and Affiliated Transactions Control Committee were Yan Yan (independent director) and Gu Yingbin, respectively. All other independent directors served as members of special committees. In the work of special committee, every independent director fully made use of professional judgment and due diligence, actively offered advices and suggestions, discussed and made thorough research on proposals and provided independent opinions on important matters. They played important roles in improving the decision making efficiency of board of directors. During the reporting period, no independent director raised any objection on proposals or other issues of the Board of Directors in this year. Tang Xiaoqing and Du Baoqi, external supervisors of the Company, were diligent and responsible, adhered to independent, prudent and objective principles, attended the meetings of the board of supervisors and board meetings on time, conscientiously reviewed and discussed each subject, utilized their accounting, auditing and other expertise and actively offered advices and suggestions. They were chairmen of Nomination Committee and Supervision Committee respectively, and had convened and presided over meetings of the special committee based on their respective responsibilities, assisted the board of supervisors to make scientific decisions as well as fulfilled and carried out supervision and evaluation work. They had played their roles in compliant performance of duties of the Board of Supervisors.

## III. Operating decision of the Company

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

## IV. Independent Operation of the Company

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

## V. Performance Assessment and Incentive of Senior Administrative Officers

Board of Directors and the nomination and remuneration committees of the Board of Directors were responsible for the performance assessment of senior administrative officers. The board of directors decided rewards and punishments towards senior administrative officers strictly in accordance with performance assessment procedures and adhered to principle of rewarding the good and punishing the bad.

## VI. Establishment and Improvement of Internal Control System

### (I) Basic composition of internal control system

The company has established an internal control system which included five components, namely, internal control environment, risk identification and assessment, internal control measures, supervision evaluation and correction as well as information exchange and feedback in accordance with "Commercial Banking Law of the People's Republic of China", "Commercial Bank's Internal Control Guidelines", "Fundamental Norms of Corporate Internal Control" and other laws and regulations together with the New Basel Agreement and relevant contents of "COSO Mode" of Overall Framework of Internal Control" and constantly endeavored in the improvement and promotion of the internal control. The company has established a governance framework with the general meeting of shareholders, board of directors, board of supervisors and senior management as its main body and formed governance mechanism, by which company institution each performed its own functions, assumed own responsibilities and balanced each other. The governance mechanism of "three meetings and one level" (three meetings meant general meeting of shareholders, board of directors and board of supervisors and one level meant senior management level) has been improved gradually. The internal control management framework consisted of internal control decision making level, construction execution level and supervision and evaluation level. The company established "three lines of defense" of internal control, including line management department, risk management department, internal audit, inspection and supervision department, and formed an internal control management framework which was under the charge of principal persons of banks at all levels and all functional departments and was participated in by all the staff.



## (II) Basic information of internal control

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

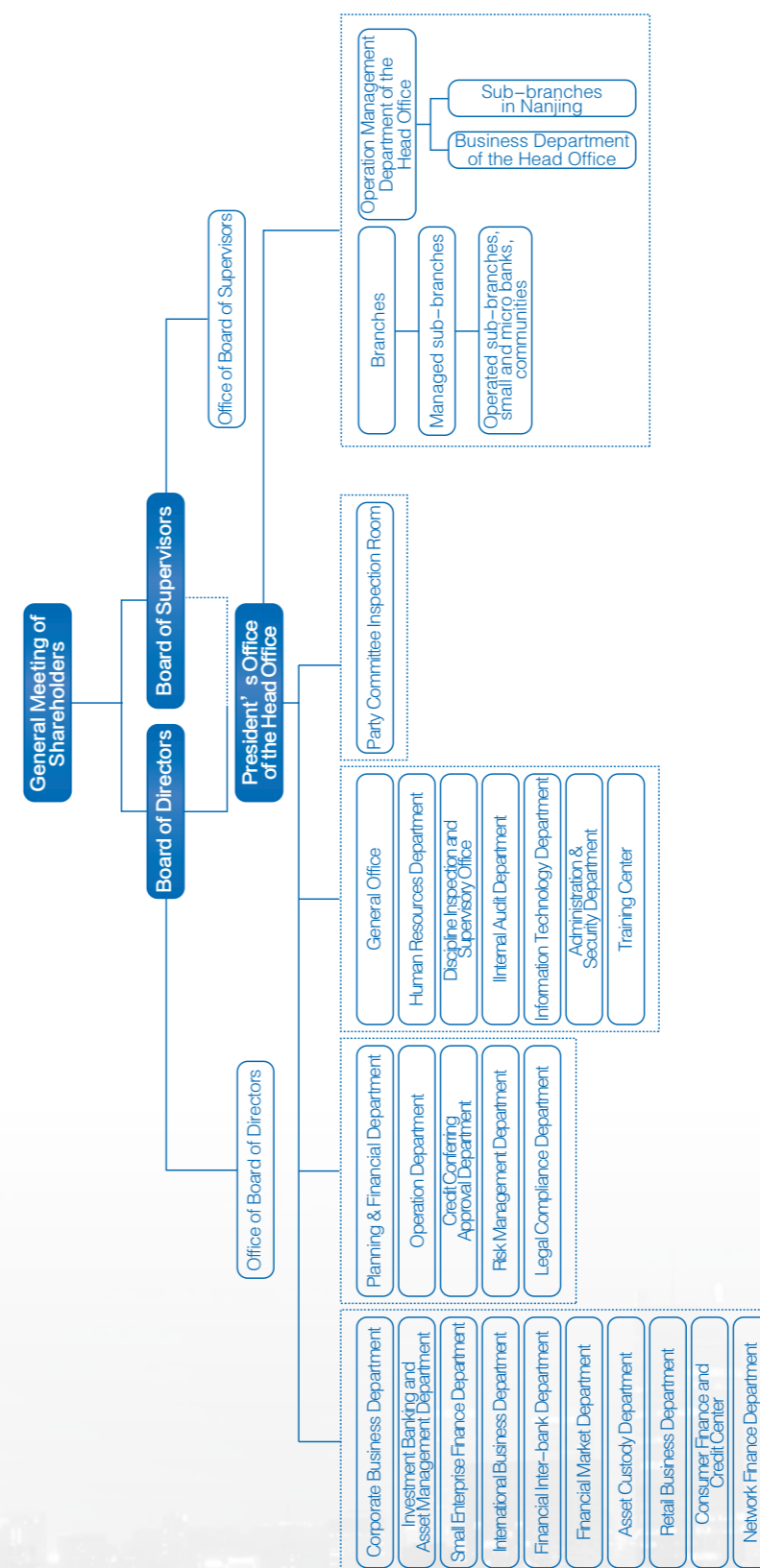
First, further rationalizing internal control system and strengthening risk management and internal control. The Company has been devoted to building internal control system with favorable internal control environment as the platform, reasonable organization structure and the base, sufficient information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

Second, on facing the severe condition of risk prevention, the Company made 2015 as the “year of risk prevention” and formulated *Implementation Plan for the “Year of Risk” Prevention in 2015*. From building sound long-term liability constraint mechanism for risk prevention, long-term mechanism for asset quality control, long-term management mechanism for internal control and risk prevention to regularizing interbank business management for investment banking business, accelerating the building of core risk prevention technology and enhancing overall risk management, the Company further strengthened prevention and control of various risks and controlled risks below the bottom line.

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

Starting from risk prevention and prudent management, the Company gradually established and improved a series of system, procedures and methods of risk prevention and formed a comprehensive, prudent, effective, independent and appropriate internal control system. The internal control measures covered all main business areas and the execution of internal control was generally effective, which played an effective role in maintaining the constant and stable development of all businesses of the company and preventing financial risks. The branches at all levels conscientiously fulfilled the management responsibilities within the scope, refined system and process and strengthened the implementation of system and measures in accordance to the requirements of the head office and actual situation of company business development and ensured that all control measures functioned constantly and effectively. Through strengthening system implementation and inspection and rectification, the internal control system of the company was improved constantly and the effectiveness of enforcement of internal control system was improved continuously. Any possible risks caused by general defects discovered in self-examination were brought under control, which did not constitute substantial or major consequence towards the quality of business activities or achievement of financial reporting aim of the company.

## VII. Organizational Chart of Bank of Jiangsu





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江苏银行跨境电商服务平台  
 专为跨境电商客户及电商平台定制的全方位线上跨境金融服务方案，满足跨境电商便捷、快捷地在线操作要求，有效提升资金使用效率。



## General Meeting of Shareholders

### I. General Meetings of Shareholders

In 2015, the Company held 4 general meetings of shareholders, discussing and approving 20 proposals.

The first extraordinary shareholders' meeting of 2015 was convened by the Board of Directors and held on-site in Nanjing on February 6, 2015. In the meetings, 3 proposals were discussed and approved through voting by open ballot: proposal about extending validity period of the resolution about IPO of Renminbi ordinary shares (A shares) in China and listing, proposal about renewing employment contract with the accounting firm, and proposal about nominating and electing external supervisors of Bank of Jiangsu Co., Ltd.

The annual general meeting of shareholders of 2014 was convened by the Board of Directors and held on-site in Nanjing on April 29, 2015. The meeting was presided over by the Chairman Xia Ping. In the meeting, the following 6 proposals were discussed and approved through voting by open ballot: proposal about issue of Annual Report of Board of Directors of Bank of Jiangsu Co., Ltd. in 2014, proposal about Annual Report of Board of Supervisors of Bank of Jiangsu Co., Ltd. in 2014, proposal about financial settlement in 2014 and financial budget in 2015 of Bank of Jiangsu, proposal about the plan for distributing profits in 2014 of Bank of Jiangsu, proposal about Annual report in 2014 of Bank of Jiangsu Co., Ltd., and proposal about report of affiliated transaction in 2014 of Bank of Jiangsu.

The second extraordinary shareholders' meeting of 2015 was convened by the Board of Directors and held on-site in Nanjing on August 21, 2015. The meeting was presided over by the Chairman Xia Ping. In the meeting, the following 5 proposals were discussed and approved through voting by open ballot: proposal about the scheme of granting permissions to Board of Directors at shareholder's meeting of Bank of Jiangsu Co., Ltd., proposal about nominating and electing directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal about continuing to appoint BDO China Shu Lun Pan CPAs for semi-annual report audit in 2015, proposal about modifying method for managing affiliated transactions of Bank of Jiangsu Co., Ltd., and proposal about review stock equity management methods of Bank of Jiangsu.

The third extraordinary shareholders' meeting of 2015 was convened by the Board of Directors and held on-site in Nanjing on December 16, 2015. The meeting was presided over by the Chairman Xia Ping. In the meeting, the following 6 proposals were discussed and approved through voting by open ballot: proposal about modifying Articles of Association of Bank of Jiangsu Co., Ltd., proposal about appointing IPO-specific audit accounting firm of Bank of Jiangsu Co., Ltd., proposal concerning issuing commercial bank bonds of Bank of Jiangsu Co., Ltd., proposal about extending validity period of the resolution about IPO of Renminbi ordinary shares (A shares) in China and listing, and proposal about nominating directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd.

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江苏银行小企业经营性网贷  
江苏银行与江苏国税联手，为正常缴税的小微企业打造的一款“以无担保纯信用为主，可采取各种方式组合为一体”的信贷产品——“税e融”。借助互联网渠道，小微企业凭正常缴税记录即可申请办理，并在线获得贷款额度，实现“在线申请、网上用款、随借随还”。



## Report of the Board of Directors

### I. Management discussion and analysis (see Chapter 3)

### II. Meetings of Board of Directors and special committees in 2015

In 2015, the Board of Directors held a total of 11 meetings, discussing and approving 58 proposals.

On January 6, 2015, the Third Board of Directors held its 8th meeting (communication meeting). In the meeting the proposal about development plan of Bank of Jiangsu in 2015 was discussed and approved.

On January 19, 2015, the Third Board of Directors held its 9th meeting (communication meeting). In the meeting the proposal about the first extraordinary general meeting of shareholders in 2015 was discussed and approved.

On March 26, 2015, the Third Board of Directors held its 10th meeting. In the meeting, the following 16 proposals were discussed and approved: proposal about work report of Board of Directors in 2014 of Bank of Jiangsu Co., Ltd., proposal about operation management report in 2014 of Bank of Jiangsu Co., Ltd., proposal about annual financial audit report in 2014 of Bank of Jiangsu Co., Ltd., proposal about financial settlement in 2014 and financial budget in 2015 of Bank of Jiangsu Co., Ltd., proposal about the plan for distributing profits in 2014 of Bank of Jiangsu Co., Ltd., proposal about Annual Report in 2014 of Bank of Jiangsu Co., Ltd., proposal about establishing fund management company by Bank of Jiangsu, proposal about overall risk management report of Bank of Jiangsu in 2014, proposal about risk prevention plan of Bank of Jiangsu in 2015, proposal about self-assessment of Bank of Jiangsu on internal control, proposal about special report on affiliated transactions of Bank of Jiangsu in 2014, proposal about expected credit line for affiliated transaction of Bank of Jiangsu Co., Ltd., proposal about information technology strategies of Bank of Jiangsu, proposal about performance evaluation report of directors of Bank of Jiangsu Co., Ltd. in 2014, proposal about annual assessment and remuneration suggestions for senior administrative officers of Bank of Jiangsu, and proposal about annual general meeting of shareholders of Bank of Jiangsu Co., Ltd. in 2014.

On April 20, 2015, the Third Board of Directors held its 11th meeting. In the meeting, the following 9 proposals were discussed and approved: proposal about appointing the President of Bank of Jiangsu Co., Ltd., proposal about nominating and electing directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal about operation management report of Bank of Jiangsu in the 1st quarter of 2015, proposal about strategic management methods of Bank of Jiangsu Co., Ltd. proposal about reputation and risk management policies of Bank of Jiangsu Co., Ltd., proposal about business continuity management policies of Bank of Jiangsu Co., Ltd., proposal about implementation management methods for new capital projects of Bank of Jiangsu Co., Ltd., proposal about modifying management methods for affiliated transactions of Bank of Jiangsu Co., Ltd., and proposal about changing address of Bank of Jiangsu Co., Ltd.

On June 15, 2015, the Third Board of Directors held its 12th meeting (communication meeting). In the meeting, the following 6 proposals were discussed and approved: proposal concerning social responsibility report of Bank of Jiangsu Co., Ltd. in 2014, proposal about modifying working rules of strategic committee of Board of Directors of Bank of Jiangsu Co., Ltd., proposal about consolidated statement management policies of Bank of Jiangsu Co., Ltd., proposal about capital management methods of Bank of Jiangsu Co.,



Ltd., proposal about amending stock equity management methods of Bank of Jiangsu, and proposal about amending implementation methods of information disclosure of Bank of Jiangsu.

On June 21, 2015, the Third Board of Directors held its 13th meeting (communication meeting). In the meeting, the proposal about cash dividend distribution of 2014 of Bank of Jiangsu Co., Ltd. was discussed and approved.

On July 3, 2015, the Third Board of Directors held its 14th meeting (communication meeting). In the meeting, the following 8 proposals were discussed and approved: proposal about financial statement of Bank of Jiangsu Co., Ltd. in the 1st quarter in 2015, proposal about the scheme of granting permissions to Board of Directors at shareholder's meeting of Bank of Jiangsu Co., Ltd., proposal about the scheme for Board of Directors to grant permissions to the President of Bank of Jiangsu Co., Ltd., proposal about nominating and electing directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal about appointing Vice President of Bank of Jiangsu Co., Ltd., proposal about purchasing office building for Nantong Branch, proposal about amending remuneration assessment methods for senior administrative officers of Bank of Jiangsu Co., Ltd., and proposal about holding the second extraordinary general meeting of Bank of Jiangsu Co., Ltd. in 2015. Besides, the Board of Directors also listened to supervision opinions of Jiangsu Bureau of CBRC on Bank of Jiangsu in 2015.

On August 5, 2015, the Third Board of Directors held its 15th meeting (communication meeting). In the meeting, the proposal about continuing to appoint BDO China Shu Lun Pan CPAs for semiyearly report audit in 2015 was discussed and approved.

On September 21, 2015, the Third Board of Directors held its 16th meeting. In the meeting, the following 5 proposals were discussed and approved: proposal about work report of Bank of Jiangsu in the first half year of 2015, proposal financial audit report of Bank of Jiangsu in the first half year of 2015, proposal about overall risk management report of Bank of Jiangsu in the first half year of 2015, proposal about affiliated transaction report of Bank of Jiangsu in the first half year of 2015, and proposal about changing special committee members of the Third Board of Directors of Bank of Jiangsu Co., Ltd.

On November 30, 2015, the Third Board of Directors held its 17th meeting. In the meeting, the following 8 proposals were discussed and approved: proposal about amending Articles of Association of Bank of Jiangsu Co., Ltd., proposal about amending applicable Articles of Association (draft) of Bank of Jiangsu Co., Ltd. after listing, proposal about President's work report for the third quarter in 2015, proposal about renewing contract with accounting firm of Bank of Jiangsu Co., Ltd., proposal about issuing commercial bank bonds of Bank of Jiangsu Co., Ltd., proposal about extending validity period of the resolution about IPO of Renminbi ordinary shares (A shares) in China and listing, proposal about financial statements of Bank of Jiangsu for the third quarter in 2015, and proposal about holding the third extraordinary general meeting of Bank of Jiangsu Co., Ltd. in 2015.

On December 28, 2015, the Third Board of Directors held its 18th meeting (communication meeting). In the meeting, the following 2 proposals were discussed and approved: proposal about development plan of Bank of Jiangsu in 2016 and proposal about information technology work report of Bank of Jiangsu in 2015.

In 2015, special committees of Board of Directors held a total of 19 meetings, including 2 held by Strategic Development Committee, 7 held by Audit Committee, 3 held by Affiliated Transaction Control Committee, 3 by Risk Management Committee and the remaining 5 by nomination and remuneration committee

On March 25, 2015, Strategic Development Committee of the Third Board of Directors held its 3rd meeting. In the meeting, the following proposals were discussed: proposal about work plan of Strategic Development Committee of the Third Board of Directors of Bank of Jiangsu Co., Ltd. in 2015, proposal about establishing funds management company of Bank of Jiangsu Co., Ltd., proposal about the "five year scheme" of information technology strategy, and proposal about changing address of Bank of Jiangsu Co., Ltd.

On May 25, 2015, Strategic Development Committee of the Third Board of Directors held its 4th meeting. In the meeting, the following proposals were discussed: proposal about amending working rules for Strategic Development Committee of the Board of Directors of Bank of Jiangsu Co., Ltd., proposal about consolidated statement management of Bank of Jiangsu Co., Ltd. and proposal about interim methods of capital management of Bank of Jiangsu Co., Ltd.

On February 13, 2015, Risk Management Committee of the Third Board of Directors held its 3rd meeting. In the meeting, the following proposals were discussed: proposal about annual work plan of Risk Management Committee of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal about overall management report of Bank of Jiangsu Co., Ltd. in 2014, proposal about risk prevention plan of Bank of Jiangsu Co., Ltd. in 2015, proposal about reputation and risk management policies of Bank of Jiangsu Co., Ltd., proposal about business continuity management policies of Bank of Jiangsu Co., Ltd., and proposal about implementation management methods for new capital projects of Bank of Jiangsu Co., Ltd.

On December 14, 2015, Risk Management Committee of the Third Board of Directors held its 4th meeting. In the meeting, the following proposals were discussed: proposal about implementation of new capital management plan of Bank of Jiangsu and proposal about compliance to self-assessment on implementation of new capital management methods of Bank of Jiangsu in 2015.

On February 13, 2015, Audit Committee of the Third Board of Directors held its 5th meeting. In the meeting, the following proposals were discussed and approved: proposal about annual work of Audit Committee of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal about internal audit report of Bank of Jiangsu in 2014, and proposal about financial audit progress of Bank of Jiangsu in 2014.

On March 11, 2015, Audit Committee of the Third Board of Directors held its 6th meeting. In the meeting, the following proposals were discussed: proposal about self-assessment report on internal control of Bank of Jiangsu Co., Ltd. in 2014, proposal about Audit Plan of Bank of Jiangsu Co., Ltd. in 2014, and proposal about financial settlement in 2014 and financial budget in 2015 of Bank of Jiangsu.

On March 23, 2015, Audit Committee of the Third Board of Directors held its 7th meeting. In the meeting, the following proposals were further discussed and approved: proposal about self-assessment report on internal control of Bank of Jiangsu Co., Ltd. in 2014, proposal about Audit Plan of Bank of Jiangsu Co., Ltd. in 2014, and proposal about financial settlement in 2014 and financial budget in 2015 of Bank of Jiangsu.



On July 2, 2015, Audit Committee of the Third Board of Directors held its 8th meeting. In the meeting, the proposal about financial statement of Bank of Jiangsu in the first quarter of 2015 was discussed and approved.

On July 23, 2015, Audit Committee of the Third Board of Directors held its 9th meeting. In the meeting, the proposal about continuing to appoint BDO China Shu Lun Pan Certified Accountants LLP to carry out special IPO audit was discussed.

On August 24, 2015, Audit Committee of the Third Board of Directors held its 10th meeting. In the meeting, the following proposals were discussed: proposal about financial audit report of Bank of Jiangsu Co., Ltd. in the first half year of 2015, and proposal about self-assessment report on internal control of Bank of Jiangsu Co., Ltd. in the first half year of 2015.

On November 30, 2015, Audit Committee of the Third Board of Directors held its 11th meeting. In the meeting, the following proposals were discussed: proposal about renewing contract with accounting firm of Bank of Jiangsu Co., Ltd., and proposal about financial statements of Bank of Jiangsu Co., Ltd. in the first the third quarter of 2015.

On March 11, 2015, Affiliated Transaction Control Committee of the Third Board of Directors held its 5th meeting. In the meeting, the following proposals were discussed: proposal about work plan of Affiliated Transaction Control Committee of the Third Board of Directors of Bank of Jiangsu Co., Ltd. in 2015, proposal about affiliate transaction management of Bank of Jiangsu Co., Ltd. in 2014, proposal about estimated credit line for affiliated transaction of Bank of Jiangsu in 2015, and proposal about amending affiliated transaction management method of Bank of Jiangsu.

On March 18, 2015, Affiliated Transaction Control Committee of the Third Board of Directors held its 6th meeting. In the meeting, the proposal about increasing credit line for Huatai Securities Co., Ltd. in 2015 was discussed.

On September 18, 2015, Affiliated Transaction Control Committee of the Third Board of Directors held its 7th meeting. In the meeting, the proposal about affiliated transaction management report of Bank of Jiangsu in the second quarter of 2015.

On March 25, 2015, Nomination and Remuneration Committee of the Third Board of Directors held its 3rd meeting. In the meeting, the following proposals were discussed and approved: proposal about work plan of Nomination and Remuneration Committee of the Third Board of Directors of Bank of Jiangsu in 2015, proposal about performance evaluation report of directors of Bank of Jiangsu in 2014, and proposal about annual assessment and remuneration suggestions of senior administrative officers of Bank of Jiangsu in 2014.

On April 15, 2015, Nomination and Remuneration Committee of the Third Board of Directors held its 4th meeting. In the meeting, the following proposals were discussed: proposal about renewing contract with the President of Bank of Jiangsu Co., Ltd., and the proposal about nominating and electing directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd.

On April 20, 2015, Nomination and Remuneration Committee of the Third Board of Directors held its 5th

meeting. In the meeting, the proposal about replacing directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd. was discussed.

On July 1, 2015, Nomination and Remuneration Committee of the Third Board of Directors held its 6th meeting. In the meeting, the following proposals were discussed and approved: proposal about nominating directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd., proposal about renewing employment contract with the Vice President of Bank of Jiangsu Co., Ltd., and proposal about amending Remuneration Assessment Methods (Trial) for Senior Administrative Officers of Bank of Jiangsu.

On November 28, 2015, Nomination and Remuneration Committee of the Third Board of Directors held its 7th meeting. In the meeting, the following proposals were discussed and approved: proposal about remuneration management work report of Bank of Jiangsu in 2014, proposal about special audit report on remuneration management of Bank of Jiangsu in 2014, and proposal about nominating directors of the Third Board of Directors of Bank of Jiangsu Co., Ltd.

### III. Appointment and dismissal of accounting firm

As approved in the general meeting of shareholders, the Company decided to further appoint BDO China Shu Lun Pan Certified Public Accountants LLP to carry out annual audit and special IPO audit of the Company.

### IV. Punishment imposed on the Company and its Board of Directors, Board of Supervisors and senior administrative officers

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

### V. Profit Distribution Plan

#### (I) Profit distribution sequence in 2015

According to relevant regulations of Financial Rules for Financial Enterprises (Ministry of Finance Order No. 42) and Articles of Association of Bank of Jiangsu Co., Ltd., profit distribution sequence of the company in 2015 is as follows:

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

#### (II) Profit distribution plan

1. Statutory surplus reserve was withdrawn by 10% of net profit realized in current year, i.e. RMB947,505,000.
2. General risk reserve was withdrawn by 1.5% of increase in amount of risk assets, i.e. RMB3,937,580, according to Regulations on Creation and Management of Provisions by Financial Institutions (C.J. [2012] No. 20).
3. Discretionary surplus reserve was withdrawn by 10% of net profit realized in current year, i.e. RMB947,505,000.
4. There's no dividend distribution in 2015.

According to the plan above, annual profit distribution amount in 2015 was RMB5,832,590,000 and the balance was RMB3,642,460,000 which were retained as undistributed profit items.

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Significant Issues



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

Unit	Business address	Phone number	Number of sub-branches
Head Office of Bank of Jiangsu	No. 55, Hongwu North Road, Nanjing	025-58588218	24
Wuxi Branch, Bank of Jiangsu,	No. 8, Gongyun Road, Wuxi	0510-82326150	113
Suzhou Branch, Bank of Jiangsu,	No. 157, Suya Road, Industrilal Park, Suzhou	0512-68631008	47
Nantong Branch, Bank of Jiangsu,	No. 300, South Street, Nantong	0513-85123031	44
Changzhou Branch, Bank of Jiangsu,	No. 500, Yanling Middle Road, Changzhou	0519-88101228	32
Huai'an Branch, Bank of Jiangsu,	No. 34, Huaihai North Road, Huaian	0517-83915824	35
Xuzhou Branch, Bank of Jiangsu,	No. 81, Pengcheng Road, Xuzhou	0516-83100982	32
Yangzhou Branch, Bank of Jiangsu,	No. 525, Wenchang West Road, Yangzhou	0514-82931733	26
Zhenjiang Branch, Bank of Jiangsu,	No. 12, Guancheng Road, Zhenjiang	0511-84423206	34
Yancheng Branch, Bank of Jiangsu,	No. 269, Jiefang South Road, Yancheng	0515-66665801	34
Lianyungang Branch, Bank of Jiangsu,	No. 56, Hailian Middle Road, Lianyungang	0518-85510034	30
Suqian Branch, Bank of Jiangsu,	No. 17, Qinghai Lake Road, Suqian	0527-81001983	11
Taizhou Branch, Bank of Jiangsu,	No. 10, Dongjin East Road, Taizhou	0523-86223901	10
Shanghai Branch, Bank of Jiangsu,	No. 1128, Shiji Road, Pydong New Area, Shanghai	021-22258000	15
Shenzhen Branch, Bank of Jiangsu,	No. 4011, Shennan Avenue, Futian District, Shenzhen	0755-22660721	19
Beijing Branch, Bank of Jiangsu,	No. 1, Guangxi Jiayuan, Chaoyang District, Beijing	010-56986950	20
Hangzhou Branch, Bank of Jiangsu,	No. 38-42, Tianmu Mountain Road, West Lake District, Hangzhou	0571-88359888	8

In 2015, 26 sub-branches were newly established, including 7 traditional sub-branches (Shenzhen Qianhai Sub-branch, Hangzhou Fuyang Sub-branch, Beijing Shangdi Sub-branch, Shanghai Huinan Sub-branch, Shenzhen Tianbei Sub-branch, Beijing Guanghualu Sub-branch and Sub-branch for small and micro businesses in Chengdong, Hangzhou), 14 community sub-branches (Zhongshan Park Community Sub-branch in Shenzhen, Shuibei Community Sub-branch in Shenzhen, Community Sub-branch in Huaihai South Road, Huai'an, Community Sub-branch in Huaihe East Road, Xuyi, Community Sub-branch in Jin Ma Li Cheng, Nanjing, Di'ao Community Sub-branch in Nantong, Community Sub-branch in Niushan South Road, Donghai, Community Sub-branch in Guanyun Jiangshan Park, Community Sub-branch in Futian Internet Finance Park in Shenzhen, Minzhi Community Sub-branch in Shenzhen, Community Sub-branch in Nanshan Zhiyuan, Shenzhen, Xintiandi Community Sub-branch in Changzhou, Yicheng Community Sub-branch in Nantong, and Huaqiang South Community Sub-branch in Shenzhen) and 5 small and micro-business sub-braches (Small and Micro-business Sub-branch in Jingang South Road, Taizhou, Small and Micro-business Sub-branch in Beijing Road, Hongze, Small and Micro-business Sub-branch in National

High-tech Industrial Development Zone, Nantong, Small and Micro-business Sub-branch in Hailian West Road, Lianyungang and Small and Micro-business Sub-branch in Hangfu Street, Hangji, Yangzhou).

In 2015, 4 sub-branches were removed and merged, which were Wuxi Xihai Sub-branch, Zhenjiang Zhaoshang Sub-branch, Zhenjiang Runyang Sub-branch and Zhenjiang Taigushan Sub-branch.

## II. Newly Added Business Qualification and Organizations

On January 5, 2015, the Company obtained the insurance funds trusteeship qualification granted by China Insurance Regulatory Commission (CIRC).

On May 11, 2015, the Company received the Approval on opening of Suxing Financial Leasing Co., Ltd., and the said company formally opened for business.

In June 2015, Shanghai Head Office of the People Bank of China approved the Company to carry out separate accounting business in Shanghai Free Trade Zone.

In August 2015, People's Bank of China approved the Bank to issue large-denomination certificates of deposit.

On August 6, 2015, the Company received the Letter about Approving Bank of Jiangsu Co., Ltd. to engage in deposit and management of transaction settlement funds for securities company client, and was approved to carry out deposit and management of transaction settlement funds for securities companies.

## III. Major Litigations and Arbitration

Many legal and arbitration affairs exist in normal business of the Company. Through consulting professional legal adviser, senior administrative officers of the Company do not think such legal or arbitration issues will have adverse impact on business, financial situation or operation performance of the Company.

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

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

## V. Major acquisition, merger, assets sale or consolidation

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

## VI. Significant Contracts and Performance

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

## VII. Affiliated transaction

In the reporting, all affiliated transactions were carried out based on normal business procedures and provisions. There's no activity violating interests of the shareholders or the Company.



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## I. Financial Report

(I) Standard audit report with unqualified opinion given by BDO China Shu Lun Pan Certified Public Accountants LLP towards the 2015 annual financial report of the company.

(II) Accounting statements.

(III) Notes to the accounting statements.

## II. Reference document directory

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

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

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

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

February 1, 2016

## Auditors' Report

2016-B1050

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

We have audited the accompanying financial statements of the Bank of Jiangsu Co., Ltd (herein after referred to as "the Bank" ), which comprise: the consolidated balance sheet and the parent company balance sheet at 31 December 2015, the consolidated income statement and parent company income statement, the consolidated cash flow statement and parent company cash flow statement, the consolidated statement of changes in equity and the parent company statement of changes in equity for the year then ended, and notes to the financial statements.

### I. Management' s responsibilities for the financial statements

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

### II. Auditors' responsibility

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

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

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

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

### III. Audit Opinion

In our opinion, the financial statements of the Bank present fairly, in all material respects, the consolidated and parent company' s financial position of the Bank as at 31 December 2015, and their operating results and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.



Certified Public Accountant of China:

Certified Public Accountant of China:

15 March 2016



## Consolidated Balance Sheet

31 December 2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	31 December 2015	31 December 2014
<b>Assets</b>			
Cash and balances at the central bank	IX.1	121,097,414	132,054,546
Due from banks and other financial institutions	IX.2	54,315,848	92,550,450
Precious metal			
Loans and advances to banks	IX.3	5,431,649	8,595,168
Financial assets designated at fair value through profit and loss	IX.4	714,800	5,513,037
Derivative financial assets	IX.5	28,286	69,692
Reverse repurchase agreements and other similar secured lendings	IX.6	76,181,793	49,933,917
Interest receivables	IX.7	6,263,995	6,017,740
Loans and advances to customers	IX.8	546,389,335	475,363,549
Available-for-sale financial assets	IX.9	205,823,882	99,725,131
Held-to-maturity investments	IX.10	116,133,972	74,844,513
Investment on receivables	IX.11	139,266,718	81,412,409
Long-term receivables	IX.12	7,730,270	
Long-term equity investment	IX.13		
Investment properties			
Property, plant and equipment	IX.14	5,321,689	4,929,161
Intangible assets	IX.15	692,975	727,151
Deferred tax assets	IX.16	2,611,551	2,561,085
Other assets	IX.17	2,329,159	4,011,501
<b>Total assets</b>		<b>1,290,333,336</b>	<b>1,038,309,050</b>

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

Legal representative:



Chief finance officer:



Finance director:



## Consolidated Balance Sheet (Continued)

31 December 2015

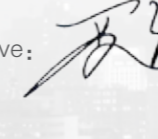
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

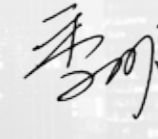
Items	Note	31 December 2015	31 December 2014
<b>Liabilities:</b>			
Borrowings from the central bank	IX.19	7,300,000	5,050,000
Due to banks and other financial institutions	IX.20	296,364,727	205,319,535
Loans and advances from banks	IX.21	6,464,588	2,243,325
Borrowings from other financial institutions	IX.22	4,880,000	
Financial liabilities designated at fair value through profit and loss			
Derivative financial liabilities	IX.5	260	30,190
Repurchase agreements and other similar secured borrowing	IX.23	58,949,955	40,845,461
Due to customers	IX.24	776,428,471	681,297,329
Employee benefit payables	IX.25	3,651,506	3,276,043
Tax and surcharge payables	IX.26	1,170,582	1,090,715
Interest payable	IX.27	13,801,413	11,478,079
Estimated liabilities	IX.28	2,056	2,081
Bond payables	IX.29	51,649,489	28,978,793
Deferred tax liabilities	IX.16		
Other liabilities	IX.30	4,135,726	2,632,413
<b>Total liabilities</b>		<b>1,224,798,773</b>	<b>982,243,964</b>
<b>Equity:</b>			
Share capital	IX.31	10,390,000	10,390,000
Capital reserves	IX.32	10,097,373	10,097,373
Less: Treasury shares			
Other comprehensive income	IX.33	597,276	42,911
Surplus reserves	IX.34	9,104,575	7,288,454
General risk reserves	IX.35	15,715,462	11,777,885
Retained profits	IX.36	19,251,120	16,338,585
Equity attributable to owners of the parent company		65,155,806	55,935,208
Non-controlling interests	IX.37	378,757	129,878
<b>Total equity</b>		<b>65,534,563</b>	<b>56,065,086</b>
<b>Total equity and liabilities</b>		<b>1,290,333,336</b>	<b>1,038,309,050</b>

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

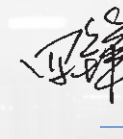
Legal representative:



Chief finance officer:



Finance director:



## Parent Company Balance Sheet

31 December 2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	31 December 2015	31 December 2014
<b>Assets:</b>			
Cash and balances with the central bank	IX.1	121,035,816	131,987,293
Due from banks	IX.2	54,623,643	92,949,612
Precious metal			
Loans and advances to banks	IX.3	6,031,649	8,595,168
Financial assets designated at fair value through profit and loss	IX.4	714,800	5,513,037
Derivative financial assets	IX.5	28,286	69,692
Reverse repurchase agreements and other similar secured lending	IX.6	76,181,793	49,933,917
Interest receivables	IX.7	6,197,995	6,013,140
Loans and advances to customers	IX.8	545,481,065	474,338,482
Interest receivables	IX.9	205,823,882	99,725,131
Loans and advances to customers	IX.10	116,133,972	74,844,513
Investment on receivables	IX.11	139,266,718	81,412,409
Long-term equity investment	IX.13	1,073,800	73,800
Investment properties			
Property, plant and equipment	IX.14	5,317,247	4,926,181
Intangible assets	IX.15	689,911	726,998
Deferred tax assets	IX.16	2,535,751	2,558,968
Other assets	IX.17	2,318,087	4,002,179
<b>Total assets</b>		<b>1,283,454,415</b>	<b>1,037,670,520</b>

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

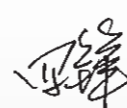
Legal representative:



Chief finance officer:



Finance director:



## Parent Company Balance Sheet (Continued)

31 December 2015

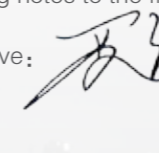
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

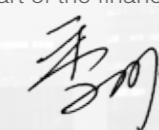
Items	Note	31 December 2015	31 December 2014
<b>Liabilities:</b>			
Borrowings from the central bank	IX.19	7,300,000	5,000,000
Due to banks and other financial institutions	IX.20	296,641,083	205,366,756
Loans and advances from banks	IX.21	6,464,588	2,243,325
Financial liabilities designated at fair value through profit and loss			
Derivative financial instruments	IX.5	260	30,190
Repurchase agreements and other similar secured borrowing	IX.23	58,949,955	40,845,461
Due to customers	IX.24	775,923,643	680,826,959
Employee benefit payables	IX.25	3,637,630	3,273,467
Tax and surcharge payables	IX.26	1,085,341	1,084,587
Interest payables	IX.27	13,747,185	11,468,077
Estimated liabilities	IX.28	2,056	2,081
Bond payables	IX.29	51,649,489	28,978,793
Deferred tax liabilities	IX.16		
Other liabilities	IX.30	2,936,216	2,632,070
<b>Total liabilities</b>		<b>1,218,337,446</b>	<b>981,751,766</b>
<b>Equity</b>			
Share capital	IX.31	10,390,000	10,390,000
Capital reserves	IX.32	10,097,373	10,097,373
Less: Treasury shares			
Other comprehensive income	IX.33	597,276	42,911
Surplus reserves	IX.34	9,104,575	7,288,454
General risk reserves	IX.35	15,699,373	11,761,796
Retained profits	IX.36	19,228,372	16,338,220
<b>Total equity</b>		<b>65,116,969</b>	<b>55,918,754</b>
<b>Total equity and liabilities</b>		<b>1,283,454,415</b>	<b>1,037,670,520</b>

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

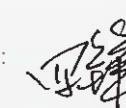
Legal representative:



Chief finance officer:



Finance director:





## Consolidated Income Statement




2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	2015	2014
<b>I. Operating income</b>		28,047,070	25,325,842
Net interest income		23,971,402	22,338,619
Interest income	IX.38	58,787,675	48,678,898
Interest expense	IX.38	34,816,273	26,340,279
Net fees and commission income		3,899,399	2,802,284
Fee and commission income	IX.39	4,026,094	2,905,588
Fee and commission expense	IX.39	126,695	103,304
Investment income	IX.40	195,544	34,012
Including: income from investment in associates and joint ventures			
Profits/losses on fair value changes	IX.41	-5,690	77,037
Foreign exchange profit/loss	IX.42	-71,554	58,202
Other operating income	IX.43	57,969	15,688
<b>II. Operating expenses</b>		16,002,178	13,950,248
Business tax and surcharges	IX.44	1,990,939	1,787,159
Operation and administration expenses	IX.45	8,236,857	7,488,423
Impairment losses of assets	IX.46	5,772,658	4,671,566
Other operating expenses	IX.47	1,724	3,100
<b>III. Operating profit</b>		12,044,892	11,375,594
Add: non-operating income	IX.48	85,666	81,394
Less: non-operating expenses	IX.49	48,490	42,352
<b>IV. Profit before incometax</b>		12,082,068	11,414,636
Less: income tax	IX.50	2,577,260	2,715,512
<b>V. Net profit</b>		9,504,808	8,699,124
Attributable to: Owners of the parent company		9,497,433	8,684,947
Profit or loss for non-controlling interests		7,375	14,177

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

Legal representative:  Chief finance officer:  Finance director: 

## Consolidated Income Statement (Continued)




2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	2015	2014
<b>VI. Other comprehensive income after tax</b>		554,365	317,964
1. Other comprehensive income/(loss) not to be reclassified into profit or loss in subsequent periods			
(1) Remeasurement of defined benefit retirement plans			
(2) Other comprehensive (loss)/income of investees which will not be reclassified to the income statement under equity method			
2. Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		554,365	317,964
(1) Other comprehensive (loss)/income of investees will reclassified to the income statement under equity method			
(2) Gains/losses from changes in fair value of available-for-sale financial assets		554,365	317,964
(3) (Loss)/income of held-to-maturity investment reclassified to available-for-sale financial assets			
(4) Effective portion of cash flow hedges			
(5) Currency translation differences			
(6) Others Comprehensive income			
<b>VII. Total comprehensive income</b>		10,059,173	9,017,088
Attributable to: Owners of the parent company		10,051,798	9,002,911
Non-controlling interests		7,375	14,177
<b>VIII. Earnings per share</b>			
1. Basic earnings per share (CNY per share)	IX.51	0.91	0.84
2. Diluted earnings per share (CNY per share)		0.91	0.84

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

Legal representative:  Chief finance officer:  Finance director: 

## Parent Company Income Statement

2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	2015	2014
<b>I. Operating income</b>		27,829,595	25,263,093
Net interest income		23,817,459	22,265,486
Interest income	IX.38	58,536,094	48,591,852
Interest expense	IX.38	34,718,635	26,326,366
Net fees and commission income		3,870,211	2,801,598
Fee and commission income	IX.39	3,996,886	2,904,880
Fee and commission expense	IX.39	126,675	103,282
Investment income	IX.40	201,448	45,082
Including: income from investment in associates and joint ventures			
Profit and loss on fair value changes	IX.41	-5,690	77,037
Foreign exchange profit and loss	IX.42	-71,554	58,202
Other operating income	IX.43	17,721	15,688
<b>II. Operating expenses</b>		15,815,753	13,901,599
Business tax and surcharges	IX.44	1,975,037	1,783,391
Operation and administration expenses	IX.45	8,181,927	7,462,853
Impairment losses of assets	IX.46	5,657,065	4,652,255
Other operating expenses	IX.47	1,724	3,100
<b>III. Operating profit</b>		12,013,842	11,361,494
Add: non-operating income	IX.48	73,142	72,584
Less: non-operating expenses	IX.49	48,475	42,330
<b>IV. Profit before income tax</b>		12,038,509	11,391,748
Less: income tax	IX.50	2,563,459	2,705,583
<b>V. Net profit</b>		9,475,050	8,686,165

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

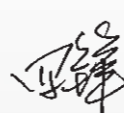
Legal representative:



Chief finance officer:



Finance director:



## Parent Company Income Statement

2015

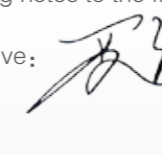
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

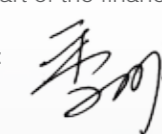
Items	Note	2015	2014
<b>VI. Other comprehensive income net of tax</b>		554,365	317,964
1. Other comprehensive (loss)/income not to be reclassified into profit or loss in subsequent periods:			
(1) Remeasurement of defined benefit retirement plans			
(2) Other comprehensive (loss)/income of investees will not reclassified to the income statement under equity method			
2. Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		554,365	317,964
(1) Other comprehensive (loss)/income of investees will reclassified to the income statement under equity method			
(2) Gains/losses from changes in fair value of available-for-sale financial assets		554,365	317,964
(3) (Loss)/income of held-to-maturity investment reclassified to available-for-sale financial assets			
(4) Effective portion of cash flow hedges			
(5) Currency translation differences			
(6) Other Comprehensive income			
<b>VII. Total comprehensive income</b>		10,029,415	9,004,129
<b>VIII. Earnings per share</b>			
1. Basic earnings per share (CNY per share)	IX.51	0.91	0.84
2. Diluted earnings per share (CNY per share)		0.91	0.84

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

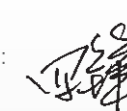
Legal representative:



Chief finance officer:



Finance director:





## Consolidated Cash Flow Statement

2015

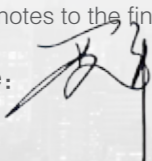
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

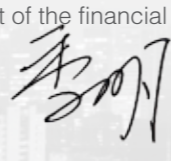
Items	Note	2015	2014
<b>I. Cash flows from operating activities</b>			
Net increase in customer deposits and due to banks		186,176,334	225,748,924
Net increase in borrowing from the central bank		2,250,000	5,000,000
Net decrease in deposits with the central bank and due from banks		7,341,664	
Net increase in borrowings from other financial institutions		29,464,918	26,344,239
Cash received from interest, fee and commission		45,620,099	44,768,245
Other cash receipts relating to operating activities	IX.52	2,760,960	310,201
Sub-total of cash inflows from operating activities		273,613,975	302,171,609
Net increase in loans and advances to customers		81,088,371	76,821,235
Net increase in balances at the central bank and due from banks			14,764,198
Cash paid for interest, fee and commission		31,196,134	22,492,075
Cash paid to and on behalf of employees		4,692,643	4,332,441
Payments of taxes		4,786,565	4,808,257
Cash payment relating to other operating activities	IX.52	3,281,990	3,491,583
Sub-total of cash outflows from operating activities		125,045,703	126,709,789
Net cash flows from operating activities		148,568,272	175,461,820
<b>II. Cash flows from investing activities</b>			
Cash received from receipt of investment		1,142,668,957	350,268,830
Cash received from return on investment		15,321,807	9,137,738
Other cash received relating to investing activities		89,099	41,241
Sub-total of cash inflows from investing activities		1,158,079,863	359,447,809
Cash paid to acquisition of investments		1,342,626,529	535,873,045
Cash paid to acquisition of fixed assets, intangible assets and other non-current assets		1,129,553	1,586,761
Cash payment relating to investing activities			
Sub-total of cash outflows from investing activities		1,343,756,082	537,459,806
Net cash flows from investing activities		-185,676,219	-178,011,997
<b>III. Cash flows from financing activities</b>			
Cash received from investments		250,000	
Cash received from issuance of bonds		65,959,738	35,125,185
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities		66,209,738	35,125,185
Cash repayments of debts		43,289,042	11,146,392
Cash paid for distribution of dividends, profit and interest expends		2,385,804	893,942
Cash payments relating to other financing activities			
Sub-total of cash outflows from financing activities		45,674,846	12,040,334
Net cash flows from financing activities		20,534,892	23,084,851
IV. Effect of exchange rate changes on cash and cash equivalents		66,503	43,691
V. Net increase in cash and cash equivalents		-16,506,552	20,578,365
Add: Opening balances of cash and cash equivalents	IX.52	149,092,337	128,513,972
VI. Closing balances of cash and cash equivalents		132,585,785	149,092,337

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

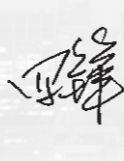
Legal representative:



Chief finance officer:



Finance director:



## Parent Company Cash Flow Statement

2015

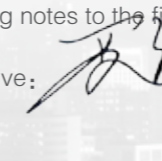
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

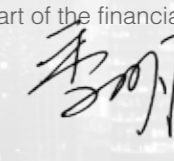
Items	Note	2015	2014
<b>I. Cash flows from operating activities</b>			
Net increase in customer deposits and due to banks		186,371,011	226,194,099
Net increase in borrowing from central bank		2,300,000	5,000,000
Net decrease in deposits with the central bank and due from banks		7,791,133	
Net increase in borrowings from other financial institutions		23,984,918	26,394,239
Cash received from interest, fee and commission		45,405,057	44,651,083
Other cash receipts relating to operating activities	IX.52	1,517,084	301,391
Sub-total of cash inflows from operating activities		267,369,203	302,540,812
Net increase in loans and advances to customers		73,360,222	76,876,255
Net increase in deposit with the central bank and due from banks			15,247,314
Cash paid for interest, fee and commission		31,142,702	22,446,613
Cash paid to and on behalf of employees		4,672,484	4,320,968
Payments of taxes		4,760,688	4,795,249
Cash payment relating to other operating activities	IX.52	3,265,288	3,480,662
Sub-total of cash outflows from operating activities		117,201,384	127,167,061
Net cash flows from operating activities		150,167,819	175,373,751
<b>II. Cash flows from investing activities</b>			
Cash received from receipt of investment		1,142,668,957	350,268,830
Cash received from return on investment		15,323,364	9,137,738
Other cash received relating to investing activities		89,099	41,241
Sub-total of cash inflows from investing activities		1,158,081,420	359,447,809
Cash paid to acquisition of investments		1,343,626,529	535,873,045
Cash paid to acquisition of fixed assets, intangible assets and other non-current assets		1,125,396	1,582,303
Cash payment relating to investing activities			
Sub-total of cash outflows from investing activities		1,344,751,925	537,455,348
Net cash flows from investing activities		-186,670,505	-178,007,539
<b>III. Cash flows from financing activities</b>			
Cash received from investments			
Cash received from issuance of bonds		65,959,738	35,125,185
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities		65,959,738	35,125,185
Cash repayments of debts		43,289,042	11,146,392
Cash paid for distribution of dividends, profit and interest expends		2,377,308	866,942
Cash payments relating to financing activities			
Sub-total of cash outflows from financing activities		45,666,350	12,013,334
Net cash flows from financing activities		20,293,388	23,111,851
IV. Effect of exchange rate changes on cash and cash equivalents		66,503	43,691
V. Net increase in cash and cash equivalents		-16,142,795	20,521,754
Add: Opening balances of cash and cash equivalents	IX.52	148,991,296	128,469,542
VI. Closing balances of cash and cash equivalents		132,848,501	148,991,296

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

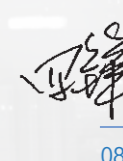
Legal representative:



Chief finance officer:



Finance director:



## Consolidated Statement of Changes in Equity

2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	2015								Non-controlling interests	Total shareholders' equity	
		Equity attributable to owners to the parent company						Total				
		Share Capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	General risk reserves		Retained Profits			
I. Balance as at 31 December 2014		10,390,000	10,097,373		42,911		7,288,454	11,777,885	16,338,585	55,935,208	129,878	56,065,086
Add: Effect of changes in accounting policy												
Corrections of errors												
II. Balance as at 1 January 2015		10,390,000	10,097,373		42,911		7,288,454	11,777,885	16,338,585	55,935,208	129,878	56,065,086
III. Decrease/increase for the year					554,365		1,816,121	3,937,577	2,912,535	9,220,598	248,879	9,469,477
1. Total comprehensive income	IX.33				554,365				9,497,433	10,051,798	7,375	10,059,173
2. Capital invested and disposed by shareholders											250,000	250,000
(1) Capital invested	IX.31										250,000	250,000
(2) Shares-based payment												
(3) Others												
3. Profit distribution							1,816,121	3,937,577	-6,584,898	-831,200	-8,496	-839,696
(1) Surplus reserve appropriation	IX.34						1,816,121		-1,816,121			
(2) General risk reserve appropriation	IX.35							3,937,577	-3,937,577			
(3) Dividends	IX.36								-831,200	-831,200	-8,496	-839,696
4. Intra-transfer equity												
(1) Capital reserves transfer to capital												
(2) Surplus reserves transfer to capital												
(3) Loss redemption by surplus reserve												
(4) Others												
IV. Balance as at 31 December 2015		10,390,000	10,097,373		597,276		9,104,575	15,715,462	19,251,120	65,155,806	378,757	65,534,563

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

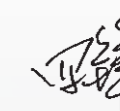
Legal representative:



Chief finance officer:



Finance director:





## Consolidated Statement of Changes in Equity

2014

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	2014								Non-controlling interests	Total shareholders' equity
		Equity attributable to owners to the parent company						Total			
		Share Capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	General risk reserves		Retained Profits		
<b>I. Balance as at 31 December 2013</b>		10,390,000	9,822,320			5,601,909	8,442,837	13,506,611	47,763,677	131,631	47,895,308
Add: Effect of changes in accounting policy			275,053		-275,053	-18		-162	-180		-180
Corrections of errors											
<b>II. Balance as at 1 January 2014</b>		10,390,000	10,097,373		-275,053	5,601,891	8,442,837	13,506,449	47,763,497	131,631	47,895,128
<b>III. Decrease/increase for the year</b>					317,964	1,686,563	3,335,048	2,832,136	8,171,711	-1,753	8,169,958
1. Total comprehensive income	IX.33				317,964			8,684,947	9,002,911	14,177	9,017,088
2. Capital invested and disposed by shareholders											
(1) Capital invested	IX.31										
(2) Shares-based payment											
(3) Others											
3. Profit distribution						1,686,563	3,335,048	-5,852,811	-831,200	-15,930	-847,130
(1) Surplus reserve appropriation	IX.34					1,686,563		-1,686,563			
(2) General risk reserve appropriation	IX.35						3,335,048	-3,335,048			
(3) Dividends	IX.36							-831,200	-831,200	-15,930	-847,130
4. Intra-transfer equity											
(1) Capital reserves transfer to capital											
(2) Surplus reserves transfer to capital											
(3) Loss redemption by surplus reserve											
(4) Other											
<b>IV. Balance as at 31 December 2014</b>		10,390,000	10,097,373		42,911	7,288,454	11,777,885	16,338,585	55,935,208	129,878	56,065,086

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

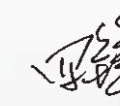
Legal representative:



Chief finance officer:



Finance director:



## Parent Company Statement of Changes in Equity

2015

Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY 1,000

Items	Note	2015							Total
		Share Capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	General risk reserves	Retained Profits	
I. Balance as at 31 December 2014		10,390,000	10,097,373		42,911	7,288,454	11,761,796	16,338,220	55,918,754
Add: Effect of changes in accounting policy									
Corrections of errors									
II. Balance as at 1 January 2015		10,390,000	10,097,373		42,911	7,288,454	11,761,796	16,338,220	55,918,754
III. Decrease/increase for the year					554,365	1,816,121	3,937,577	2,890,152	9,198,215
1. Total comprehensive income	IX.33				554,365			9,475,050	10,029,415
2. Capital invested and disposed by shareholders									
(1) Capital invested	IX.31								
(2) Shares recognised as shareholders' equity									
(3) Others									
3. Profit distribution						1,816,121	3,937,577	-6,584,898	-831,200
(1) Surplus reserve appropriation	IX.34					1,816,121		-1,816,121	
(2) General risk reserve appropriation	IX.35						3,937,577	-3,937,577	
(3) Dividends	IX.36							-831,200	-831,200
4. Intra-transfer equity									
(1) Capital reserves transfer to capital									
(2) Surplus reserves transfer to capital									
(3) Loss redemption by surplus reserve									
(4) Other									
IV. Balance as at 31 December 2015		10,390,000	10,097,373		597,276	9,104,575	15,699,373	19,228,372	65,116,969

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

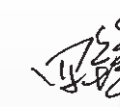
Legal representative:



Chief finance officer:



Finance director:





## Parent Company Statement of Changes in Equity

2014

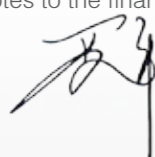
Presents by: Bank of Jiangsu Co., Ltd.

Monetary Unit: CNY1,000

Items	Note	2014							Total
		Share Capital	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	General risk reserves	Retained Profits	
I. Balance as at 31 December 2013		10,390,000	9,822,320			5,601,909	8,431,561	13,500,215	47,746,005
Add: Effect of changes in accounting policy			275,053		-275,053	-18		-162	-180
Corrections of errors									
II. Balance as at 1 January 2015		10,390,000	10,097,373		-275,053	5,601,891	8,431,561	13,500,053	47,745,825
III. Decrease/increase for the year					317,964	1,686,563	3,330,235	2,838,167	8,172,929
1. Total comprehensive income	IX.33				317,964			8,686,165	9,004,129
2. Capital invested and disposed by shareholders									
(1) Capital invested	IX.31								
(2) Shares recognised as shareholders' equity									
(3) Others									
3. Profit distribution						1,686,563	3,330,235	-5,847,998	-831,200
(1) Surplus reserve appropriation	IX.34					1,686,563		-1,686,563	
(2) General risk reserve appropriation	IX.35						3,330,235	-3,330,235	
(3) Dividends	IX.36							-831,200	-831,200
4. Intra-transfer equity									
(1) Capital reserves transfer to capital									
(2) Surplus reserves transfer to capital									
(3) Loss redemption by surplus reserve									
(4) Other									
IV. Balance as at 31 December 2014		10,390,000	10,097,373		42,911	7,288,454	11,761,796	16,338,220	55,918,754

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

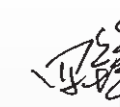
Legal representative:



Chief finance officer:



Finance director:



## I. Company profile

### 1. Corporate Information

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

The unified social credit identifier of the business licence of the Bank is No. 91320000796544598E. The the operation period is from 22 January 2007 to \*\*\*\*\*. The number of financial warrant is No. B0243H232010001, the corporate legal representative is Xia Ping, and the registered office location is No.26 Zhonghua Road, Nanjing City.

The registered capital as at the time of establishment was CNY7,850 million.

In August 2009, according to the resolution of the first extraordinary general meeting of shareholders, the Bank raised funds by issuing CNY550 million ordinary shares with par value of 1.00 CNY per share and offering price of 3.60 CNY per share targeted to Jiangsu Shagang Group Co., Ltd, Sanbao Group Co., Ltd, and Suning Appliances Co., Ltd. The registered capital of the Bank then increased to CNY 8,400 million.

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

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

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

As at 31 December 2015, Jiangsu International Trust Co., Ltd, the first majority shareholder of Bank of Jiangsu Co., Ltd. is holding 8.76% of total shares of the Bank.

The scope of the Bank is: absorbing public deposits; providing short-, mid- and long-term loans; arranging domestic settlements; accepting and discounting bills; issuing financial bonds; acting for issuing, cashing and selling government bonds and selling short-term financing guarantees; buying and selling government bonds and financial bonds; engaging interbank borrowings; providing services and guarantees for letter of credit; acting for payments and receipts and acting for insurance, valet financial management, acting for selling funds, acting for selling precious metals, acting for trust plans of assembled funds; providing safe deposit boxes; providing entrusted deposit and loan businesses; providing bank card services; providing foreign exchange deposits; providing foreign exchange loans; providing foreign exchange remittances; providing foreign currency exchanges; providing foreign exchange settlement and sales and acting for foreign exchange forward settlement and sales; international settlements; self-supporting and acting for foreign exchange businesses; engaging inter-bank borrowings with foreign exchange; self-supporting or acting for purchasing or selling priced securities in foreign currencies despite stocks; providing credit investigation, consults and notarial services; providing online banking businesses; and other businesses approved by banking supervision and management institutions and relevant departments. (Projects those are approved legally and can be operated after the approval through relevant departments)

### 2. The Scope of Consolidated Financial Statements

As at 31 December, 2015, the subsidiaries of the Bank consist of the following:

Name of Subsidiary
Baode County Bank of Danyang, Jiangsu (herein after referred to “Baode County Bank” )
Suxing Financial Leasing Co., Ltd. (herein after referred to “Suxing Financial Leasing Company” )

The scope and changes of consolidated financial statement of the Bank for the year 2015 are disclosed in detail in Note8, the corporate consolidation and financial statements.

The Bank and its subsidiary (collectively referred as the “Group” ) are financial providers engaged in retail banking, wholesale banking, and fund business, financial leasing services, wealth management and other financial services.

## II. Basis of preparation

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

## III. Statements of compliance with ASBEs

The consolidated financial statements of the Group and the individual financial statements of parent company have been prepared in accordance with ASBEs, and disclosed the Group's financial position as at 31 December 2015. The Group's results of operations and cash flows for the year ended 2015 are true and complete.

## IV. Summary of Significant Accounting Policies and Estimates

### 1. Accounting Period

The group has adopted each calendar year from 1 January to 31 December in the year as a financial year. The financial year for this report is 2015.

### 2. Recording currency

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

### 3. Preparation basis of consolidated financial statements

#### 3.1 Scope of the consolidated financial statements

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

Control is defined as the power to govern the financial and operating policies of an entity or business so as to obtain and influence the benefits from its activities. The activities of the acquirer are defined as the ones which can influence the invested entity significantly. Such activities, which depend on specific circumstances, are generally including the purchase of commodities and services, financial capital

management, assets purchase and disposals, research and development activities as well as other financing activities. The assessment of control is based on the consideration of all relevant facts and circumstances. The Group reassesses whether it controls an investee once the changes on facts and circumstances lead to changes on the relevant elements that related to control.

#### 3.2 Consolidation Procedures

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

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

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

#### (1) Addition of subsidiaries or businesses

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

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



year, during the period from the later day between the original equity acquisition day and the day when the acquirer and investees are under the same control, to the consolidation day.

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

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

## (2) Disposal of subsidiaries or businesses

### 1) General disposal approach

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

### 2) Disposal of subsidiaries by multiple transactions

When there is loss of control over a subsidiary upon multiple disposal transactions of equity interests in a subsidiary, the Group shall account for these multiple disposal transactions as a one single transaction if one or more of the following conditions are met:

- i. The transactions are setup dependent on each of others;
  - ii. Only the complete transactions can reach the commercial goal;
  - iii. The occurrence of a transaction depends on the occurrence of at least one or more other transactions;
- and

iv. One transaction cannot reach economies of scale by itself; but when considered with other transactions together, it can reach economies of scale.

When there is loss of control over the subsidiary upon multiple disposal transactions of equity interests in the subsidiary, the Group accounts for these multiple disposal transactions as one single transaction. Until the occurrence of loss of control, the Group shall record the difference of the disposal price and the corresponding net assets of subsidiaries disposed into other comprehensive income for all disposal transactions. Upon the occurrence of loss of control, the corresponding portion of accumulated gain or loss from the previous disposal transactions previously recorded under equity shall be charged to profit or loss.

For multiple disposal transactions not considered as a single disposal transaction, until the occurrence of loss of control, the Group shall account for the partly disposal of equity interest of a subsidiary without losing controls. Upon the occurrence of loss of control, the Group shall account for the disposal under normal circumstances.

## (3) Acquisition of non-controlling interests of subsidiaries

Where the Group acquired non-controlling interests, the difference between the cost of the new long-term equity investments and the newly acquired portion of the subsidiary's net assets at the acquisition date is adjusted to the capital reserve within the capital premium in the consolidated balance sheet. If the capital premium of the capital reserve is insufficient, any excess is adjusted to retained earnings.

### (4) Partly disposal of equity interest of subsidiary without loss of control

Where the Group partially disposed equity interest in a subsidiary that does not result in a loss of control, the difference between the proceeds and the corresponding share of the subsidiary's net assets at the disposal date is adjusted to the capital reserve within the capital premium in the consolidated balance sheet. If the capital premium of the capital reserve is insufficient, any excess is adjusted to retained earnings.

## 4. Cash and cash equivalents

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

## 5. Foreign currency translation

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

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

translation from changes of other book value of the securities. The difference of translation from changes of cost amortisation shall be taken into income statements, while the difference of translation from changes of other book value of the securities shall be taken into other comprehensive income. The translation differences from other monetary assets and liabilities are aggregated to income statements.

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

## 6. Financial Instruments

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

### 6.1 Recognition and Derecognition

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

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

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

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

When the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset, but has retained control of the financial asset, the Group continues to recognise the relevant financial assets to the extent of the Group's actual control, and recognise the relevant financial liability. Otherwise,

if the Bank has not retained the control of the financial asset, then derecognise the financial asset and recognise relevant arisen assets and liabilities.

### 6.2 Financial asset transfers and asset securitization

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

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

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

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

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

The Group derecognises the financial assets after transferring substantially all risks and returns on the ownership of the assets. The financial assets are continued to be recognised if the Group retains substantially all risks and ownership of the assets.

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

#### (2) Asset securitization

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



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

### 6.3 Classification and measurement of financial assets

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

Financial assets designated at fair value through profit or loss

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

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

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

The designation can eliminate or significantly decrease the inconsistent of the recognition or measurement on relevant income or losses due to the different measurement basis;

The designation can eliminate or significantly decrease the inconsistent of the recognition or measurement on relevant income or losses due to the different measurement basis;

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

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

Held-to-maturity Investments

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

Loans and receivables

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

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

Available-for-sale financial assets

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

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

The costs or amortisation costs of the reclassified financial assets are the fair value of the assets at the



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

#### 6.4 Measurement and classification of financial liability

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

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

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

##### (2) Other financial liabilities

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

#### 6.5 Derivative financial instruments

Derivative financial instruments are financial instruments those a) change with specified interest rate, price of financial instruments, price of commodities, exchange rates, price or indices of interests, credit levels or other credit indices, or changes of other variables; b) with no requirements of initial net investments, or those only require little investment compared with contracts those with similar reaction to the changes of market; c) financial instruments which settled the accounts in a future day.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract

is entered into and are subsequently premeasured at fair value despite the otherwise rules in ASBEs. The changes in fair value of derivative financial assets are included in the profit and loss of changes in fair value, and presented simultaneously in derivative financial assets and derivative financial liabilities.

#### 6.6 Impairment of financial assets

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

##### (1) Financial assets measured at amortised cost

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

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

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

After the impairment loss of the financial assets is recognised, once there are objective evidences to show the value financial assets is reversed, and the assets are objectively related to matters after the recognition of

impairment, then the original recognised impairment loss shall be reversed and accounted into profit and loss for the current financial period. However, the book value after reversal cannot exceed the amortised cost at reversal date under the assumption that the impairment provisions are not taken.

## (2) Available-for-sale financial assets

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

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

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

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

## (3) Financial assets measured at costs

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

## (4) Impairment reversal and loan write-offs

After recognising impairment loss of loans, receivables and held-to-maturity investments, once there are objective evidences to show that the value of the financial assets are reversed and are objectively relevant

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

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

## (5) The restructured loans

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

## 6.7 Fair value recognition of financial assets and financial liabilities

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

## 6.8 Offsets of financial instruments

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

## 7. Reverse repurchase and repurchase agreements

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

Relative financial assets (securities and bills) purchased under agreements to resell (reverse repurchase) are financial products those purchased following appropriate agreements while resell them at due date as it on



the agreement. The financial assets of reverse repurchase agreements are accounted in balance sheet at the actual price when the assets are repurchased for resell. The cost of the agreement is referred to as financing transaction with collaterals, while the agreement is referred to as the collateral of the transaction.

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

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

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

### 8.1 Assets held-for-sale

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

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

### 8.2 Discontinued operation

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

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

## 9. Long-term equity investment

### 9.1 Judgement of joint control and significant influence

Joint control is the control to an arrangement shared with others under relevant agreement and the relevant

activity of the arrangement must be decided when all associated controllers agree. The investees whose equity rights are partly owned by the Group and jointly controlled by the Group and other controllers are the associates of the Group.

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

### 9.2 Determination of investment costs

#### (1) Long-term equity investment due to consolidation

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

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

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

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

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

### (2) Long-term equity investments acquired from other methods

The initial cost of long-term equity investments those are acquired by paying cash, are accounted by the purchase price the Group actually paid.

The initial cost of long-term equity investments those are acquired by paying cash, are accounted by the purchase price the Group actually paid.

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

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

## 9.3 Subsequent measurement and profit and loss recognition

### (1) Long-term equity investment under cost accounting

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

### (2) Long-term equity investment under equity accounting

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

The portion of the net profit or loss and other comprehensive income achieved by the investees those are owned or born by the Group shall be respectively recognised as investment income and other comprehensive income, meanwhile, the book value of long-term equity investment shall be adjusted. The book value of long-term equity investment shall be correspondingly reduced according to the components of profit or loss

or cash dividend those owned to the Group. For other changes on equity without net profit and loss, other comprehensive income and profit distributions of investees, the book value of long-term equity investment and accounted in shareholders' equity shall be adjusted.

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

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

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

### (3) Disposal of long-term equity investment

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

The remaining shares after proposals under the circumstance that the control rights of the subsidiaries has lost due to disposal of shares or other reasons shall be designated at book value through long-term equity investment or other relevant financial assets. If the subsidiaries can still be controlled jointly or affected significantly by parent company when parent company disposed its shares, the long-term equity investments shall be carried forward at the rate of disposed or reclaimed investment. On this basis, compare the cost of



remaining long-term equity investment and the proportion of identifiable net assets fair value of which the investors should own on the investees at investment date according to the calculation of the remaining shareholding ratio. Goodwill those are included in the investment price shall not be adjusted into the book value of long-term equity investment; for proportion of identifiable net assets fair value of which the investors should own on the investees at investment date, adjust costs on long-term equity investment and retained earnings simultaneously. For the proportion of net profit and loss realised by the investees, which the parent company should own before changes in equity accounting due to disposal of investments which the parent company originally held, on one hand adjust the book value of the long-term equity investment, on the other hand, adjust the retained earnings for the components of net profit and loss (excluding any paid and declared cash dividends and profits) of investees owned by the parent company during the period from the investment acquisition date to the beginning of the disposal period; while for net profit and loss owned by the parent company at the beginning of the disposal period to the disposal date, adjust the profit and loss for the financial period; when the book value of long-term equity investment is being adjusted, the changes of realised net profit of the investees of which the component is owned by parent company shall be accounted into capital reserves (other capital reserves).

## 10. Investment property

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

The Group accounts the existing investment properties under costing method. For investment properties under costing method, depreciation on buildings is consistent to the depreciation policy of property, plant and equipment. The amortisation policy for land use rights is consistent to the amortisation policy of intangible assets.

The difference between the income from disposal, transfer, scrapings or damages of investment properties and the relevant book value and taxes is accounted into the profit and loss for the current financial period.

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

### 11.1 Recognition of PPE

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

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

### 11.2 Classification of PPE

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

### 11.3 Measurement of PPE

PPEs are recorded at actual cost on acquisition.

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

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

### 11.4 Depreciation for PPE

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

The renovation costs of PPE, which meet the conditions of capitalisation, use the straight-line method for depreciation, based on the shorter period between the consecutive of two renovations and the available service life of the fixed asset.

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

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

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

### 11.5 Recognition basis and measurement for assets by financial leasing

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

- (1) the lease transfers ownership of the asset to the Group by the end of the lease term;
- (2) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable;
- (3) the lease term is for the major part of the economic life; and

(4) At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

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

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

### 11.6 Disposal of PPE

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

## 12. Construction in progress

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

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

## 13. Intangible Assets

### 13.1 Recognition of intangible assets

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

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

### 13.2 Measurement of intangible assets

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

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

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

### 13.3 The life expectancy and amortization of intangible assets

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

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

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

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

## 14. Long-term asset impairment

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



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

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

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

## 15. Other Assets

### 15.1 Long-term deferred expense

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

- (1) Prepaid operating lease rental is amortised on straight-line basis during the terms of the respective leases agreed on the contracts;
- (2) Operating lease charges are amortised on a straight-line basis over the shorter between the residual leasing period and estimated useful period.

### 15.2 Foreclosed assets

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

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

## 16. Estimated liabilities

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

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

The estimated liabilities are initially measured at the best estimate of expenditure required to fulfill present obligations.

When determining the best estimation, the Group comprehensively considers risks, uncertainties and time value of money those all relevant to contingencies. Factors those have significant impact on time value of money, shall be estimated through discounting relevant future cash inflows.

The best estimation shall be approached as following:

If the best required expenses are in a continuous range, and the possibilities of the occurrence of the results are same, then the best estimation is confirmed at median of the range, i.e. the average of the upper and lower limit.

If the best required expenses are not in a continuous range, or though they are in a continuous range but the possibilities of the occurrence of the results are not equal, or some contingencies are relevant to an individual item, recognise the best estimation using the most possible amount; while if the contingencies are relevant to multi-items, calculate the best estimation using various possible results and the relevant possibilities.

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

## 17. Employee benefits

### 17.1 Short-term benefits

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

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

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

## 17.2 Termination benefits

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

## 17.3 Pro-termination benefits

### (1) Defined contribution plans

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

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

### (2) Accounting method for defined benefit plans

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

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

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

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

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

At the end of the year, the Group is not obligated to any defined benefit plan.

## 18. Dividend payables

The dividends payable are recognised as liabilities upon approval by the shareholders and are deducted from equity. The dividends are declared at mid-term of the year and the Group cannot arbitrarily change when deducting from equity. Dividend distribution plans which are adopted after balance sheet date, shall be disclosed as subsequent event.

## 19. Entrusted businesses

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

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

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

## 20. Contingent liabilities

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

## 21. Financial guarantee contracts

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



## 22. Recognition of income and expense

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

### 22.1 Interest income and costs

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

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

### 22.2 Fee and commission income

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

- (1) Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees;
- (2) Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or component of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

### 22.3 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

## 23. Government grants

### 23.1 Classification

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

Government grants those relevant to assets are the grants obtained by the Group to acquire or to use other

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

### 23.2 Accounting treatments

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

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

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

## 24. Income taxes

Income tax comprises current tax and deferred tax. Except the income tax which is related to transactions or events directly recorded in other comprehensive income, all income taxes are accounted in profit and loss for the year as income tax expenses.

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

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

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

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

Group can probably obtain the tax payables used to offset the deductible temporary differences.

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

## 25. Leases

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

### 25.1 Accounting treatment for operating leases

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

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

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

### 25.2 Accounting treatment for financial lease

(1) Assets acquired under finance leases: At commencement of the lease terms, assets acquired under finance leases should be recorded at the lower of their fair values and the present values of the minimum lease payments. The Group shall recognise long-term payables at amounts equal to the minimum lease payments, and shall record the differences between the carrying amounts of the leased assets and the long-term payables as unrecognised finance charges. The Group adopts the effective interest rate method. The unrecognised finance charges shall be amortised over the lease term as finance expenses.

(2) Assets sold under finance leases: At commencement of the lease terms, the unrealised finance income is recognised for difference between the sum of the finance lease receivable and the unguaranteed residual value, and the initial direct costs. The unrealised finance income shall be recognised as rental income in

future period when the rental is received. The direct cost related to lease activities shall be recorded in finance lease receivable when initially recognised, and accordingly reduce the rental income over the lease period.

## 26. Trade date accounting

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

## 27. Debt restructuring

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

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

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

## 28. Segment information

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

- (1) The part can generate income and incur costs in the daily operation;
- (2) The senior management of the Group can appraise the operation result of the component to allocate resources and appraise the achievements;



(3) The Group can get accounting information relevant to the financial statements, operation achievements and cash flow etc.

## 29. Comparatives

Certain comparative figures have been reclassified to confront with the presentation of the current financial period.

## 30. Related parties

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

Related parties to a company are as follows:

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

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

## V. Significant accounting judgements and estimates

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

## 1. Held-to-maturity investment

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

## 2. Fair value

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

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

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

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

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

- The first level input value is the obtainable unadjusted price of identical assets or liabilities in the active market at evaluation day.
- The second level is the direct or indirect observable input value of the relevant assets or liabilities excluding the ones in the first class.
- The third level is the unobservable input value of the relevant assets or liabilities.

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

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

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

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

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

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

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

### 5. Impairment of non-financial assets

The Group assesses periodically whether there is any indication that an asset may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group adjusts the book value of the asset to its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its present values of estimated future cash flows. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount.

### 6. Estimated liabilities

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

### 7. Termination benefits

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

### 8. Income taxes

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

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

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

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

### 9. Basis of control of structured entities

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



## VI. Taxation

### 1. Business tax

The Bank is subject to business tax levied at 5% on its taxable operating income.

Baode County Bank is subject to business tax levied at 3% on its taxable operating income.

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

The business tax is paid by branches of the Group locally.

### 2. City maintenance and construction tax

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

### 3. Education surcharge

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

### 4. Value added tax

Value added tax is adopted by the subsidiary of the Group, Suxing Financial Leasing Company; the applied tax rate is 17%.

### 5. Corporate income tax

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

## VII. Significant amended and new accounting policies and interpretations

### 1. Significant amendments of accounting policies

The financial statements are in accordance with the requirements in Accounting Standards for Business and Enterprise which is promulgated by the Ministry of Finance of the People's Republic of China (herein after referred to as MoF), they are truly and completely reflect the consolidated and parent company's financial situation at 31 December, 2015 and the consolidated and parent company's operation results as well as the consolidated and parent company's cash flow situations for the year 2015.

In addition, the financial statements also comply with the relative disclosure requirements of financial statements and the notes in Financial Statements Disclosure Regulation for Companies Issuing Public Offering Securities No. 15 which is revised by China Securities Regulation Commission (herein after referred as CSRC) revised in 2014.

There are no significant changes of accounting policies in the reporting year.

### 2. Significant changes of accounting estimates

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

## VIII. Merger and Consolidated Financial Statement

### 1. Subsidiaries acquired through establishment or investment

Period	Full name of subsidiary	Type of subsidiary	Registered address	Major Operation Address	Industry	Registered Capital
2015-12-31	Baode County Bank of Danyang Co., Ltd	Investment holding	Danyang, Jiangsu	Danyang, Jiangsu	Finance	180,000
2015-12-31	Suxing Financial Leasing Co., Ltd.	Investment holding	Nanjing, Jiangsu	Nanjing, Jiangsu	Finance (Non-banking)	1,250,000
2014-12-31	Baode County Bank of Danyang Co., Ltd	Investment holding	Danyang, Jiangsu	Danyang, Jiangsu	Finance	180,000

	Scope of Business	Actual Investment as of year end	Balance of other items composed to the net investment	Proportion of shareholding(%)	Proportion of voting share(%)	Consolidation	Non-controlling interests' equity
NB1		73,800		41%	41%	Yes	121,749
NB2		1,000,000		80%	80%	Yes	257,008
NB1		73,800		41%	41%	Yes	129,878

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

NB2 Financial lease: transfer in and out financial leasing assets; investments on securities with fixed income; receiving leasing deposits from lessees; absorbing 3-month (or more) term deposits from non-banking shareholders; inter-bank offerings; borrowings from financial institutions; sales and disposal of leasing assets; economic consultants; and other businesses authorized by China Banking Regulatory Commission. (For projects legally approved, they can be operated after the approval of relative department).

### 2. Major Financial information of the subsidiary before consolidation

Item	Baode County Bank	
	2015	2014
Cash and balances at central banks	61,598	67,253
Due to banks and other financial institutions	142,023	98,058
Interest receivables	3,808	5,352
Loans and advances to customers	908,270	1,025,067
Property, Plant and Equipment	2,213	2,981
Intangible Assets	497	153
Deferred tax assets	8,768	2,116
Other Assets	6,063	9,322
<b>Total Assets</b>	<b>1,133,240</b>	<b>1,210,302</b>
Borrowing from the central banks		50,000
Due to banks and other financial institutions	400,000	450,000
Due to customers	504,828	470,370
Employee benefit payables	3,363	2,575
Current tax liabilities	5,709	6,128
Interest payables	12,633	10,754
Other liabilities	352	344
<b>Total Liabilities</b>	<b>926,885</b>	<b>990,171</b>
Operation income	56,539	73,819
Net profit	622	24,029
Total comprehensive income	622	24,029
Cash flow from operation activities	69,979	88,069



Item	Suxing Financial Leasing Company	
	31 December, 2015	
Due from banks and other financial institutions		226,538
Interest receivables		64,076
Long-term receivables		7,730,270
Property, Plant and Equipment		2,229
Intangible Assets		2,567
Deferred tax assets		67,031
Other Assets		5,009
<b>Total Assets</b>		<b>8,097,720</b>
Borrowings from other financial institutions		5,480,000
Employee benefit payables		10,513
Current tax liabilities		79,531
Interest payables		43,478
Other liabilities		1,199,157
<b>Total Liabilities</b>		<b>6,812,679</b>
Operation income		166,839
Net profit		35,040
Total comprehensive income		35,040
Cash flow from operation activities		-6,454,891

NB Suxing Financial Leasing Company received the business licence at 13 May 2015, therefore the financial year for Suxing Financial Leasing Company is from 31 May 2015 to 31 December 2015.

## IX. Notes to significant of items of financial statements

### 1. Cash and balance with the central bank

Items	The Group	
	31 December 2015	31 December 2014
Cash	1,784,042	1,973,781
Mandatory reserve deposits at the central bank	108,233,710	110,649,010
Excess reserve deposits at the central bank	9,970,264	18,411,974
Fiscal deposits at the central bank	1,066,571	1,019,781
Foreign exchange risk reserves	42,827	
<b>Total</b>	<b>121,097,414</b>	<b>132,054,546</b>

Items	The Bank	
	31 December 2015	31 December 2014
Cash	1,780,081	1,970,843
Mandatory reserve deposits at the central bank	108,185,752	110,584,740
Excess reserve deposits at the central bank	9,960,585	18,411,929
Fiscal deposits at the central bank	1,066,571	1,019,781
Foreign exchange risk reserves	42,827	
<b>Total</b>	<b>121,035,816</b>	<b>131,987,293</b>

(1) The Group places mandatory reserve deposits with the Central Bank in accordance with the requirements from the People's Bank of China (PBC). As at 31 December of 2015 and 2014, the Group places mandatory reserve deposits with the Central Bank in accordance with the requirements from the People's Bank of China (PBC). As at 31 December of 2015 and 2014, the Group deposits respectively with no lower than 15% and 17.5% of eligible CNY deposits and deposits with 5% and 5% of foreign currency deposits. While on 31 December of 2015 and 2014 Baode County Bank deposits respectively with no lower than 9.5% and 14% of eligible CNY deposits.

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

(3) The Group deposits foreign exchange risk reserve in accordance with regulation issued by the PBC. In accordance with the amount of forward exchange contract last month, the Bank deposits foreign exchange risk reserve at 20% of foreign exchange risk rate as of 31 December 2015.

## 2. Due from banks and other financial institutions

Categories	The Group	
	31 December 2015	31 December 2014
Due from domestic banks and financial institution	49,802,644	88,935,044
Due from overseas banks and financial institution	4,513,204	3,615,406
Less: Impairment reserves		
<b>Total</b>	<b>54,315,848</b>	<b>92,550,450</b>

Categories	The Bank	
	31 December 2015	31 December 2014
Due from domestic banks and financial institution	50,110,439	89,334,206
Due from overseas banks and financial institution	4,513,204	3,615,406
Less: Impairment reserves		
<b>Total</b>	<b>54,623,643</b>	<b>92,949,612</b>

## 3. Loans to banks and other financial institutions

Categories	The Group	
	31 December 2015	31 December 2014
Loans to domestic banks	3,289,786	5,000,000
Loan to domestic non-banking financial institutions	2,044,456	3,595,168
Loans to overseas banks	97,407	
Less: Impairment reserves		
<b>Total</b>	<b>5,431,649</b>	<b>8,595,168</b>

Categories	The Bank	
	31 December 2015	31 December 2014
Loans to domestic banks	3,889,786	5,000,000
Loan to domestic non-banking financial institutions	2,044,456	3,595,168
Loans to overseas banks	97,407	
Less: Impairment reserves		
<b>Total</b>	<b>6,031,649</b>	<b>8,595,168</b>

## 4. Financial assets designated at fair value through profit and loss

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Trading financial assets	714,800	5,513,037
Bonds	714,800	5,513,037
Including: Government Bonds		138,702
Financial Bonds	371,611	3,015,625
Certificates of deposit from banks and other financial institutions	199,506	2,318,590
Corporate Bonds	143,683	40,120
Equity instrument		
Financial assets designated at fair value through profit and loss		
<b>Total</b>	<b>714,800</b>	<b>5,513,037</b>

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

## 5. Financial derivatives

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

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

### The Group and the Bank

Item	Currency derivative instrument					
	Notional amounts with remaining lives of			Fair value		
	Within 3 month	3 month to 1 year	1–5 years	Total	Assets	Liabilities
31 December 2015	5,888,988	11,027,373		16,916,361	28,286	260
31 December 2014	7,369,414	5,503,423		12,872,837	69,692	30,190

## 6. Reverse repurchase agreements and other similar secured lending

### 6.1 Distribution in transaction parties

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Inter-bank	55,020,493	48,133,917
Non-banking financial institutions	21,161,300	1,800,000
<b>Total</b>	<b>76,181,793</b>	<b>49,933,917</b>



## 6.2 Distribution in collateral types

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Bonds	42,005,050	7,278,000
Bills	33,146,743	39,425,917
Beneficial right of trust	1,030,000	3,230,000
<b>Total</b>	<b>76,181,793</b>	<b>49,933,917</b>

## 7. Interest Receivables

Interest Receivables from	The Group	
	31 December 2015	31 December 2014
Loans and advances	1,377,725	1,183,829
Lending to banks and other financial institutions	7,375	134,244
Bonds and receivables investment	4,186,348	4,107,538
Reverse repurchase agreement	9,815	147,228
Due from the central bank, banks and other financial institutions	682,732	444,901
<b>Total</b>	<b>6,263,995</b>	<b>6,017,740</b>

Interest Receivables from	The Bank	
	31 December 2015	31 December 2014
Loans and advances	1,375,289	1,179,370
Lending to banks and other financial institutions	7,376	134,244
Bonds and receivables investment	4,186,348	4,107,538
Reverse repurchase agreement	9,815	147,228
Due from the central bank, banks and other financial institutions	619,167	444,760
<b>Total</b>	<b>6,197,995</b>	<b>6,013,140</b>

## 8. Loans and advances to customers

## 8.1 Distribution of loans and advances to individuals and corporate entities

Item	The Group	
	31 December 2015	31 December 2014
Loans and advances to individuals	98,098,804	73,896,378
- Credit card	10,134,004	5,115,162
-Housing mortgage	51,932,260	47,248,352
- Auto loans	8,722	35,273
-Self-employed business loans	15,185,669	12,047,957
-Others	20,838,149	9,449,634
Loans and advances to corporate entities	463,684,667	414,615,467
-Loans	371,326,676	344,263,051
-Discounted bills	83,626,212	57,665,393
-Trade financing	7,770,365	11,448,368
-Advances	961,414	1,238,655
<b>Total amount of loans and advances</b>	<b>561,783,471</b>	<b>488,511,845</b>
Less: reserves for loss of loan	15,394,136	13,148,296
Including: Individual reserves	2,104,488	2,338,652
Portfolioreserves	13,289,648	10,809,644
<b>Book value of loans and advances to customers</b>	<b>546,389,335</b>	<b>475,363,549</b>

Item	The Bank	
	31 December 2015	31 December 2014
Loans and advances to individuals	98,038,829	73,810,490
- Credit card	10,134,004	5,115,162
-Housing mortgage	51,932,260	47,248,352
- Auto loans	8,722	35,273
-Self-employed business loans	15,125,694	12,047,957
-Others	20,838,149	9,363,746
Loans and advances to corporate entities	462,760,661	413,628,778
-Loans	370,402,670	343,276,362
-Discounted bills	83,626,212	57,665,393
-Trade financing	7,770,365	11,448,368
-Advances	961,414	1,238,655
<b>Total amount of loans and advances</b>	<b>560,799,490</b>	<b>487,439,268</b>
Less: reserves for loss of loan	15,318,425	13,100,786
Including: Individual reserves	2,079,552	2,338,652
Portfolioreserves	13,238,873	10,762,134
<b>Book value of loans and advances to customers</b>	<b>545,481,065</b>	<b>474,338,482</b>

## 8.2 Distribution of loans and advances by industries

Industry	The Group			
	31 December 2015		31 December 2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Agriculture, forestry, animal husbandry and fishery	12,263,359	2.18	7,702,180	1.57
Mining industry	1,290,375	0.23	1,189,522	0.24
Manufacturing	118,425,589	21.03	124,892,763	25.52
Electricity, energy, gas and water supply	7,827,912	1.39	6,895,659	1.41
Construction	33,413,257	5.93	30,464,969	6.22
Transportation, warehouse and postal service	14,021,231	2.49	12,831,975	2.62
Information transfer, computer service and software	5,653,358	1.01	3,993,029	0.82
Wholesale and retail sales	118,876,805	21.11	102,633,484	20.96
Hospitality	2,469,263	0.44	2,922,691	0.60
Finance	860,060	0.15	1,752,624	0.36
Real estate	40,402,487	7.18	38,899,369	7.94
Leasing and commercial service	59,023,419	10.48	40,010,919	8.17
Scientific research, technology service and geological reconnaissance	3,395,791	0.6	2,846,618	0.58
Water resource, environment and public facilities management	41,768,582	7.42	32,328,181	6.60
Residential service and other services	5,451,562	0.97	4,113,343	0.84
Education	4,361,826	0.77	4,675,760	0.95
Sanitation, social security and welfare	4,212,467	0.75	4,123,124	0.84
Culture, sports and entertainment	4,035,146	0.72	3,405,710	0.70
Public management and social organization	2,445,350	0.43	2,104,008	0.43
Personal loan(not included personal operation loan)	82,913,135	14.72	61,848,421	12.63
Less: adjustments from discount interest	1,327,503		1,122,504	
<b>Total amount of loans and advances</b>	<b>561,783,471</b>	<b>100.00</b>	<b>488,511,845</b>	<b>100.00</b>
Less: reserves for loss of loan	15,394,136		13,148,296	
Including: Individual reserves	2,104,488		2,338,652	
Portfolioreserves	13,289,648		10,809,644	
<b>Book value of loans and advances to customers</b>	<b>546,389,335</b>		<b>475,363,549</b>	

Industry	The Bank			
	31 December 2015		31 December 2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Agriculture, forestry, animal husbandry and fishery	12,217,953	2.17	7,662,330	1.57
Mining industry	1,290,375	0.23	1,189,522	0.24
Manufacturing	117,676,908	20.92	124,095,066	25.40
Electricity, energy, gas and water supply	7,820,612	1.39	6,888,359	1.41
Construction	33,312,315	5.93	30,376,827	6.22
Transportation, warehouse and postal service	14,016,341	2.49	12,829,975	2.63
Information transfer, computer service and software	5,653,358	1.01	3,993,029	0.82
Wholesale and retail sales	118,809,033	21.14	102,592,384	21.00
Hospitality	2,467,263	0.44	2,922,691	0.60
Finance	860,060	0.15	1,752,624	0.36
Real estate	40,402,487	7.19	38,899,369	7.96
Leasing and commercial service	59,023,419	10.50	40,010,919	8.19
Scientific research, technology service and geological reconnaissance	3,395,791	0.60	2,846,618	0.58
Water resource, environment and public facilities management	41,762,582	7.43	32,318,581	6.61
Residential service and other services	5,450,572	0.97	4,112,343	0.84
Education	4,361,826	0.78	4,675,760	0.96
Sanitation, social security and welfare	4,212,467	0.75	4,123,124	0.84
Culture, sports and entertainment	4,035,146	0.72	3,405,710	0.70
Public management and social organization	2,445,350	0.44	2,104,008	0.43
Personal loan(not included personal operation loan)	82,913,135	14.75	61,762,533	12.64
Less: adjustments from discount interest	1,327,503		1,122,504	
<b>Total amount of loans and advances</b>	<b>560,799,490</b>	<b>100.00</b>	<b>487,439,268</b>	<b>100.00</b>
Less: reserves for loss of loan	15,318,425		13,100,786	
Including: Individual reserves	2,079,552		2,338,652	
Portfolioreserves	13,238,873		10,762,134	
<b>Book value of loans and advances to customers</b>	<b>545,481,065</b>		<b>474,338,482</b>	

## 8.3 Distribution of loans and advances by regions

Region	The Group			
	31 December 2015		31 December 2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Nanjing	57,189,490	10.18	46,890,601	9.60
Wuxi	92,180,835	16.41	87,458,904	17.91
Suzhou	64,532,819	11.49	58,463,890	11.97
Nantong	48,719,719	8.67	43,158,429	8.83
Changzhou	26,932,937	4.79	24,377,374	4.99
Xuzhou	33,130,937	5.90	29,259,890	5.99
Yangzhou	23,719,323	4.22	19,808,685	4.05
Zhenjiang	23,927,613	4.26	21,478,364	4.40
Huai' an	18,606,207	3.31	16,881,449	3.46
Lianyungang	20,325,262	3.62	17,897,175	3.66
Yancheng	23,186,214	4.13	17,506,118	3.58
Suqian	14,157,216	2.52	12,021,958	2.46
Taizhou	22,523,632	4.01	14,768,982	3.02
Shanghai	22,761,359	4.05	20,638,790	4.22
Shenzhen	26,980,308	4.80	21,248,400	4.35
Beijing	28,943,223	5.15	25,769,494	5.28
Hangzhou	13,966,377	2.49	10,883,342	2.23
<b>Total amount of loans and advances</b>	<b>561,783,471</b>	<b>100.00</b>	<b>488,511,845</b>	<b>100.00</b>
Less: reserves for loss of loan	15,394,136		13,148,296	
Including: Individual reserves	2,104,488		2,338,652	
Portfolioreserves	13,289,648		10,809,644	
<b>Book value of loans and advances to customers</b>	<b>546,389,335</b>		<b>475,363,549</b>	

Region	The Bank			
	31 December 2015		31 December 2014	
	Amount	Proportion (%)	Amount	Proportion (%)
Nanjing	57,189,490	10.20	46,890,601	9.62
Wuxi	92,180,835	16.44	87,458,904	17.96
Suzhou	64,532,819	11.51	58,463,890	11.99
Nantong	48,719,719	8.69	43,158,429	8.85
Changzhou	26,932,937	4.80	24,377,374	5.00
Xuzhou	33,130,937	5.91	29,259,890	6.00
Yangzhou	23,719,323	4.23	19,808,685	4.06
Zhenjiang	22,943,632	4.09	20,405,787	4.19
Huai' an	18,606,207	3.32	16,881,449	3.46
Lianyungang	20,325,262	3.62	17,897,175	3.67
Yancheng	23,186,214	4.13	17,506,118	3.59
Suqian	14,157,216	2.52	12,021,958	2.47
Taizhou	22,523,632	4.02	14,768,982	3.03
Shanghai	22,761,359	4.06	20,638,790	4.23
Shenzhen	26,980,308	4.81	21,248,400	4.36
Beijing	28,943,223	5.16	25,769,494	5.29
Hangzhou	13,966,377	2.49	10,883,342	2.23
<b>Total amount of loans and advances</b>	<b>560,799,490</b>	<b>100.00</b>	<b>487,439,268</b>	<b>100.00</b>
Less: reserves for loss of loan	15,318,425		13,100,786	
Including: Individual reserves	2,079,552		2,338,652	
Portfolioreserves	13,238,873		10,762,134	
<b>Book value of loans and advances to customers</b>	<b>545,481,065</b>		<b>474,338,482</b>	

## 8.4 Distribution of loans and advances by guarantee types

Item	The Group	
	31 December 2015	31 December 2014
Credit loans	35,796,137	31,730,791
Guaranteed loans	240,374,696	177,792,051
Secured loans	285,612,638	278,989,003
Including: Mortgage loans	142,979,746	194,812,209
Pledged loans	142,632,892	84,176,794
<b>Total amount of loans and advances</b>	<b>561,783,471</b>	<b>488,511,845</b>
Less: reserves for loss of loan	15,394,136	13,148,296
Including: Individual reserves	2,104,488	2,338,652
Portfolioreserves	13,289,648	10,809,644
<b>Book value of loans and advances to customers</b>	<b>546,389,335</b>	<b>475,363,549</b>



Item	The Bank	
	31 December 2015	31 December 2014
Credit loans	35,796,137	31,730,791
Guaranteed loans	239,514,774	176,825,725
Secured loans	285,488,579	278,882,752
Including: Mortgage loans	142,868,377	194,729,119
Pledged loans	142,620,202	84,153,633
Total amount of loans and advances	560,799,490	487,439,268
Less: reserves for loss of loan	15,318,425	13,100,786
Including: Individual reserves	2,079,552	2,338,652
Portfolioreserves	13,238,873	10,762,134
Book value of loans and advances to customers	545,481,065	474,338,482

### 8.5 Overdue loans

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

Item	The Group				
	31 December 2015				
	Overdue 1 day to 90 days	Overdue 90 days to 360 days	Overdue 360 days to 3 years	Overdue over 3 years	Total
Credit loans	211,572	117,896	120,506	8,666	458,640
Guaranteed loans	1,386,994	3,047,932	2,946,065	168,290	7,549,281
Secured loans	1,219,178	2,347,141	2,873,162	659,316	7,098,797
Including: Mortgage loans	1,160,679	2,311,241	2,562,834	659,316	6,694,070
Pledged loans	58,499	35,900	310,328		404,727
<b>Total</b>	<b>2,817,744</b>	<b>5,512,969</b>	<b>5,939,733</b>	<b>836,272</b>	<b>15,106,718</b>

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

Item	The Bank				
	31 December 2015				
	Overdue 1 day to 90 days	Overdue 90 days to 360 days	Overdue 360 days to 3 years	Overdue over 3 years	Total
Credit loans	211,572	117,896	120,506	8,666	458,640
Guaranteed loans	1,384,465	2,924,082	2,881,043	168,290	7,357,880
Secured loans	1,219,178	2,347,141	2,864,612	659,316	7,090,247
Including: Mortgage loans	1,160,679	2,311,241	2,554,284	659,316	6,685,520
Pledged loans	58,499	35,900	310,328		404,727
<b>Total</b>	<b>2,815,215</b>	<b>5,389,119</b>	<b>5,866,161</b>	<b>836,272</b>	<b>14,906,767</b>

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

### 8.6 Reserves for loss of loans

Item	The Group					
	2015			2014		
	Individual	Portfolio	Total	Individual	Portfolio	Total
Opening balance as at 1 January	2,338,652	10,809,644	13,148,296	1,235,338	9,382,005	10,617,343
Provision	2,301,243	3,014,100	5,315,343	2,925,068	1,600,609	4,525,677
Transferring out						
Write-offs	-2,415,206	-549,640	-2,964,846	-1,739,078	-199,698	-1,938,776
Reversal	-120,201	15,544	-104,657	-82,676	26,728	-55,948
-Recovery of debt		15,544	15,544		26,728	26,728
- Reversal interest due from impairment loans	-120,201		-120,201	-82,676		-82,676
-Reversal due to other reasons						
Closing balance as at 31 December	2,104,488	13,289,648	15,394,136	2,338,652	10,809,644	13,148,296

Item	The Bank					
	2015			2014		
	Individual	Portfolio	Total	Individual	Portfolio	Total
Opening balance as at 1 January	2,338,652	10,762,134	13,100,786	1,235,338	9,353,805	10,589,143
Provision	2,276,307	3,010,835	5,287,142	2,925,068	1,581,299	4,506,367
Transferring out						
Write-offs	-2,415,206	-549,640	-2,964,846	-1,739,078	-199,698	-1,938,776
Reversal	-120,201	15,544	-104,657	-82,676	26,728	-55,948
-Recovery of debt		15,544	15,544		26,728	26,728
- Reversal interest due from impairment loans	-120,201		-120,201	-82,676		-82,676
-Reversal due to other reasons						
Closing balance as at 31 December	2,079,552	13,238,873	15,318,425	2,338,652	10,762,134	13,100,786

## 9. Available-for-sale financial assets

### 9.1 Conditions of available-for-sale financial assets

Item	The group and the bank	
	31 December 2015	31 December 2014
	Fair value	Fair value
1. Available-for-sale financial assets	205,748,847	
Including: Treasury bonds	3,043,970	1,297,317
Government bonds	3,142,897	
Financial bonds	6,113,525	4,938,547
Inter-bank certificate deposits	5,066,460	
Corporate bonds	3,929,145	2,527,467
Asset supporting bonds	32,100	14,700
Financial products	143,848,290	78,019,260
Asset administration plans	40,572,460	12,880,000
2. Equity instruments available-for-sale	86,686	59,491
Including: fair value based		12,999
Cost based	86,686	46,492
3. Less: impairment provision	11,651	11,651
<b>Total</b>	<b>205,823,882</b>	<b>99,725,131</b>

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

Item	The Group and the Bank					
	31 December 2015			31 December 2014		
	Liability instruments	Equity instruments	Total	Liability instruments	Equity instruments	Total
Fair value	205,748,847	75,035	205,823,882	99,677,291	47,840	99,725,131
Cost/ amortised cost	204,952,479	86,686	205,039,165	99,627,010	52,557	99,679,567
Cumulative amount to other comprehensive income	796,368		796,368	50,281	6,934	57,215
Less: Impairment reserve		11,651	11,651		11,651	11,651

### 9.3 Impairment of Available-for-sale financial assets

Impairment provision	The Group and the Bank					
	31 December 2015			31 December 2014		
	Liability instruments	Equity instruments	Total	Liability instruments	Equity instruments	Total
Opening balance		11,651	11,651		11,651	11,651
Withdraw for the year						
Decrease for the year						
Closing balance		11,651	11,651		11,651	11,651

## 10. Held-to-maturity investment

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Treasury bonds	33,243,936	28,861,516
Government bonds	33,338,354	2,089,799
Financial bonds	30,055,766	26,779,223
Interbank deposits	2,955,102	2,135,776
Corporate bonds	13,474,964	13,544,470
Asset supportive bonds	2,365,850	1,433,729
Subordinated debentures	700,000	
<b>Total</b>	<b>116,133,972</b>	<b>74,844,513</b>

As at 31 December 2015, among the invested bonds of the Group, there is CNY55,169,000 thousand pledged to repurchase agreement (and CNY38,900,000 thousand at 31 December 2014).

As at 31 December 2015, among the invested bonds, there is CNY22,617,871 thousand pledged in treasury deposits or other agreement deposits (and there is CNY 800,000 thousand at 31 December, 2014).

At 31 December, 2015, among the invested bonds, there is CNY8,060,000 thousand is frozen, it is pledged for the loans from the central bank (and there is CNY5,218,992 thousand at 31 December 2014).

## 11. Investment in receivables

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Treasury bonds	262,452	279,242
Local government bonds	4,156,110	
Inter-bank certificate deposits	949,870	
Corporate bonds	500,000	1,453,421
Subordinated debts	2,129,894	1,579,880
Beneficial right of trusts	1,642,330	7,664,204
Asset administration plans	130,099,665	70,585,385
<b>Subtotal</b>	<b>139,740,321</b>	<b>81,562,132</b>
Less: impairment reserve	473,603	149,723
<b>Total</b>	<b>139,266,718</b>	<b>81,412,409</b>

## 12. Long-term receivables

Item	The Group	
	31 December 2015	31 December 2014
Long term financial lease receivables	9,010,534	
Less: unrealised financial leasing income	1,193,789	
Minimum financial lease receivables	7,816,745	
Less: impairment reserves	86,475	
Including: collective reserves	86,475	
Individual reserves		
<b>Net book value of long-term receivables</b>	<b>7,730,270</b>	

The analysis by remaining period to expire day of long-term financial lease receivables, unrealized financial leasing income and minimum financial lease receivables is as following:

Item	Long term financial lease receivables	Unrealised financial leasing income	Minimum financial lease receivables
Within 1 year	2,239,968	282,223	1,957,745
1-2 years	2,216,103	280,866	1,935,237
2-3 years	1,962,122	263,312	1,698,810
3-4 years	1,686,495	237,860	1,448,635
4-5 years	905,846	129,528	776,318
5 years or more			
No time limitation (NB)			
<b>Total</b>	<b>9,010,534</b>	<b>1,193,789</b>	<b>7,816,745</b>

NB Notime limitation referred to the part which has impaired of overdue 1 day or more.

## 13. Long-term Equity Investment

### 13.1 Classification

Investment classification	The Bank	
	31 December 2015	31 December 2014
Subsidiaries	1,073,800	73,800
Joint ventures		
Associates		
<b>Subtotal</b>	<b>1,073,800</b>	<b>73,800</b>
Less: Impairment reserves		
<b>Net long-term equity investment</b>	<b>1,073,800</b>	<b>73,800</b>

NB Notime limitation referred to the part which has impaired of overdue 1 day or more.

### 13.2 Investment in Subsidiaries

Name of subsidiary	The Bank	
	31 December 2015	31 December 2014
Jiangsu Baode County Bank Co., Ltd	73,800	73,800
Suxing Financial Leasing Co., Ltd.	1,000,000	
<b>Subtotal</b>	<b>1,073,800</b>	<b>73,800</b>
Less: Impairment reserves		
<b>Total</b>	<b>1,073,800</b>	<b>73,800</b>

## 14. Property, plant and equipment (PPEs)

### 14.1 Details

Item	The Group	
	31 December 2015	31 December 2014
Property, plant and equipment	4,845,719	3,326,259
Construction in progress	473,289	1,596,301
Disposal of property, plant and equipment	2,681	6,601
<b>Total</b>	<b>5,321,689</b>	<b>4,929,161</b>

Item	The Bank	
	31 December 2015	31 December 2014
Property, plant and equipment	4,841,762	3,323,279
Construction in progress	472,817	1,596,301
Disposal of property, plant and equipment	2,668	6,601
<b>Total</b>	<b>5,317,247</b>	<b>4,926,181</b>



## 14.2 The increase and decreases of PPEs

Item	The Group 2015				
	Houses and buildings	Electronic equipments	Transportation facilities	Other equipments	Total
<b>1. Original cost</b>					
(1) Opening Balance at 1 January	4,412,144	639,291	152,287	525,973	5,729,695
(2) Increase	1,703,229	65,628	15,058	181,200	1,965,115
-Purchased	148,683	65,628	15,058	103,427	332,796
-Transfer from construction in progress	1,554,546			77,773	1,632,319
-From merger and acquisition					
-Others					
(3) Decrease	46,536	10,883	16,949	16,649	91,017
-Disposal and scrap	46,536	10,883	16,949	16,649	91,017
(4) Closing balance at 31December	6,068,837	694,036	150,396	690,524	7,603,793
<b>2. Cumulative depreciation</b>					
(1) Opening Balance at 1 January	1,506,433	437,520	113,036	341,667	2,398,656
(2) Increase	229,112	108,443	15,604	61,117	414,276
-Provision	229,112	108,443	15,604	61,117	414,276
-Purchased					
-Transfer from construction in progress					
-From merger and acquisition					
-Others					
(3) Decrease	21,734	10,206	16,186	11,512	59,638
-Disposal and scrap	21,734	10,206	16,186	11,512	59,638
(4) Closing balance at 31December	1,713,811	535,757	112,454	391,272	2,753,294
<b>3. Impairment reserves</b>					
(1) Opening Balance at 1 January	4,780				4,780
(2) Increase					
-Provision					
-Others					
(3) Decrease					
-Disposal and scrap					
(4) Closing balance at 31December	4,780				4,780
<b>4. Book Value</b>					
	4,350,246	158,279	37,942	299,252	4,845,719

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

Item	The Bank 2015				
	Houses and buildings	Electronic equipments	Transportation facilities	Other equipments	Total
<b>1. Original cost</b>					
(1) Opening Balance at 1 January	4,412,144	636,326	151,216	523,372	5,723,058
(2) Increase	1,703,229	64,228	14,314	181,030	1,962,801
-Purchased	148,683	64,228	14,314	103,257	330,482
-Transfer from construction in progress	1,554,546			77,773	1,632,319
-From merger and acquisition					
-Others					
(3) Decrease	46,536	10,883	16,949	16,307	90,675
-Disposal and scrap	46,536	10,883	16,949	16,307	90,675
(4) Closing balance at 31December	6,068,837	689,671	148,581	688,095	7,595,184
<b>2. Cumulative depreciation</b>					
(1) Opening Balance at 1 January	1,506,433	435,997	112,190	340,379	2,394,999
(2) Increase	229,112	107,833	15,344	60,662	412,951
-Provision	229,112	107,833	15,344	60,662	412,951
-Purchased					
-Transfer from construction in progress					
-From merger and acquisition					
-Others					
(3) Decrease	21,734	10,206	16,186	11,182	59,308
-Disposal and scrap	21,734	10,206	16,186	11,182	59,308
(4) Closing balance at 31December	1,713,811	533,624	111,348	389,859	2,748,642
<b>3. Impairment reserves</b>					
(1) Opening Balance at 1 January	4,780				4,780
(2) Increase					
-Provision					
-Others					
(3) Decrease					
-Disposal and scrap					
(4) Closing balance at 31December	4,780				4,780
<b>4. Book Value</b>	4,350,246	156,047	37,233	298,236	4,841,762

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

### 14.3 PPEs without certificates

As at 31 December 2015, there were 17 houses and buildings of the Group (original cost is CNY434,116 thousand, book value is CNY401,729 thousand) without relevant certificates which approval process has not been completed. This is mainly due to historic reasons before the formation of the bank, and the certificates of newly built houses for operation are being processed.

### 14.4 Construction in Progress

Projects	The Group			
	Opening balance	Increase	Decrease	Closing balance
31 December 2015	1,596,301	633,328	1,756,340	473,289
31 December 2014	1,549,385	661,618	614,702	1,596,301

Projects	The Bank			
	Opening balance	Increase	Decrease	Closing balance
31 December 2015	1,596,301	632,856	1,756,340	472,817
31 December 2014	1,549,385	661,618	614,702	1,596,301

### 14.5 Detail of Constructions in Progress:

At 31 December 2015, the details of constructions in progress of the Group are presented as following:

Project	Budgeted amount	Opening Balance (1-1-2015)	Increased amount	Amount transferred into PPE	Amount transferred into intangible assets	Closing balance (31-12-2015)	Proportion of project input to budgeted amount (%)
Head office building of Bank of Jiangsu	1,043,162	634,282	183,217	817,499			78.37%
Building of Shanghai Branch	310,000	280,000	348	280,348			90.43%
Building of Zhenjiang Branch	191,170	132,431	13,737	146,168			76.46%
Building of Suzhou Branch	395,669	265,979	86,297	352,276			89.03%
Building of Wuxi Branch	537,664	95,605	42,755			138,360	25.73%
Building of Huai'an Branch	174,700	10,463	21,381			31,844	18.23%
Building of Nantong Branch	335,000	108,250	100,954			209,204	62.45%

### 15. Intangible Assets

Item	The Group			31 December 2015
	1 January 2015	Increase	Decrease	
<b>1. Original cost of intangible assets</b>	956,489	47,091	18,679	984,901
-Land-use right	770,070		18,679	751,391
-Other intangible assets	186,419	47,091		233,510
<b>2. Accumulated amortisation</b>	229,178	65,457	2,869	291,766
-Land-use right	97,753	18,622	2,869	113,506
-Other intangible assets	131,425	46,835		178,260
<b>3. Impairment reserves</b>	160			160
-Land-use right	160			160
<b>4. Net book value of intangible assets</b>	727,151	47,091	81,267	692,975
-Land-use right	672,157		34,432	637,725
-Other intangible assets	54,994	47,091	46,835	55,250

Item	The Group			31 December 2014
	1 January 2014	Increase	Decrease	
<b>1. Original cost of intangible assets</b>	901,435	56,506	1,452	956,489
-Land-use right	765,856	5,666	1,452	770,070
-Other intangible assets	135,579	50,840		186,419
<b>2. Accumulated amortisation</b>	177,891	51,405	118	229,178
-Land-use right	79,068	18,802	118	97,752
-Other intangible assets	98,823	32,603		131,426
<b>3. Impairment reserves</b>	160			160
-Land-use right	160			160
<b>4. Net book value of intangible assets</b>	723,384	56,506	52,739	727,151
-Land-use right	686,628	5,666	20,136	672,158
-Other intangible assets	36,756	50,840	32,603	54,993



Item	The Bank			31 December 2015
	1 January 2015	Increase	Decrease	
<b>1. Original cost of intangible assets</b>	956,228	43,089	18,679	980,638
-Land-use right	770,070		18,679	751,391
-Other intangible assets	186,158	43,089		229,247
<b>2. Accumulated amortisation</b>	229,070	64,366	2,869	290,567
-Land-use right	97,752	18,622	2,869	113,505
-Other intangible assets	131,318	45,744		177,062
<b>3. Impairment reserves</b>	160			160
-Land-use right	160			160
<b>4. Net book value of intangible assets</b>	726,998	-21,277	15,810	689,911
-Land-use right	672,158	-18,622	15,810	637,726
-Other intangible assets	54,840	-2,655		52,185

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

## 16. Deferred tax assets and liabilities

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

Items	The Group	
	31 December 2015	31 December 2014
<b>1. Deferred income tax assets</b>		
Asset impairment reserves	2,577,262	2,135,810
Fair value changes of available-for-sale financial assets		
Fair value changes of financial assets designated at fair value through profit and loss		
Termination benefits	55,562	56,815
Staff remuneration	250,000	248,844
Profit and loss of fair value changes of financial derivative liabilities	65	
Others	80,941	286,932
<b>Subtotal</b>	<b>2,963,830</b>	<b>2,728,401</b>
<b>2. Deferred tax liabilities</b>		
Appreciation of fixed assets assessment	100,570	118,404
Fair value changes of available-for-sale financial assets	199,092	14,304
Fair value changes of financial assets designated at fair value through profit and loss	3,171	1,724
Profit and loss of fair value changes of financial derivative liabilities	7,071	
Others	42,375	32,884
<b>Subtotal</b>	<b>352,279</b>	<b>167,316</b>
<b>Net value</b>	<b>2,611,551</b>	<b>2,561,085</b>

Items	The Bank	
	31 December 2015	31 December 2014
<b>1. Deferred income tax assets</b>		
Asset impairment reserves	2,566,392	2,134,050
Fair value changes of available-for-sale financial assets		
Fair value changes of financial assets designated at fair value through profit and loss		
Termination benefits	55,562	56,815
Staff remuneration	250,000	248,514
Profit and loss of fair value changes of financial derivative liabilities	65	
Others	2,291	286,905
<b>Subtotal</b>	<b>2,874,310</b>	<b>2,726,284</b>
<b>2. Deferred tax liabilities</b>		
Appreciation of fixed assets assessment	100,570	118,404
Fair value changes of available-for-sale financial assets	199,092	14,304
Fair value changes of financial assets designated at fair value through profit and loss	3,171	1,724
Profit and loss of fair value changes of financial derivative liabilities	7,071	
Others	28,655	32,884
<b>Subtotal</b>	<b>338,559</b>	<b>167,316</b>
<b>Net value</b>	<b>2,535,751</b>	<b>2,558,968</b>

16.1 Present by Nature

Items	The Group			
	31 December 2015		31 December 2014	
	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities
<b>1. Deferred income tax assets</b>	11,855,320	2,963,830	10,913,605	2,728,401
Asset impairment reserves	10,309,048	2,577,262	8,543,240	2,135,810
Fair value changes of available-for-sale financial assets				
Fair value changes of financial assets designated at fair value through profit and loss				
Termination benefits	222,248	55,562	227,261	56,815
Staff remuneration	1,000,000	250,000	995,383	248,844
Profit and loss of fair value changes of financial derivative liabilities	260	65		
Others	323,764	80,941	1,147,721	286,932
<b>2. Deferred tax liabilities</b>	1,409,116	352,279	669,262	167,316
Appreciation of fixed assets assessment	402,280	100,570	473,616	118,404
Fair value changes of available-for-sale financial assets	796,368	199,092	57,215	14,304
Fair value changes of financial assets designated at fair value through profit and loss	12,682	3,171	6,896	1,724
Profit and loss of fair value changes of financial derivative liabilities	28,286	7,071		
Others	169,500	42,375	131,535	32,884
<b>Net value</b>	<b>10,446,204</b>	<b>2,611,551</b>	<b>10,244,343</b>	<b>2,561,085</b>

Items	The Bank			
	31 December 2015		31 December 2014	
	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities	Deductible (taxable) temporarily difference	Deferred tax asset/ liabilities
<b>1. Deferred income tax assets</b>	11,497,240	2,874,310	10,905,141	2,726,284
Asset impairment reserves	10,265,568	2,566,392	8,536,200	2,134,050
Fair value changes of available-for-sale financial assets				
Fair value changes of financial assets designated at fair value through profit and loss				
Termination benefits	222,248	55,562	227,261	56,815
Staff remuneration	1,000,000	250,000	994,062	248,514
Profit and loss of fair value changes of financial derivative liabilities	260	65		
Others	9,164	2,291	1,147,618	286,905
<b>2. Deferred tax liabilities</b>	1,354,236	338,559	669,262	167,316
Appreciation of fixed assets assessment	402,280	100,570	473,616	118,404
Fair value changes of available-for-sale financial assets	796,368	199,092	57,215	14,304
Fair value changes of financial assets designated at fair value through profit and loss	12,682	3,171	6,896	1,724
Profit and loss of fair value changes of financial derivative liabilities	28,286	7,071		
Others	114,620	28,655	131,535	32,884
<b>Net value</b>	<b>10,143,004</b>	<b>2,535,751</b>	<b>10,235,879</b>	<b>2,558,968</b>

## 16.2 Changes of deferred tax assets and liabilities

Items as at 31 December 2015	The Group			
	Opening balance	Through Profit and loss	Through other comprehensive income	Closing balance
<b>1. Deferred income tax assets</b>				
Asset impairment reserves	2,135,810	441,452		2,577,262
Fair value changes of available-for-sale financial assets				
Fair value changes of financial assets designated at fair value through profit and loss				
Termination benefits	56,815	-1,253		55,562
Staff remuneration	248,844	1,156		250,000
Profit and loss of fair value changes of financial derivative liabilities		65		65
Others	286,932	-205,991		80,941
Subtotal	2,728,401	235,429		2,963,830
<b>2. Deferred tax liabilities</b>				
Appreciation of fixed assets assessment	118,404	-17,834		100,570
Fair value changes of available-for-sale financial assets	14,304		184,788	199,092
Fair value changes of financial assets designated at fair value through profit and loss	1,724	1,447		3,171
Profit and loss of fair value changes of financial derivative liabilities		7,071		7,071
Others	32,884	9,491		42,375
Subtotal	167,316	175	184,788	352,279
<b>3. Net value</b>	<b>2,561,085</b>	<b>235,254</b>	<b>-184,788</b>	<b>2,611,551</b>



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

Items as at 31 December 2015	The Bank			
	Opening balance	Through Profit and loss	Through other comprehensive income	Closing balance
<b>1. Deferred income tax assets</b>				
Asset impairment reserves	2,134,050	432,342		2,566,392
Fair value changes of available-for-sale financial assets				
Fair value changes of financial assets designated at fair value through profit and loss				
Termination benefits	56,815	-1,253		55,562
Staff remuneration	248,514	1,486		250,000
Profit and loss of fair value changes of financial derivative liabilities		65		65
Others	286,905	-284,614		2,291
<b>Subtotal</b>	<b>2,726,284</b>	<b>148,026</b>		<b>2,874,310</b>
<b>2. Deferred tax liabilities</b>				
Appreciation of fixed assets assessment	118,404	-17,834		100,570
Fair value changes of available-for-sale financial assets	14,304		184,788	199,092
Fair value changes of financial assets designated at fair value through profit and loss	1,724	1,447		3,171
Profit and loss of fair value changes of financial derivative liabilities		7,071		7,071
Appreciation of fixed assets assessment	32,884	-4,229		28,655
<b>Subtotal</b>	<b>167,316</b>	<b>-13,545</b>	<b>184,788</b>	<b>338,559</b>
<b>3. Net value</b>	<b>2,558,968</b>	<b>161,571</b>	<b>-184,788</b>	<b>2,535,751</b>

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

## 17. Other assets

Items	The Group	
	31 December 2015	31 December 2014
Amounts to be transferred and temporarily paid	1,443,090	2,812,629
Other receivable	470,862	756,630
Long-term prepaid expenses	336,903	322,724
Foreclosed assets	34,757	55,919
Other assets	43,547	63,599
<b>Total</b>	<b>2,329,159</b>	<b>4,011,501</b>

Items	The Bank	
	31 December 2015	31 December 2014
Amounts to be transferred and temporarily paid	1,443,090	2,812,629
Other receivable	464,254	754,299
Long-term prepaid expenses	332,439	315,733
Foreclosed assets	34,757	55,919
Other assets	43,547	63,599
<b>Total</b>	<b>2,318,087</b>	<b>4,002,179</b>

### 17.1 Amounts to be transferred and temporarily paid

Items	The Group and the Bank	
	31 December 2015	31 December 2014
Refundable deposits	68,608	168,922
Refundable overnight deposits for investment	943,254	868,276
Outward remittance	431,228	1,775,431
<b>Total</b>	<b>1,443,090</b>	<b>2,812,629</b>

## 17.2 Other Receivables

Other receivables by aging are listed as follows:

Account age	The Group			
	31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	322,242	52.83	596,945	68.12
1 to 2 years	53,731	8.81	71,761	8.19
2 to 3 years	41,068	6.73	151,099	17.24
Over 3 years	192,878	31.63	56,558	6.45
<b>Total</b>	<b>609,919</b>	<b>100.00</b>	<b>876,363</b>	<b>100.00</b>
Less: bad debts reserves	139,057		119,733	
<b>Net amount</b>	<b>470,862</b>		<b>756,630</b>	

Account age	The Bank			
	31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	314,717	52.24	594,614	68.03
1 to 2 years	53,731	8.92	71,761	8.21
2 to 3 years	41,068	6.82	151,099	17.29
Over 3 years	192,878	32.02	56,558	6.47
<b>Total</b>	<b>602,394</b>	<b>100.00</b>	<b>874,032</b>	<b>100.00</b>
Less: bad debts reserves	138,140		119,733	
<b>Net amount</b>	<b>464,254</b>		<b>754,299</b>	

## 17.3 Long-term prepaid expenses

Item	The Group			
	Opening Balance	Increased amount	Decreased amount	Closing balance
31 December 2015	322,724	116,338	102,159	336,903
31 December 2014	314,358	109,731	101,365	322,724

Item	The Bank			
	Opening Balance	Increased amount	Decreased amount	Closing balance
31 December 2015	315,733	116,100	99,394	332,439
31 December 2014	307,398	106,929	98,594	315,733

As at 31 December 2015, details of significant long-term prepaid expenses are as follows:

Projects	Original amount	Opening Balance at 1-1-2015	Increase	Amortisation	Closing Balance at 31-12-2015
Leasing expenses of Jiangsu Building(Beijing Branch)	30,000	22,666		2,667	19,999
Government office administration (Changzhou, Zhujiang Road sub-branch)	16,000	4,307		2,462	1,845
Construction contract expenses (Hangzhou Branch)	8,319	4,577	209	1,056	3,730
Renovation carried forward(Xiaoshan sub-branch, Hangzhou)	7,739	5,524	278	965	4,837
Violate the traffic law of the separation of data center construction and operational services	15,000	8,958		2,500	6,458
Decoration and installation works (Rugao sub-branch, Nantong)	6,177	4,633		772	3,861
Leasing expenses of Hongshan sub-branch, Wuxi	6,177	4,027		562	3,465
inbao Engineering Project(Zhenjiang Branch)	24,758	16,505		2,476	14,029
Charge on social security service, Zhenjiang Branch	5,000	4,318		682	3,636
Decoration project of Yuhang sub-branch, Hangzhou	5,465	4,641	656	722	4,575

## 17.4 Foreclosed assets

Items	The Group and the Bank	
	31 December 2015	31 December 2014
Foreclosed assets	35,372	55,919
Including: Houses and Buildings	35,372	55,919
Equipment and others		
Less: Depreciation reserves of foreclosed assets	615	
<b>Net foreclosed assets</b>	<b>34,757</b>	<b>55,919</b>

Details of foreclosed assets as at 31 December 2015 are as follows:

Item	Opening balance	Increase	Disposal	Closing balance
Wuxi Guotai Hotel(property)	25,359		25,359	
Genie photoelectricity (Property)	30,560			30,560
Nantong Xinbao Business (Property)		920		920
Room 401, 402, Building 1, Baota Road39, Chunxi County, Gaochun District, Nanjing		3,892		3,892

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



## 18. Details of asset impairment reserves

Reserves	The Group	
	31 December 2015	31 December 2014
Loans impairment	15,394,136	13,148,296
Available-for-sale financial assets	11,651	11,651
Non-current asset impairment	4,780	4,780
Intangible assets impairment	160	160
Investment on receivables	473,603	149,723
Bad debts	139,057	119,733
Long-term receivables	86,475	
Foreclosed assets	615	
<b>Total</b>	<b>16,110,477</b>	<b>13,434,343</b>

Provisions	The Bank	
	31 December 2015	31 December 2014
Loans impairment	15,318,425	13,100,786
Available-for-sale financial assets	11,651	11,651
Non-current asset impairment	4,780	4,780
Intangible assets impairment	160	160
Investment on receivables	473,603	149,723
Bad debts	138,140	119,733
Foreclosed assets	615	
<b>Total</b>	<b>15,947,374</b>	<b>13,386,833</b>

## Detail changes of asset impairment

Reserves	31 December 2015 The Group						
	Opening balance	Provision	Transfer out	Writing-off/ disposals	Recovery of original loans and receivables	Impaired loan discount callbacks	Closing balance
Loans impairment	13,148,296	5,315,343		-2,964,846	15,544	-120,201	15,394,136
Investment on receivables	149,723	323,880					473,603
PPE impairment	4,780						4,780
Intangible assets impairment	160						160
Other receivables	119,733	46,345		-27,651	630		139,057
Available-for-sale financial assets	11,651						11,651
Long-term receivables		86,475					86,475
Foreclosed assets		615					615
<b>Total</b>	<b>13,434,343</b>	<b>5,772,658</b>		<b>-2,992,497</b>	<b>16,174</b>	<b>-120,201</b>	<b>16,110,477</b>

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

Reserves	31 December 2015 The Bank						
	Opening balance	Provision	Transfer out	Writing-off/ disposals	Recovery of original loans and receivables	Impaired loan discount callbacks	Closing balance
Loans impairment	13,100,786	5,287,142		-2,964,846	15,544	-120,201	15,318,425
Investment on receivables	149,723	323,880					473,603
PPE impairment	4,780						4,780
Intangible assets impairment	160						160
Other receivables	119,733	45,428		-27,651	630		138,140
Available-for-sale financial assets	11,651						11,651
Foreclosed assets		615					615
<b>Total</b>	<b>13,386,833</b>	<b>5,657,065</b>		<b>-2,992,497</b>	<b>16,174</b>	<b>-120,201</b>	<b>15,947,374</b>

31 December 2014 The Bank							
Reserves	Opening balance	Provision	Transfer out	Writing-off/ disposals	Recovery of original loans and receivables	Impaired loan discount callbacks	Closing balance
Loans impairment	10,589,143	4,506,367		-1,938,776	26,728	-82,676	13,100,786
Investment on receivables		149,723					149,723
PPE impairment	4,780						4,780
Intangible assets impairment	160						160
Other receivables	93,406	29,750		-3,423			119,733
Available-for-sale financial assets	11,651						11,651
<b>Total</b>	<b>10,699,140</b>	<b>4,685,840</b>		<b>-1,942,199</b>	<b>26,728</b>	<b>-82,676</b>	<b>13,386,833</b>

## 19. Borrowing from the central bank

Categories	The Group	
	31 December 2015	31 December 2014
Borrowing from the central bank	7,300,000	5,050,000
<b>Total</b>	<b>7,300,000</b>	<b>5,050,000</b>

Categories	The Bank	
	31 December 2015	31 December 2014
Borrowing from the central bank	7,300,000	5,000,000
<b>Total</b>	<b>7,300,000</b>	<b>5,000,000</b>

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

## 20. Due to banks and other financial institutions

Categories	The Group	
	31 December 2015	31 December 2014
Due to domestic banks and banking financial institution	84,932,477	90,773,001
Due to domestic non-banking financial institution	211,432,250	114,546,534
<b>Total</b>	<b>296,364,727</b>	<b>205,319,535</b>

Categories	The Bank	
	31 December 2015	31 December 2014
Due to domestic banks and banking financial institution	85,208,833	90,820,222
Due to domestic non-banking financial institution	211,432,250	114,546,534
<b>Total</b>	<b>296,641,083</b>	<b>205,366,756</b>

## 21. Loans and advances from banks

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Loans and advances from domestic banks	6,424,070	1,973,489
Domestic interbank payment	40,518	88,724
Overseas interbank payment		181,112
<b>Total</b>	<b>6,464,588</b>	<b>2,243,325</b>

## 22. Loans from other financial institutions

Categories	The Group	
	31 December 2015	31 December 2014
Credit loans	4,880,000	
<b>Total</b>	<b>4,880,000</b>	

The Group has no unused credit amount (for the year 2014: none).

## 23. Repurchase agreements and other similar secured borrowings

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Classify as counterparty:		
Banks	51,574,115	40,845,461
Non-banking financial systems	7,375,840	
<b>Total</b>	<b>58,949,955</b>	<b>40,845,461</b>
Classify by collaterals:		
Bonds	54,281,240	38,447,000
Bills	4,668,715	2,398,461
<b>Total</b>	<b>58,949,955</b>	<b>40,845,461</b>

## 24. Due to customers

Categories	The Group	
	31 December 2015	31 December 2014
Treasury	18,657,000	780,000
Current account	260,905,243	232,638,060
-Corporate customers	224,415,831	203,816,766
-Individual customers	36,489,412	28,821,294
Term deposit	355,250,866	305,135,954
-Corporate customers	238,583,188	199,414,514
-Individual customers	116,667,678	105,721,440
Margin deposit	99,294,313	111,701,140
-Letter of credit	8,803,155	6,312,817
-Bank acceptance	76,571,971	93,924,553
-Guarantee deposits	4,989,374	5,744,217
-Letter of guarantee	5,469,667	2,706,788
-Others	3,460,146	3,012,765
Fiscal deposits	377,304	532,294
Remittance under custody and temporary deposit	859,411	519,072
Outward remittance	1,323,177	4,227,759
Customer wealth management	39,761,157	25,763,050
<b>Total</b>	<b>776,428,471</b>	<b>681,297,329</b>

Categories	The Bank	
	31 December 2015	31 December 2014
Treasury	18,657,000	780,000
Current account	260,797,848	232,491,896
-Corporate customers	224,339,601	203,691,446
-Individual customers	36,458,247	28,800,450
Term deposit	354,853,842	304,815,153
-Corporate customers	238,372,583	199,291,838
-Individual customers	116,481,259	105,523,315
Margin deposit	99,294,313	111,701,139
-Letter of credit	8,803,155	6,312,817
-Bank acceptance	76,571,971	93,924,553
-Guarantee deposits	4,989,374	5,744,216
-Letter of guarantee	5,469,667	2,706,788
-Others	3,460,146	3,012,765
Fiscal deposits	376,897	528,890
Remittance under custody and temporary deposit	859,409	519,072
Outward remittance	1,323,177	4,227,759
Customer wealth management	39,761,157	25,763,050
<b>Total</b>	<b>775,923,643</b>	<b>680,826,959</b>

## 25. Employee benefit payables

### 25.1 Classification

Item	The Group			31 December 2015
	1 January 2015	Increase	Decrease	
Short-term benefits	2,371,009	4,180,155	3,783,495	2,767,669
Defined contribution plans	79,231	557,844	535,920	101,155
Deferred payment over 1 year	598,949	305,580	343,985	560,544
Termination benefits	226,854	24,527	29,243	222,138
<b>Total</b>	<b>3,276,043</b>	<b>5,068,106</b>	<b>4,692,643</b>	<b>3,651,506</b>

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

Item	The Bank			31 December 2015
	1 January 2015	Increase	Decrease	
Short-term benefits	2,368,525	4,150,718	3,765,343	2,753,900
Defined contribution plans	79,139	555,822	533,913	101,048
Deferred payment over 1 year	598,949	305,580	343,985	560,544
Termination benefits	226,854	24,527	29,243	222,138
<b>Total</b>	<b>3,273,467</b>	<b>5,036,647</b>	<b>4,672,484</b>	<b>3,637,630</b>

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



## 25.2 Short-term benefits

Item	The Group			31 December 2015
	1 January 2015	Increase	Decrease	
(1) Salaries, bonuses and allowances	2,293,036	3,310,224	2,925,513	2,677,747
(2) Staff welfare		137,313	137,313	
(3) Social insurance charges	16,075	225,271	224,638	16,708
Including: medical insurance	15,963	200,678	200,341	16,300
Injury insurance	465	13,698	14,021	142
Maternity insurance	-353	10,895	10,276	266
(4) Housing fund	622	298,191	296,018	2,795
(5) Labour union funds and education fees	60,827	92,420	82,828	70,419
(6) Short-term absent payment		20,454	20,454	
(7) Short-term profit distribution plan				
(8) Other short-term benefits	449	96,282	96,731	
<b>Total</b>	<b>2,371,009</b>	<b>4,180,155</b>	<b>3,783,495</b>	<b>2,767,669</b>

Item	The Group			31 December 2014
	1 January 2014	Increase	Decrease	
(1) Salaries, bonuses and allowances	2,538,354	2,719,262	2,964,580	2,293,036
(2) Staff welfare		126,241	126,241	
(3) Social insurance charges	12,103	215,941	211,969	16,075
Including: medical insurance	12,707	191,096	187,840	15,963
Injury insurance	118	12,171	11,824	465
Maternity insurance	-722	12,674	12,305	-353
(4) Housing fund	2,136	209,850	211,364	622
(5) Labour union funds and education fees	68,978	88,349	96,500	60,827
(6) Short-term absent payment		20,612	20,612	
(7) Short-term profit distribution plan				
(8) Other short-term benefits	469	175,423	175,443	449
<b>Total</b>	<b>2,622,040</b>	<b>3,555,678</b>	<b>3,806,709</b>	<b>2,371,009</b>

Item	The Bank			31 December 2015
	1 January 2015	Increase	Decrease	
(1) Salaries, bonuses and allowances	2,290,558	3,283,219	2,909,762	2,664,015
(2) Staff welfare		136,865	136,865	
(3) Social insurance charges	16,069	224,810	224,179	16,700
Including: medical insurance	15,963	200,346	200,010	16,299
Injury insurance	460	13,611	13,935	136
Maternity insurance	-354	10,853	10,234	265
(4) Housing fund	622	297,097	294,953	2,766
(5) Labour union funds and education fees	60,827	92,071	82,479	70,419
(6) Short-term absent payment		20,454	20,454	
(7) Short-term profit distribution plan				
(8) Other short-term benefits	449	96,202	96,651	
<b>Total</b>	<b>2,368,525</b>	<b>4,150,718</b>	<b>3,765,343</b>	<b>2,753,900</b>

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

## 25.3 Details of defined contribution plans

Item	The Group			31 December 2015
	1 January 2015	Increase	Decrease	
Basic pensions	18,450	362,514	356,019	24,945
Unemployment insurance	1,373	26,384	27,366	391
Enterprise annuity payment	5,541	8,909	11,937	2,513
Supplementary pensions	53,867	160,037	140,598	73,306
<b>Total</b>	<b>79,231</b>	<b>557,844</b>	<b>535,920</b>	<b>101,155</b>

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

Item	The Bank			31 December 2015
	1 January 2015	Increase	Decrease	
Basic pensions	18,364	360,629	354,147	24,846
Unemployment insurance	1,367	26,247	27,231	383
Enterprise annuity payment	5,541	8,909	11,937	2,513
Supplementary pensions	53,867	160,037	140,598	73,306
<b>Total</b>	<b>79,139</b>	<b>555,822</b>	<b>533,913</b>	<b>101,048</b>

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

## 26. Tax payables

Taxes	The Group	
	31 December 2015	31 December 2014
Income tax	650,537	568,447
Business tax	399,920	407,845
City construction taxes	34,416	30,979
Educational surtax	13,962	12,530
Local educational surtax	9,309	8,357
Value added tax	447	
Property tax	4,936	4,438
Withhold and remit tax	47,824	47,991
Others	9,231	10,128
<b>Total</b>	<b>1,170,582</b>	<b>1,090,715</b>

Taxes	The Bank	
	31 December 2015	31 December 2014
Income tax	566,668	563,217
Business tax	399,332	407,044
City construction taxes	34,375	30,923
Educational surtax	13,944	12,506
Local educational surtax	9,297	8,341
Property tax	4,936	4,438
Withhold and remit tax	47,707	47,991
Others	9,082	10,127
<b>Total</b>	<b>1,085,341</b>	<b>1,084,587</b>

## 27. Interest payables

Interest payables	The Group	
	31 December 2015	31 December 2014
Customer deposit	10,374,167	8,958,874
Bond payables	475,594	476,897
Due to banks	2,851,314	1,941,946
Borrowing from the central bank	52,713	35,537
Financial assetsof repurchase agreements	42,448	59,269
Others	5,177	5,556
<b>Total</b>	<b>13,801,413</b>	<b>11,478,079</b>

Interest payables	The Bank	
	31 December 2015	31 December 2014
Customer deposit	10,362,135	8,949,382
Bond payables	475,594	476,897
Due to banks	2,809,118	1,941,487
Borrowing from the central bank	52,713	35,486
Financial assetsof repurchase agreements	42,448	59,269
Others	5,177	5,556
<b>Total</b>	<b>13,747,185</b>	<b>11,468,077</b>

## 28. Estimated liabilities

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Litigation losses	2,056	2,081
<b>Total</b>	<b>2,056</b>	<b>2,081</b>

## 29. Bond payables

### 29.1 Classification

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Subordinated debts	3,000,000	3,000,000
Micro enterprises specific financial debts	9,000,000	9,000,000
Tier two capital debts	12,000,000	12,000,000
Negotiable Certificate of deposit	27,649,489	4,978,793
<b>Total</b>	<b>51,649,489</b>	<b>28,978,793</b>

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

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Subordinated fixed rate bonds maturing in September 2026 (1)	3,000,000	3,000,000
Financial debts maturing at July 2017(2)	1,500,000	1,500,000
Financial debts maturing at July 2019 (3)	7,500,000	7,500,000
Subordinated fixed rate bonds maturing in September 2024(4)	12,000,000	12,000,000
<b>Total</b>	<b>24,000,000</b>	<b>24,000,000</b>

As at 31 December 2015, the subordinated bonds issued by the Group with different maturities are stated as following:

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

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

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

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

(5) The claims of the subordinated bonds are prior to the Group's capital but after the Group's other

liabilities. Meanwhile, the subordinated bonds are evolved in supplementary reserves in accordance with the CBRC's regulations when calculating the capital adequacy ratio.

### 29.3 Negotiable Certificate of Deposit

At 31 December 2015, the Group (Bank) has issued 35 unexpired interbank certificate of deposits, with face value of CNY28,000,000 thousand, and they are measured under amortised cost (as at 31 December 2014 6 unexpired interbank certificate of deposits are issued with CNY5,000,000 thousand).

## 30. Other Liabilities

Categories	The Group	
	31 December 2015	31 December 2014
Dividend payables	69,757	192,365
Other payables	791,934	604,294
Receiving from vicariously cashed securities	43,667	49,037
Liabilities from vicarious business	154,824	925,874
Specific account payable	447,483	211,272
Deferred income	272,689	214,710
Deposit received	327,042	
Financial lease deposits	871,180	
Other liabilities	1,157,150	434,861
<b>Total</b>	<b>4,135,726</b>	<b>2,632,413</b>

Categories	The Bank	
	31 December 2015	31 December 2014
Dividend payables	69,757	192,365
Other payables	790,646	603,951
Receiving from vicariously cashed securities	43,667	49,037
Liabilities from vicarious business	154,824	925,874
Specific account payable	447,483	211,272
Deferred income	272,689	214,710
Other liabilities	1,157,150	434,861
<b>Total</b>	<b>2,936,216</b>	<b>2,632,070</b>



### 30.1 Other Payables

Other payables according to ages are listed below:

Account ages	The Group			
	31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	680,864	85.97	483,253	79.97
1 to 2 years	17,945	2.27	21,570	3.57
2 to 3 years	10,767	1.36	24,610	4.07
Over 3 years	82,358	10.40	74,861	12.39
<b>Total</b>	<b>791,934</b>	<b>100.00</b>	<b>604,294</b>	<b>100.00</b>

Account ages	The Bank			
	31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	679,576	85.95	483,080	79.99
1 to 2 years	17,945	2.27	21,400	3.54
2 to 3 years	10,767	1.36	24,610	4.07
Over 3 years	82,358	10.42	74,861	12.40
<b>Total</b>	<b>790,646</b>	<b>100.00</b>	<b>603,951</b>	<b>100.00</b>

### 30.2 Other Liabilities

Categories	The Group and the Bank	
	31 December 2015	31 December 2014
Long-term account payable	71	71
Settlement funds	1,157,079	434,790
<b>Total</b>	<b>1,157,150</b>	<b>434,861</b>

## 31. Share Capital

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

Shareholders' name	31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)
Jiangsu International Trust Co., Ltd	910,000	8.76	910,000	8.76
Jiangsu Phoenix Publishing and Media Group Co., Ltd	890,000	8.57	890,000	8.57
Huatai Security Co., Ltd	640,000	6.16	640,000	6.16
Wuxi Construction and Development Investment Co., Ltd	557,016	5.36	557,016	5.36
Others	7,392,984	71.15	7,392,984	71.15
<b>Total</b>	<b>10,390,000</b>	<b>100.00</b>	<b>10,390,000</b>	<b>100.00</b>

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

The share capital of CNY7,850million was verified by Rongxin Certified Public Accounts LLP, Shenzhen. RCPAR [2007] No. 001 of verification report.

In August 2009, the Bank raised funds by issuing CNY550 million ordinary shares with par value of 1.00 CNY per share and offering price of 3.60 CNY per share targeted to Jiangsu Shagang Group Co., Ltd, Sanpower Group Co., Ltd, and Suning Appliances Co., Ltd. The registered capital of the Bank then increased to CNY 8,400 million with an increase of share capital of CNY 1,980million, of which included CNY1, 430 million capital premium are recorded into capital reserves. The addition of share capital was verified by Daxin Certified Public Accounts LLP.

In March 2010, the Bank raised funds by issuing 700 million ordinary shares with par value of CNY1.00 per share and offering price of CNY5.00 per share targeted to Huatai Security Co., Ltd, Jiangsu Phoenix Publishing and Media Group Co., Ltd, Wuxi Construction and Development Investment Co., Ltd, Jiangsu Tiangong Group Co., Ltd, Jiangsu Jinying Industrial Equipment Installation Co., Ltd, Heilan Group Co., Ltd, Jiangsu Sunshine Group Co., Ltd, Jiangsu Nongken Group Co., Ltd, Jiangsu Govtor Capital Group Co., Ltd, Jiangsu High Hope International Group Co., Ltd, Jiangsu Grains Group Co., Ltd in cash. The Bank raised CNY 3,500 million of capital for the year (Capital premium of CNY2,800million is recorded into capital reserves) and the registered capital then increased to CNY 9,100 million. The added share capital is verified by Daxin Certified Public Accounts LLP.

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

## 32. Capital Reserves

### 32.1 Capital reserves of the Group and the Bank

Categories	1 January 2015	Increase	Decrease	31 December 2015
1. Capita premium				
(1) Capital invested by investors	10,097,373			10,097,373
(2) consolidation impact under same control				
(3) Others (e.g. donations by major shareholders or capital reserves raised from debt exemption)				
Subtotal	10,097,373			10,097,373
2. Other Capital Reserves				
(1) Transferred from original capital reserve system				
(2) Governmental movement compensation surplus				
Subtotal				
Total	10,097,373			10,097,373

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

## 33. Other Comprehensive Income

### 33.1 Closing balance of Other Comprehensive Income

Categories	The Group and the Bank	
	2015	2014
I. Other comprehensive income cannot be reclassified into profit and loss		
1) Remeasurement the changes of defined benefit plan liabilities or net assets		
2) The proportion in other comprehensive income of investees which cannot be reclassified into profit and loss under equity accounting		
II. Other comprehensive income can be reclassified into profit and loss		
3) The proportion in other comprehensive income of investees which can be reclassified into profit and loss under equity accounting		
4) Fair value changes of assets available-for-sale	796,368	57,215
5) Effective profit and loss in cash flow hedge		
6) Held-to-maturity investments reclassified as profit and loss of available-for-sale financial assets		
7) The difference of translation of foreign currency financial statements		
8) Less: Income tax impacts	199,092	14,304
Total	597,276	42,911
9) Including: net value previously recorded into other comprehensive income but transferred into current profit and loss	23,835	4,014

### 33.2 Other comprehensive income and its Impact of income Tax, and the circumstances of transfers to profit and loss

The Group and the Bank

Categories	2015			2014		
	Pre-tax value	Income tax	Net amount after tax	Pre-tax value	Income tax	Net amount after tax
I. Other comprehensive income cannot be reclassified into profit and loss						
1. Remeasurement the changes of defined benefit plan liabilities or net assets						
2. The proportion in other comprehensive income of investees which cannot be reclassified into profit and loss under equity accounting						

Categories	2015			2014		
	Pre-tax value	Income tax	Net amount after tax	Pre-tax value	Income tax	Net amount after tax
II. Other comprehensive income can be reclassified into profit and loss						
1. The proportion in other comprehensive income of investees which can be reclassified into profit and loss under equity accounting						
Less: amount previously in other comprehensive income transferred in current profit and loss						
<b>Subtotal</b>						
2. Change of fair value of available-for-sale financial assets	828,148	207,037	621,111	62,567	15,642	46,925
Less: amount previously in other comprehensive income transferred in current profit and loss	31,780	7,945	23,835	5,352	1,338	4,014
<b>Subtotal</b>	796,368	199,092	597,276	57,215	14,304	42,911
3. Current profit and loss of held-to-maturity investment reclassified as available-for-sale financial assets						
Less: amount previously in other comprehensive income transferred in current profit and loss						
<b>Subtotal</b>						
4. Effective profit and loss in cash flow hedge						
Less: amount previously in other comprehensive income transferred in current profit and loss						
Adjustment of transferred initial recognised hedged project						
<b>Subtotal</b>						
5. The difference of translation of foreign currency financial statements						
Less: amount previously in other comprehensive income transferred in current profit and loss						
<b>Subtotal</b>						
<b>Total</b>	796,368	199,092	597,276	57,215	14,304	42,911

### 33.3 Adjustment of Other Comprehensive Income

The Group and the Bank

Categories	Remeasurement the changes of defined benefit plan liabilities or net assets	The proportion in other comprehensive income of investees cannot be reclassified into profit and loss under equity accounting	The proportion in other comprehensive income of investees can be reclassified into profit and loss under equity accounting	Fair value changes of assets available-for-sale	Held-to-maturity investments reclassified as profit and loss of available-for-sale financial assets	Effective profit and loss in cash flow hedge	The difference of translation of foreign currency financial statements	Total other comprehensive income
Opening balance at 1 January 2014				-275,053				-275,053
Gains/ losses (-) during the year				317,964				317,964
Opening balance at 1 January 2015				42,911				42,911
Gains/ losses (-) during the year				554,365				554,365
Closing balance at 31 December 2015				597,276				597,276



### 34. Surplus Reserves

Surplus reserves for the Group and the Bank

Reserves	1 January 2015	Increase	Decrease	31 December 2015
Statutory surplus reserve	3,965,967	947,505		4,913,472
Discretionary surplus reserve	3,322,487	868,616		4,191,103
<b>Total</b>	<b>7,288,454</b>	<b>1,816,121</b>		<b>9,104,575</b>

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

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

2) In 2015, pursuant to the resolution of the Annual General Meeting held on 2014, the Bank appropriated the discretionary surplus reserve of 10% of net profit for the year 2014;

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

### 35. General risk reserves

Item	The Group		
	1 January 2015	Accrual during the year	31 December 2015
General risk reserves	11,777,885	3,937,577	15,715,462

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

Item	The Bank		
	1 January 2015	Accrual during the year	31 December 2015
General risk reserves	11,761,796	3,937,577	15,699,373

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

Pursuant to Issues on "Provision for measures for the administration of financial companies reserve" (Caijin [2012] No.20) promulgated by the MOF, the Group is required to transfer certain percentage of its net profit to establish and maintain a general reserve within shareholders' equity, through the appropriation of

profit to address unidentified potential impairment losses. The general risk reserves balance should not be lower than 1.5% of the ending balance of gross risk-bearing assets as defined by the issues. Gross risk-bearing assets; include loans and advances in customers, available for sale financial assets, held to maturity investments, long term equity investments, due from banks, lending funds, foreclosed assets, and other receivables and so forth. As at 31 December 2015, the provision appropriated of the Group has reached 1.5% of the aggregated amount of the gross risk-bearing assets.

As at 1 February 2016, the 19th session of the 3rd Annual General Meeting of the Bank has approved to appropriate CNY 3,937,577 thousand general risk reserve from retained profits.

### 36. Retained Profits

Items	The Group	
	2015	2014
Retained profit brought down from last year	16,338,585	13,506,449
Net profit for the year	9,497,433	8,684,947
Less: Appropriation to statutory surplus reserves	947,505	868,616
Appropriation to discretionary surplus reserves	868,616	817,947
Appropriation to general risk reserves	3,937,577	3,335,048
Dividend payables	831,200	831,200
<b>Closing balance for the year</b>	<b>19,251,120</b>	<b>16,338,585</b>

Items	The Bank	
	2015	2014
Retained profit brought down from last year	16,338,220	13,500,053
Net profit for the year	9,475,050	8,686,165
Less: Appropriation to statutory surplus reserves	947,505	868,616
Appropriation to discretionary surplus reserves	868,616	817,947
Appropriation to general risk reserves	3,937,577	3,330,235
Dividend payables	831,200	831,200
<b>Closing balance for the year</b>	<b>19,228,372</b>	<b>16,338,220</b>

As at 1 February 2016, the 19th session of the 3rd Annual General Meeting of the Bank has approved the profit distribution plan of 2015: (1) appropriate to the statutory surplus reserves of 10% of the net profit for the year 2015 amounted to CNY947,505 thousand; (2) appropriate general risk reserves of CNY3,937,577 thousand; (3) recommend an appropriation to the discretionary surplus reserves of 10% of the net profit for the year 2015 amounted to CNY947,505 thousand; (4) dividend distribution is not implemented.

### 37. Non-controlling Interests

Name of subsidiary	Non-controlling interests	31 December 2015	31 December 2014
Baode County Bank of Danyang, Jiangsu Co., Ltd.	59%	121,749	129,878
Suxing Financial Lease.co. Ltd.	20%	257,008	
<b>Total</b>		<b>378,757</b>	<b>129,878</b>

### 38. Net interest income

Items	The Group	
	2015	2014
Interest income	58,787,675	48,678,898
-Deposits with banks and other financial institutions	4,159,950	4,382,995
-Deposits with the central banks	1,945,384	1,803,621
-Lending to banks and other financial institution	213,352	518,112
-Loans and advances	30,674,698	28,679,346
Including: Personal loans and advances	4,740,172	4,086,084
Corporate loans and advances to corporate	23,591,610	21,649,125
Discount	1,722,474	2,349,007
Trading finance	500,241	512,454
Impaired financial assets	120,201	82,676
-Interest income on transferred discount	2,003,735	1,184,211
-Reverse repurchase agreements	2,700,328	3,868,488
-Bonds investment	16,906,024	8,236,515
-Interest income from long-term receivables	182,160	
-Others	2,044	5,610
Interest expenses	34,816,273	26,340,279
-Loans from the central banks	303,535	37,154
-Deposits from banks and other financial institutions	13,603,500	8,387,756
-Loans and advances from banks	362,459	189,660
-Due to customers	16,793,134	15,177,120
-Financial assets under repurchase agreement	1,427,270	1,386,727
-Issuance of bonds	1,422,197	692,772
-Rediscount	560,622	213,225
-Others	343,556	255,865
<b>Net interest income</b>	<b>23,971,402</b>	<b>22,338,619</b>

Items	The Bank	
	2015	2014
Interest income	58,536,094	48,591,852
-Deposits with banks and other financial institutions	4,163,988	4,410,773
-Deposits with the central banks	1,943,807	1,802,195
-Lending to banks and other financial institution	230,515	518,112
-Loans and advances	30,590,000	28,567,913
-Including: Personal loans and advances	4,734,305	3,983,933
Corporate loans and advances to corporate	23,512,779	21,639,843
Discount	1,722,474	2,349,007
Trading finance	500,241	512,454
Impaired financial assets	120,201	82,676
-Interest income on transferred discounts	2,003,735	1,184,211
-Reverse repurchase agreements	2,700,328	3,868,488
-Bonds investment	16,901,677	8,236,515
-Others	2,044	3,645
Interest expenses	34,718,635	26,326,366
-Loans from the central banks	302,438	35,502
-Deposits from banks and other financial institutions	13,500,094	8,387,784
-Loans and advances from banks	379,622	189,660
-Due to customers	16,782,836	15,166,796
-Financial assets under repurchase agreement	1,427,270	1,386,727
-Issuance of bonds	1,422,197	692,772
-Rediscount	560,622	213,225
-Others	343,556	253,900
<b>Net interest income</b>	<b>23,817,459</b>	<b>22,265,486</b>

## 39. Net fee and commission income

Item	The Group	
	2015	2014
<b>Fee and commission income</b>	4,026,094	2,905,588
-Settlement and liquidation service fee	283,831	340,841
-Agency business fee	1,965,957	1,053,658
-Credit commitments service fee and commission	527,385	494,837
-Bank card fees	565,819	250,860
-Advisory fees	137,183	265,354
-Custodian and other fiduciary service fees	452,977	444,842
-Others	92,942	55,196
<b>Fee and commission expenses</b>	126,695	103,304
-Settlement and liquidation service fee	60,115	64,718
-Bank card fees	34,984	27,970
-Others	31,596	10,616
<b>Net fee and commission income</b>	<b>3,899,399</b>	<b>2,802,284</b>

Item	The Bank	
	2015	2014
<b>Fee and commission income</b>	3,996,886	2,904,880
-Settlement and liquidation service fee	255,141	340,806
-Agency business fee	1,965,560	1,053,084
-Credit commitments service fee and commission	527,385	494,837
-Bank card fees	565,785	250,854
-Advisory fees	137,183	265,354
-Custodian and other fiduciary service fees	452,977	444,842
-Others	92,855	55,103
<b>Fee and commission expenses</b>	126,675	103,282
-Settlement and liquidation service fee	60,095	64,696
-Bank card fees	34,984	27,970
-Others	31,596	10,616
<b>Net fee and commission income</b>	<b>3,870,211</b>	<b>2,801,598</b>

## 40. Investment income

Income	The Group	
	2015	2014
Financial asset investment designated at fair value through profit and loss	160,390	25,662
Available-for-sale financial assets	31,780	5,352
Joint venture under equity accounting		
Dividend income	1,320	1,080
Return on disposal of long-term equity investment		
Others	2,054	1,918
<b>Total</b>	<b>195,544</b>	<b>34,012</b>

Income	The Bank	
	2015	2014
Financial asset investment designated at fair value through profit and loss	160,390	25,662
Available-for-sale financial assets	31,780	5,352
Joint venture under equity accounting		
Dividend income	7,224	12,150
Return on disposal of long-term equity investment		
Others	2,054	1,918
<b>Total</b>	<b>201,448</b>	<b>45,082</b>

## 41. Profit or loss from fair value changes

Item	The Group and the Bank	
	2015	2014
Financial assets designated at fair value through profit and loss	5,786	38,322
Derivative financial instruments	-11,476	38,715
<b>Total</b>	<b>-5,690</b>	<b>77,037</b>

## 42. Profit and loss from foreign exchange

Item	The Group and the Bank	
	2015	2014
Foreign currency operation income	187,358	142,502
Foreign currency operation expenses	-258,912	-84,300
<b>Total</b>	<b>-71,554</b>	<b>58,202</b>



### 43. Other operating income

Item	The Group	
	2015	2014
Rental income	17,381	15,605
Others	40,588	83
<b>Total</b>	<b>57,969</b>	<b>15,688</b>

Item	The Bank	
	2015	2014
Rental income	17,381	15,605
Others	340	83
<b>Total</b>	<b>17,721</b>	<b>15,688</b>

### 44. Business tax and surcharges

Tax	The Group	
	2015	2014
Business tax	1,777,587	1,596,696
City construction tax	123,838	110,744
Educational surtax	89,514	79,719
<b>Total</b>	<b>1,990,939</b>	<b>1,787,159</b>

Tax	The Bank	
	2015	2014
Business tax	1,764,706	1,593,331
City construction tax	122,076	110,509
Educational surtax	88,255	79,551
<b>Total</b>	<b>1,975,037</b>	<b>1,783,391</b>

### 45. Operating and administrative expenses

Expenses	The Group	
	2015	2014
Staff remuneration	5,068,106	4,386,456
Including: wages and bonus	3,649,559	3,084,236
Other welfare	1,418,547	1,302,220
Business fee	2,081,742	2,089,845
Rents	399,154	356,910
Fixed assets depreciation	414,276	433,439
Low value consumables	42,984	10,582
Intangible asset amortisation	65,457	51,405
Amortisation of network renovation cost and long-term deferred expense	102,159	101,365
Taxes and dues	62,979	58,421
<b>Total</b>	<b>8,236,857</b>	<b>7,488,423</b>

Expenses	The Bank	
	2015	2014
Staff remuneration	5,036,647	4,374,346
Including: wages and bonus	3,623,420	3,074,910
Other welfare	1,413,227	1,299,436
Business fee	2,067,588	2,081,845
Rents	396,922	355,385
Fixed assets depreciation	412,951	432,321
Low value consumables	42,684	10,582
Intangible asset amortisation	64,366	51,379
Amortisation of network renovation cost and long-term deferred expense	99,394	98,594
Taxes and dues	61,375	58,401
<b>Total</b>	<b>8,181,927</b>	<b>7,462,853</b>

### 46. Impairment losses of assets

Item	The Group	
	2015	2014
Reserve for loans impairment	5,315,343	4,525,677
Reserve for bad debt	46,345	29,750
Reserve for impairment of investment on receivables	323,880	149,723
Reserve of foreclosed assets impairment	615	
Expected off balance sheet losses		-33,584
Reserve for long-term receivables	86,475	
<b>Total</b>	<b>5,772,658</b>	<b>4,671,566</b>

Item	The Bank	
	2015	2014
Reserve for loans impairment	5,287,142	4,506,367
Reserve for bad debt	45,428	29,750
Reserve of foreclosed assets impairment	323,880	149,723
Expected off balance sheet losses	615	
Reserve for long-term receivables		-33,585
<b>Total</b>	<b>5,657,065</b>	<b>4,652,255</b>

### 47. Other operating expenses

Item	The Group and the Bank	
	2015	2014
Management for foreclosed assets etc.	1,724	3,100

## 48. Non-operating income

Item	The Group	
	2015	2014
Income from disposal of PPEs	33,865	29,046
Income from disposal of foreclosed assets	9,280	124
Grant income	26,986	25,892
Penalty income	1,515	319
Transferred in from long-term unused bank account		13,273
Others	14,020	12,740
<b>Total</b>	<b>85,666</b>	<b>81,394</b>

Item	The Bank	
	2015	2014
Income from disposal of PPEs	33,865	29,046
Income from disposal of foreclosed assets	9,280	124
Grant income	14,462	17,082
Penalty income	1,515	319
Transferred in from long-term unused bank account		13,273
Others	14,020	12,740
<b>Total</b>	<b>73,142</b>	<b>72,584</b>

### 48.1 Government Grants

Item	The Group	
	2015	2014
Grants for agricultural supporting loans and micro enterprises loan risk compensation etc.	18,668	13,431
Other grants	8,318	12,461
<b>Total grants in current profit and loss</b>	<b>26,986</b>	<b>25,892</b>

Item	The Bank	
	2015	2014
Grants for agricultural supporting loans and micro enterprises loan risk compensation etc.	12,573	13,431
Other grants	1,889	3,651
<b>Total grants in current profit and loss</b>	<b>14,462</b>	<b>17,082</b>

## 49. Non-operating expenses

Item	The Group	
	2015	2014
Loss on disposal of PPEs	1,727	2,872
Loss on disposal of foreclosed assets	7,928	3,731
Expenditure on donations	8,989	6,527
Penalty and late payment fee	11,990	6,826
Others	17,856	22,396
<b>Total</b>	<b>48,490</b>	<b>42,352</b>

Item	The Bank	
	2015	2014
Loss on disposal of PPEs	1,727	2,872
Loss on disposal of foreclosed assets	7,928	3,731
Expenditure on donations	8,974	6,512
Penalty and late payment fee	11,990	6,819
Others	17,856	22,396
<b>Total</b>	<b>48,475</b>	<b>42,330</b>

## 50. Income tax expense

Item	The Group	
	2015	2014
Current income tax expense	2,812,514	3,380,949
Deferred tax expense	-235,254	-665,437
<b>Total</b>	<b>2,577,260</b>	<b>2,715,512</b>

Item	The Bank	
	2015	2014
Current income tax expense	2,725,030	3,368,956
Deferred tax expense	-161,571	-663,373
<b>Total</b>	<b>2,563,459</b>	<b>2,705,583</b>

The reconciliation of income tax and accounting profit is presented as following:

Item	The Group	
	2015	2014
Profit before tax	12,082,068	11,414,636
Income tax calculated at 25%	3,020,517	2,853,659
Impact of non-taxable income	-531,396	-278,335
Impact of non-deductible expenses	88,139	140,188
Deductible temporary difference or deductible loss impact of current unrecognised deferred tax		
Income tax expense	2,577,260	2,715,512

Item	The Bank	
	2015	2014
Profit before tax	12,038,509	11,391,748
Income tax calculated at 25%	3,009,627	2,847,937
Impact of non-taxable income	-529,872	-276,288
Impact of non-deductible expenses	83,704	133,934
Deductible temporary difference or deductible loss impact of current unrecognised deferred tax		
Income tax expense	2,563,459	2,705,583

## 51. Earnings per share and return on equity

### 51.1 Earnings per share (EPS)

In accordance with “Rules for the Compilation and Submission of Information Disclosure by Companies That Offer Securities to the Public (No.9)–Calculation and Disclosure of Return on Equity and Earnings per share (revised 2010)” [CSRC (2010) No.2], and “Explanatory Announcement of Information Disclosure by Companies That Offer Securities to the Public (No.1)–Extraordinary gains and losses (2008)” [CSRC (2008) No.43]:

EPS for the Group

Items	2015	2014
Net profit attributable to parent company	9,497,433	8,684,947
Net profit after extraordinary profit and loss	9,475,907	8,664,752
Initial shares(in thousands)	10,390,000	10,390,000
New shares issued during report period(in thousands)		
Months of report period	12	12
Accumulated months from the next month of new issuing to the end of report period		
Weighted average of outstanding ordinary shares(in thousands)	10,390,000	10,390,000
Weighted average of earnings per share(CNY)	0.91	0.84
Basic earnings per share after extraordinary gains and losses(CNY)	0.91	0.83

From 2014 to 2015, the Group has no potential dilutive ordinary shares, therefore, the diluted earnings per share equals to the basic earnings per share.

EPS for the Bank

Item	2015	2014
Net profit	9,475,050	8,686,165
Net profit after extraordinary gain and losses	9,459,875	8,667,376
Initial shares(in thousands)	10,390,000	10,390,000
New shares issued within report period(in thousands)		
Months of report period	12	12
Accumulated months from the next month of new issuing to the end of report period		
Weighted average of outstanding ordinary shares(in thousands)	10,390,000	10,390,000
Weighted average of earnings per share(CNY)	0.91	0.84
Basic earnings per share after extraordinary gains and losses(CNY)	0.91	0.83



## 51.2 Return on equity (ROE)

ROE for the Group:

Item	2015	2014
Net profit for parent company	9,497,433	8,684,947
Net profit after extraordinary gains and losses	9,475,907	8,664,752
Balance of common stockholders' equity as at 31 December	65,155,806	55,935,208
Weighted-average of common stockholders' equity	60,406,974	51,832,291
Weighted-average return on equity	15.72%	16.76%
Weighted-average return on equity after extraordinary gains and losses	15.69%	16.71%

ROE for the Bank

Item	2015	2014
Net profit	9,475,050	8,686,165
Net profit after extraordinary gains and losses	9,459,875	8,667,376
Balance of common stockholders' equity as at 31 December	65,116,969	55,918,754
Weighted-average of common stockholders' equity	60,379,328	51,832,291
Weighted-average return on equity	15.69%	16.76%
Weighted-average return on equity after extraordinary gains and losses	15.67%	16.72%

## 52. Information of cash flows

### 52.1 Cash and cash equivalent:

Item	The Group	
	31 December 2015	31 December 2014
<b>I . Cash</b>	24,124,145	25,548,845
Including: cash in treasury	1,784,042	1,973,781
Current amount of deposit with banks and other financial institutions	12,369,839	5,163,090
Amount of deposits with the Central Bank available to pay	9,970,264	18,411,974
<b>II . Cash equivalent</b>	108,461,640	123,543,492
Including: Amounts of deposit with banks maturing within three months	31,552,042	71,977,412
Borrowing from banks and other financial institutions maturing within three months	2,548,112	5,603,608
Reverse repurchase agreement maturing within three months	74,361,486	45,962,472
<b>III . Balance as at 31 December</b>	132,585,785	149,092,337

Item	The Bank	
	31 December 2015	31 December 2014
<b>I . Cash</b>	24,386,861	25,447,804
Including: cash in treasury	1,780,081	1,970,843
Current amount of deposit with banks and other financial institutions	12,646,195	5,065,032
Amount of deposits with the Central Bank available to pay	9,960,585	18,411,929
<b>II . Cash equivalent</b>	108,461,640	123,543,492
Including: Amounts of deposit with banks maturing within three months	31,552,042	71,977,412
Borrowing from banks and other financial institutions maturing within three months	2,548,112	5,603,608
Reverse repurchase agreement maturing within three months	74,361,486	45,962,472
<b>III . Balance as at 31 December</b>	132,848,501	148,991,296

## 52.2 Adjustment of net profit to cash flows from operating activities:

Item	The Group	
	2015	2014
<b>I. Adjustment of net profit to cash flows from operating activities:</b>		
Net profit	9,504,808	8,699,124
Add: Assets impairment losses	5,772,658	4,671,566
Depreciation of PPEs	414,276	433,439
Amortisation of intangible assets	65,457	51,405
Amortisation of long-term prepaid expenses	102,159	101,365
Losses on disposal of PPEs, intangible assets and other long-term assets ( "-" referred to as income)	33,865	-24,613
Losses on scrap of PPEs ( "-" referred to as income)	1,727	2,046
Losses on fair value changes( "-" referred to as income)	5,690	-77,037
Investment losses ( "-" referred to as income)	-195,544	-34,012
Interest income from bond investment	-16,906,024	-8,236,515
Interest expense from bond issuance	1,422,197	692,772
Decrease in deferred tax assets ( "-" referred to as increase)	-235,429	-579,551
Increase in deferred tax liabilities( "-" referred to as decrease)	175	20,101
Decrease in operating receivables ( "-" referred to as increase)	-71,710,548	-66,286,287
Increase in operating payables( "-" referred to as decrease)	220,292,805	236,028,017
Net cash flows arising from operating activities	148,568,272	175,461,820
<b>II. Net gain/losses of cash and cash equivalent</b>		
Cash at 31 December	24,124,145	25,548,845
Less: cash at 1 January	25,548,845	32,537,166
Add: Cash equivalent at 31 December	108,461,640	123,543,492
Less: cash equivalent at 1 January	123,543,492	95,976,806
Net gains of cash and cash equivalent	-16,506,552	20,578,365

Item	The Bank	
	2015	2014
<b>I. Adjustment of net profit to cash flows from operating activities:</b>		
Net profit	9,475,050	8,686,165
Add: Assets impairment losses	5,657,065	4,652,255
Depreciation of PPEs	412,951	432,321
Amortisation of intangible assets	64,366	51,379
Amortisation of long-term prepaid expenses	99,394	98,594
Losses on disposal of PPEs, intangible assets and other long-term assets ( "-" referred to as income)	-33,865	-24,613
Losses on scrap of PPEs ( "-" referred to as income)	1,727	2,046
Losses on fair value changes( "-" referred to as income)	5,690	-77,037
Investment losses ( "-" referred to as income)	-201,448	-45,082
Interest income from bond investment	-16,901,677	-8,236,515
Interest expense from bond issuance	1,422,197	692,772
Decrease in deferred tax assets ( "-" referred to as increase)	-148,026	-577,487
Increase in deferred tax liabilities( "-" referred to as decrease)	-13,545	20,101
Decrease in operating receivables ( "-" referred to as increase)	-63,709,653	-66,325,929
Increase in operating payables( "-" referred to as decrease)	214,037,593	236,024,781
Net cash flows arising from operating activities	150,167,819	175,373,751
<b>II. Net gain/losses of cash and cash equivalent</b>		
Cash at 31 December	24,386,861	25,447,804
Less: cash at 1 January	25,447,804	32,492,736
Add: Cash equivalent at 31 December	108,461,640	123,543,492
Less: cash equivalent at 1 January	123,543,492	95,976,806
Net gains of cash and cash equivalent	-16,142,795	20,521,754

**52.3 Other cash receipts relating to operating activities:**

Item	The Group	
	2015	2014
Non-operating income (excluding asset disposal income)	119,531	52,483
Rent income	57,969	15,688
Transactions and settlements	2,525,481	50,046
Deferred income	57,979	191,984
<b>Total</b>	<b>2,760,960</b>	<b>310,201</b>

Item	The Bank	
	2015	2014
Non-operating income (excluding asset disposal income)	39,277	43,673
Rent income	17,721	15,688
Transactions and settlements	1,402,107	50,046
Deferred income	57,979	191,984
<b>Total</b>	<b>1,517,084</b>	<b>301,391</b>

**52.4 Cash payment relating to other operating activities:**

Item	The Group	
	2015	2014
Business expenses	2,523,880	2,435,786
Non-operation expenses (excluding PPE disposal losses)	46,763	60,008
Cash payables	711,347	965,729
Increase of foreclose assets		30,060
<b>Total</b>	<b>3,281,990</b>	<b>3,491,583</b>

Item	The Bank	
	2015	2014
Business expenses	2,507,194	2,426,161
Non-operation expenses (excluding PPE disposal losses)	46,749	59,986
Cash payables	711,345	964,455
Increase of foreclose assets		30,060
<b>Total</b>	<b>3,265,288</b>	<b>3,480,662</b>

**53. Transfer of financial assets**

In daily operation, certain transactions conducted by the Group would transfer the recognised financial assets to the third party or special purpose trusts. If the asset transfers are satisfied with termination recognition conditions, then all or part of the relevant financial assets shall be stopped to recognise. When the Group keeps almost all risks and return of the transferred assets, the relevant asset transfer is not satisfied with conditions of derecognition, and then the Group shall continue to recognise the above assets in balance sheet.

**Securitisation of credit assets**

The securitisation of credit assets is referred as the Bank sells the credit assets to special purpose trusts, and the trusts issue the asset-backed securities to investors. As at 31 December 2015, the book value of the securitised credit assets at transfer date is CNY 5,233,900 thousand (and CNY 2,140,900 thousand in 2014). The asset value of the prior securities held by the Group is CNY154,440 thousand (and CNY89,686 thousand in 2014) and they have been classified as held-to-maturity investments; the asset value of the subordinated securities held by the Group is CNY32,100 thousand (and CNY14,700 in 2014), they have been classified as held-to-maturity investments.

**X. Segment Reporting**

The Group manages its business both by product segments and service segments. The Group has the following 4 segment reports:

- (1) The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit activities and various types of corporate intermediary services;
- (2) The personal banking segment covers the provision of financial products and services to individual customers. The products and services include personal loans, deposit activities, card business, personal wealth management services and various types of personal intermediary services;
- (3) The financial operations segment covers the Group's financial operations. The financing conducts money market or repurchases transactions, investments businesses, foreign exchange for its own accounts or on behalf of customers;
- (4) Others business means those other than corporate banking, personal banking and, treasury operation, which cannot be reported individually, or these assets, liabilities, income and expense that cannot be allocated in a reasonable way.

The transfer price among segments is based on the source of funds and operation maturity, determined by the match of deposit-loan interest rate issued by PBC and inter-banks offering rate. Expenses would be allocated among segments referred to benefit circumstances.



## 1. The Group

2015	Corporate banking	Personal banking	Financial operations	Financial leases	Others	Total
<b>Operating income</b>	19,216,672	4,107,101	4,556,458	166,839		28,047,070
Net interest income	16,179,473	3,478,098	4,215,866	97,965		23,971,402
-External net interest income	16,491,534	557,647	6,824,256	97,965		23,971,402
-Segmental net interest income	-312,061	2,920,451	-2,608,390			
Net fee and commission income	2,881,113	627,953	361,707	28,626		3,899,399
Investment income			195,544			195,544
Net profit of fair value changes			-5,690			-5,690
Profit and loss of foreign exchange	138,365	1,050	-210,969			-71,554
Other operating income	17,721			40,248		57,969
<b>Operating expense</b>	12,583,867	2,233,107	1,058,763	126,441		16,002,178
Business taxes and surcharges	1,560,524	259,525	157,853	13,037		1,990,939
Operating and administrative expense	5,826,247	1,806,650	577,031	26,929		8,236,857
Asset impairment losses	5,195,372	166,932	323,879	86,475		5,772,658
Other operating expense	1,724					1,724
<b>Operating profit</b>	6,632,805	1,873,994	3,497,695	40,398		12,044,892
Net non-operating income and expenses				6,429	30,747	37,176
<b>Profit before tax</b>	6,632,805	1,873,994	3,497,695	46,827	30,747	12,082,068
Income tax expense	1,575,398	470,293	510,290	11,787	9,492	2,577,260
<b>Net profit</b>	5,057,407	1,403,701	2,987,405	35,040	21,255	9,504,808
Supplementary information						
Depreciation and amortisation	346,120	225,263	9,238	1,271		581,892
Capital expenditure	597,826	388,308	16,055	1,967		1,004,156
31 December 2015						
<b>Total Assets</b>	508,766,106	114,875,283	658,594,227	8,097,720		1,290,333,336
<b>Total Liabilities</b>	597,815,869	232,969,783	387,200,441	6,812,680		1,224,798,773

2014	Corporate banking	Personal banking	Financial operations	Others	Total
<b>Operating income</b>	18,276,734	3,249,235	3,799,873		25,325,842
Net interest income	16,140,204	2,732,375	3,466,040		22,338,619
-External net interest income	14,449,790	257,933	7,630,896		22,338,619
-Segmental net interest income	1,690,414	2,474,442	-4,164,856		
Net fee and commission income	2,014,945	516,294	271,045		2,802,284
Investment income			34,012		34,012
Net profit of fair value changes			77,037		77,037
Profit and loss of foreign exchange	105,897	566	-48,261		58,202
Other operating income	15,688				15,688
<b>Operating expense</b>	10,068,662	2,880,095	1,001,491		13,950,248
Business taxes and surcharges	1,499,185	257,230	30,744		1,787,159
Operating and administrative expense	4,518,624	2,148,775	821,024		7,488,423
Asset impairment losses	4,047,753	474,090	149,723		4,671,566
Other operating expense	3,100				3,100
<b>Operating profit</b>	8,208,072	369,140	2,798,382		11,375,594
Net non-operating income and expenses				39,042	39,042
<b>Profit before tax</b>	8,208,072	369,140	2,798,382	39,042	11,414,636
Income tax expense	2,041,567	90,053	581,254	2,638	2,715,512
<b>Net profit</b>	6,166,505	279,087	2,217,128	36,404	8,699,124
Supplementary information					
Depreciation and amortisation	447,968	129,531	8,710		586,209
Capital expenditure	722,705	226,083	15,447		964,235
31 December 2014					
<b>Total Assets</b>	498,350,443	103,440,579	436,518,028		1,038,309,050
<b>Total Liabilities</b>	533,488,577	146,792,730	301,962,657		982,243,964

## 2. The Bank

2015	Corporate banking	Personal banking	Financial operations	Others	Total
<b>Operating income</b>	19,182,886	4,095,816	4,550,893		27,829,595
Net interest income	16,145,887	3,466,913	4,204,659		23,817,459
-External net interest income	16,457,948	546,462	6,813,049		23,817,459
-Segmental net interest income	-312,061	2,920,451	-2,608,390		
Net fee and commission income	2,880,913	627,853	361,445		3,870,211
Investment income			201,448		201,448
Net profit of fair value changes			-5,690		-5,690
Profit and loss of foreign exchange	138,365	1,050	-210,969		-71,554
Other operating income	17,721				17,721
<b>Operating expense</b>	12,546,348	2,216,701	1,052,704		15,815,753
Business taxes and surcharges	1,558,805	258,936	157,296		1,975,037
Operating and administrative expense	5,809,447	1,800,951	571,529		8,181,927
Asset impairment losses	5,176,372	156,814	323,879		5,657,065
Other operating expense	1,724				1,724
<b>Operating profit</b>	6,636,538	1,879,115	3,498,189		12,013,842
Net non-operating income and expenses				24,667	24,667
<b>Profit before tax</b>	6,636,538	1,879,115	3,498,189	24,667	12,038,509
Income tax expense	1,573,898	469,779	510,290	9,492	2,563,459
<b>Net profit</b>	5,062,640	1,409,336	2,987,899	15,175	9,475,050
Supplementary information					
Depreciation and amortisation	344,020	223,453	9,238		576,711
Capital expenditure	597,826	388,308	16,055		1,002,189
31 December 2015					
<b>Total Assets</b>	509,497,385	115,119,493	658,837,537		1,283,454,415
<b>Total Liabilities</b>	598,026,681	233,040,054	387,270,711		1,218,337,446

2014	Corporate banking	Personal banking	Financial operations	Others	Total
<b>Operating income</b>	18,270,517	3,157,310	3,835,266		25,263,093
Net interest income	16,134,541	2,640,546	3,490,399		22,265,486
-External net interest income	14,444,127	166,104	7,655,255		22,265,486
-Segmental net interest income	1,690,414	2,474,442	-4,164,856		
Net fee and commission income	2,014,391	516,198	271,009		2,801,598
Investment income			45,082		45,082
Net profit of fair value changes			77,037		77,037
Profit and loss of foreign exchange	105,897	566	-48,261		58,202
Other operating income	15,688				15,688
<b>Operating expense</b>	10,065,707	2,834,401	1,001,491		13,901,599
Business taxes and surcharges	1,498,956	253,691	30,744		1,783,391
Operating and administrative expense	4,517,071	2,124,758	821,024		7,462,853
Asset impairment losses	4,046,580	455,952	149,723		4,652,255
Other operating expense	3,100				3,100
<b>Operating profit</b>	8,204,810	322,909	2,833,775		11,361,494
Net non-operating income and expenses				30,254	30,254
<b>Profit before tax</b>	8,204,810	322,909	2,833,775	30,254	11,391,748
Income tax expense	2,040,964	80,727	581,254	2,638	2,705,583
<b>Net profit</b>	6,163,846	242,182	2,252,521	27,616	8,686,165
Supplementary information					
Depreciation and amortisation	446,011	127,573	8,710		582,294
Capital expenditure	722,705	226,083	15,447		964,235
31 December 2015					
<b>Total Assets</b>	498,559,124	102,835,428	436,275,968		1,037,670,520
<b>Total Liabilities</b>	533,689,498	146,297,645	301,764,623		981,751,766

## XI. Contingencies and commitments

### 1. Credit commitments

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Banks acceptances notes	177,867,113	189,148,281
Letters of guarantee	16,133,893	11,194,850
Letters of credit	2,618,491	3,812,741
Loans commitments	10,351,285	1,330,651
<b>Total</b>	<b>206,970,782</b>	<b>205,486,523</b>

### 2. Capital expenditure commitments

Item	The Group	
	31 December 2015	31 December 2014
Houses purchase-signed contracts	462,561	332,723
Fitting-out project-signed contracts	95,038	503,643
Electronic systems purchase-signed contracts	38,263	37,394
Others	3,169	2,469
<b>Total</b>	<b>599,031</b>	<b>876,229</b>

Item	The Bank	
	31 December 2015	31 December 2014
Houses purchase-signed contracts	462,561	332,723
Fitting-out project-signed contracts	90,871	503,643
Electronic systems purchase-signed contracts	37,942	37,394
Others	3,169	2,469
<b>Total</b>	<b>594,543</b>	<b>876,229</b>

Operating lease commitments

Lease commitments mainly reflect the Group rents the place of business and office buildings, and pays the rental as required. At the balance sheet date, rental of lease contract is shown as follows:

Age	The Group	
	31 December 2015	31 December 2014
Within 1 year	394,476	349,761
1 to 2 years	369,888	320,344
2 to 3 years	343,853	291,339
3 to 4 years	301,091	266,753
4 to 5 years	258,221	214,762
Over 5 years	572,956	604,798
<b>Total</b>	<b>2,240,485</b>	<b>2,047,757</b>

Age	The Bank	
	31 December 2015	31 December 2014
Within 1 year	392,993	348,278
1 to 2 years	368,921	319,386
2 to 3 years	343,078	290,588
3 to 4 years	300,615	266,277
4 to 5 years	257,953	214,494
Over 5 years	572,956	604,798
<b>Total</b>	<b>2,236,516</b>	<b>2,043,821</b>

### 3. Assets pledged as collateral

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Bonds	85,846,871	44,918,992
Discounted notes	4,679,152	2,398,461

The Group pledged certain assets as collaterals under repurchase agreements, treasury and other agreement deposits to other banks and financial institutions and borrowings from the central bank. At the end of each year, the party received discounted notes as collaterals has the right to resold or re-pledged those collaterals in connection with sale of assets under repurchase agreements; whereas, the party received government bonds or financial bonds as collaterals do not have the right to do under repurchase agreements.

### 4. The Entrusted Business

### 5. Entrusted loans transactions

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Entrusted deposits	203,345,513	126,143,582
Entrusted loans	203,345,513	126,143,582

Entrusted deposits represent funds that depositors have instructed the Group used to make loans to third parties as designated by them. The credit risk remains with the depositors.

### 6. Legal proceedings

The Group is involved in 12 lawsuits as defendants rising from its normal business operations. Provisions of CNY54,153 thousand were made based on court judgments as at 31 December 2015. Management of the Group believes that the final result of these lawsuits will not have a significant impact on the financial position or operations of the Group.



## XII. Rights and interests in other entities

### 1. Rights and interests of structured entities not included in consolidation scope

#### 1.1 The structured entities not included in consolidation scope of the Group /Bank

The structured entities which are not included in consolidation scope of the Group /Bank are including third-party wealth management product, beneficial right of trust (fund trust plans) and asset administration plans etc. The Group (Bank) can obtain interest income as it is holding the investment on the products. The income from the directly holding of the products is not significant.

(1) The book value and maximum risk exposure of loss of the structured entities not included in consolidation scope held by the Group (Bank) is as the following:

Date	Categories	Book Value	The maximum risk exposure of loss (NB)
31 December 2015	Financial products	143,848,290	143,848,290
	Specific asset administration plan	170,672,125	170,672,125
	Beneficial rights of trust	1,642,330	1,642,330
	Asset supportive financing securities	2,397,950	2,397,950
<b>Total</b>		<b>318,560,695</b>	<b>318,560,695</b>
31 December 2014	Financial products	78,019,260	78,019,260
	Specific asset administration plan	83,465,385	83,465,385
	Beneficial rights of trust	7,664,204	7,664,204
	Asset supportive financing securities	1,448,429	1,448,429
<b>Total</b>		<b>170,597,278</b>	<b>170,597,278</b>

(2) The relevant assets and liabilities of which the Group (Bank) held its equity through direct investment in the structured entity launched by the third party is presented as following:

Duration	Categories	Available-for-sale financial assets	Held-to-maturity investment	Investment on receivables
31 December 2015	Financial products	143,848,290		
	Specific asset administration plan	40,572,460		130,099,665
	Beneficial rights of trust			1,642,330
	Asset supportive financing securities	32,100	2,365,850	
<b>Total</b>		<b>184,452,850</b>	<b>2,365,850</b>	<b>131,741,995</b>
31 December 2014	Financial products	78,019,260		
	Specific asset administration plan	12,880,000		70,585,385
	Beneficial rights of trust			7,664,204
	Asset supportive financing securities	14,700	1,433,729	
<b>Total</b>		<b>90,913,960</b>	<b>1,433,729</b>	<b>78,249,589</b>

NB The maximum loss exposure of the beneficial rights of trust, financial products, specific asset management and asset supportive financing bonds are the recognised amortisation cost or fair value of the products in balance sheet at balance sheet date.

The Group (Bank) has not offered current supports to the structured entities.

#### 1.2 Structured Entities managed by the Group (Bank) not included in in the Consolidation Scope

##### (1) Financial products

The structured entities those are not included into the consolidation scope of the Group (Bank) is the financial products issued and managed by the Group (Bank) as an agent. On the basis of analysing and researching the potential customer groups, the Group (Bank) design and sell the investment and administration plan to targeted customers, invest the raised fund into relevant financial market or relevant financial products in accordance with the signed contract, and then distribute the investment income to the investors by following the terms in the contract. The Group (Bank) charge commissions such as commissions for sales or product management etc. As at 31 December 2015 and 31 December 2014, the book value of the assets reflected by the management commission receivables in consolidated balance sheet of the Group (Bank) is not significant. In accordance with the definition of 'Control' in ASBE 33 and on the basis of principles prescribed in Note V.9, the Group (Bank) has not included the structured entities into the scope of consolidated financial statements.

Duration	Categories of structured entities not included in the consolidation scope	Total scale	Commission income
2015	Financial products	166,933,377	968,752
2014	Financial products	75,833,648	535,704

The Group (Bank) have not offer financial supports to wealth management products those are not included in the consolidation scope.

(2) Asset Securitization

Another structured entity which is managed by the Group (Bank) but not included in the consolidation scope is the special purpose trust established by the third party of trusts caused by the need of securitisation of the Group (Bank). The special purpose trusts buy credit assets from the Group (Bank), and then issue the asset-backed securities to finance on the basis of cash raised from the credit assets. As the service institution of loans of the special purpose trust, the Group manages the transferred credit assets of special purpose trusts and charge appropriate commissions as the administrator of the credit assets. The Group (Bank) is also holding part of all level of the Asset-backed securities of the special purpose trust. Also, the Group (Bank) believes the changeable return on of the structured entities is not significant. As at 31 December 2015, the maximum loss risk exposure of the special purpose trusts which are excluding the consolidation scope is the holding all levels of asset securities issued by the special purpose trusts, with CNY186,540 thousand.

As at 31 December 2015, when the Group (Bank) is acting as an asset administrator, the total amount of the special purpose trusts those are not included in consolidation scope is CNY 3,730,706 thousand (i.e. the closing balance of asset-backed securities).

As in 2015, the Group (Bank) has not offer financial supports to the special purpose trusts those are not included in the consolidation scope.

2. Equities in subsidiaries and structured entities included in the consolidation scope

The details of subsidiaries of the Bank are in NoteVIII.1

The Group has no joint ventures.

XIII. Related parties and related party transactions

1. Relationship of related parties

When financial or operating decisions are made, a party is considered to be related to another party if the party controls or gives its significant influence over the other party. And two or more parties are considered to be related if they are controlled by one party. Individuals or companies may become the related parties. During the reporting period, the Group does not have related parties with control.

1.1 Shareholders holding shares more than 5% (including 5%) of the Bank

Currency Unit: CNY ten-thousand

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu International Trust Co., Ltd.	Limited liability	Permitted operation businesses: trust funds; movable trusts; real estate trust; priced bond trusts; other property or property right trusts; funds' investments as sponsors of the fund investments or fund management corporates; operation of capital restructure, merger and acquisition and financing, corporate wealth management and financial consulting, securities underwriting services approved by relevant department of the State Council, servicing in intermediary, consulting, credit investigations etc., generation custody and safe-deposit box businesses, use fixed assets through due from banks and other institutions, loans to banks and other financial institutions, loans to customers, leases or investments, guarantee for others with fixed assets; loans from and to banks and other financial institutions and other legal businesses or businesses approved by CRBC. (projects should be approved legally, can be operated after the approval by relative department)	Shuhua Wang	268,390	Floor 22-26, Changjiang Road No. 2, Nanjing ,	13478047-9
Jiangsu Phoenix Publishing and Media Group Co., Ltd.	Stated owned limited company	Permitted businesses: None. General businesses: under the improvement of province government, stated own assets managements, enterprise trusteeship; assets restructure, real rental and other businesses.	Haiyan Chen	150,000	165 Zhongyang Road, Nanjing	76586099-3
Huatai Security Co., Ltd	Limited company( listed)	Security brokerage services; securities self-operation; securities underwriting( limit of government bonds underwritings and credit financing instruments of non-financial enterprises); security investment consults; security assets management; intermediary businesses for future companies; capital and security finance businesses; other businesses approved by CSRC(projects should be approved legally, can be operated after the approval by relative department)	Wanshan Wu	716,277	Jiangdong Road Middle 228, Nanjing	70404101-1
Wuxi Construction and Development Investment Co., Ltd	Limited company (stated own)	management; comprehensive development of city construction investment; public-work programmers; landscaping of public work constructions; lease of self-owned property, plant and equipment; sale of metallic materials, construction materials, decoration materials and hardware and electronic equipment. (Except commodities and technologies limited or prohibited by the state). (Projects should be approved legally, can be operated after the approval by relative department).	Jinsong Tang	1,795,304	58 Zhujiajiang, Xiajiabian, Wuxi	25045507-5



## 1.2 Shareholders holding shares more than 5% (including 5%) of the Bank

Unit: thousand shares

Name of shareholders	31 December 2015		31 December 2014	
	Amount of shares	Percentage (%)	Amount of shares	Percentage (%)
Jiangsu International Trust Co., Ltd.	910,000	8.76%	910,000	8.76%
Jiangsu Phoenix Publishing and Media Group Co., Ltd.	890,000	8.57%	890,000	8.57%
Huatai Security Co., Ltd	640,000	6.16%	640,000	6.16%
Wuxi Construction and Development Investment Co., Ltd	557,016	5.36%	557,016	5.36%
<b>Total</b>	<b>2,997,016</b>	<b>28.85%</b>	<b>2,997,016</b>	<b>28.85%</b>

## 1.3 Subsidiaries and Joint Ventures

The details of the subsidiary of the Bank is presented in Note VIII.1

The Group has no joint ventures.

## 1.4 Other Related Parties

Other related parties mainly includes the key management personnel (including directors, supervisors and senior management), and their close family members, and the companies that are controlled, or under common control of, or significant influence may be exerted by the key management personnel and their close family members.

As at 31 December 2015, there are 49 companies which are considered as the Group's related parties due to chairmen or general managers of these corporations are also the key management personnel of the Bank (mainly its directors). Other related companies are list below:

Currency Unit: CNY ten-thousand

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Wuxi Lvzhou construction investment Co., Ltd.	Limited liability (state owned)	Manages and operates the stated owned assets under authorization of people's government of Wuxi; operates the early development and arrangements of lands; green services; house demolition; infrastructure construction (should operate by valid qualification certificates); outward investment by using self-owned resources. (projects should be approved legally, can be operated after the approval by relative department)	Jinsong Tang	715,278	Zhujiayang 58, Xiajiabian, Binhu District, Wuxi	68160768-3
Wuxi Rural Commercial Bank Co., Ltd.	Limited Company(non-listed)	absorbing public deposits; providing short-, mid- and long-term loans; arranging domestic settlements; accepting and discounting bills; acting for issuing, cashing and selling government bonds and selling short-term financing guarantees; buying and selling government bonds and financial bonds; engaging interbank borrowings; acting for payments and receipts and acting for insurance; providing safe deposit boxes; providing entrusted deposit and loan businesses; providing bank card services; providing foreign exchange deposits; providing foreign exchange loans; providing foreign exchange remittances; providing foreign currency exchanges; providing foreign exchange settlement and sales; providing credit investigation, consults and notarial services; providing online banking businesses; and other businesses approved by banking supervision and management institutions and relevant departments. (Projects those are approved legally can be operated after the approval through relevant departments)	Xiaoping Ren	166,330	9 Financial Street 2, Wuxi, Jiangsu	77543566-7
Jiangsu Guoxin investment Group Ltd.	Stated owned	Stated owned asset operations, managements, transfers, investments, custodies, restructures and other businesses approved by the province government; house leases. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Qilun Ma	2,000,000	88 Changjiang Road, Xuanwu District, Nanjing	73572480-0



(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Nanjing Zijin Cultural Development Co., Ltd.	Limited company	Permitted businesses: None. General businesses: culture and art event planning, organising and operation management; investment on culture and art industry; operation management and facility investment construction of culture and arts; cultural and art products designing, producing and selling; consults on culture and art information.	Xiangdong Sun	10,000	Rm 24, No. 1 Hujing Huayuan, Xuanwu District, Nanjing	69461233-4
Jiangsu investment management limited liability company	Limited company (sole proprietorship of legal person) domestic invested	Permitted businesses: None. General businesses: industrial investments, investment consulting, domestic trading.	Zujian Xu	100,000	Floor 24, 88 Changjiang Road, Nanjing	13479781-X
Jiangsu New Energy Development Co., Ltd	Limited Company (Non-listed)	Development on wind energy, solar, biomass energy, geothermal energy, marine energy, natural gas hydrate energy, and other new energies; industry investments; investment management; investment consulting; engineering supervision and constitutions and domestic trading (the projects which need approval under the law shall be operated after the approval of relevant departments)	Lei Guo	50,000	Rm. 2213, 88 Changjiang Road, Nanjing	74314182-4
Jiangsu International Trust, Yangzhou Electric Power Centre Ltd.	Limited company	Permitted businesses: None. General businesses: electricity production, heating provision, industrial water supply, electricity technology service, coal-ash production and process, sales of gypsum and relevant productions, coal selling.	Bin Chen	100,000	Bali Zhen Economic development Zone, Yangzhou	68219206-1
Yangzhou 2nd electric power Co., Ltd	Limited liability (domestic businesses joint with Taiwan, Macao and Hong Kong)	Contribute and operate coal generator set with 2* 600k kilowatt, operation of products relevant to electricity, coal-ash production and processes (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Bin Chen	169,200	180 Gudu Road, Developing district, Yangzhou	14086157-4

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Xinhai Electricity Generation Co., Ltd	Limited Liability	Permitted businesses: production and sales of electric power, construction of heating pipes and sales of heating. General businesses: electric project development; comprehensive utilisation of wastes from electric generation; sales of metallic material and construction materials.	Xianqiang Li	23,900	Xinhai Road 218, Haizhou District, Lianyungang	13896667-6
Liyang Pumped-storage power generation Co., Ltd, Jiangsu International Trust	Limited Liability	Mining of limestone used as contribution stones. Contribution and operation of pumped-storage station of 6*250k kilowatt and the relevant supporting services. (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Shaoyin Cui	150,000	Fuzijie 88,Wucun, Tianmuhu County, Liyang, Jiangsu	79862941-3
Jiangsu Re-guaranteee Co., Ltd	Limited Liability	Re-guarantee and guarantee businesses, investment and assets management, financial consultants, market management, business services, social economic consults, assets valuations, equipment leasing. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Lefu Zhang	423,354	Zhongtai Plaza 16th Floor, Jianguo Middle Road, Jianye District, Nanjing	69932555-3
Jiangsu Software Industry Co., Ltd	Limited company(non-listed)	The development, production, sales and technology supportive services on computer net system integration, electric productions, computers and the software, integrated electrical and communication equipment; domestic trading; property management; house leases; industrial investments; commodity information service and science and technology trainings.	Xiangrong Zhang	19,800	Zhujiang Road 702, Nanjing	72058458-5

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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Real Estate investment Co., Ltd	Limited Liability (sole proprietorship of legal person)	Development and sales of properties, (the following are limited in branches) accommodation, restaurant services, cultural and recreational services, beauty salons, bathing services, swimming pools, domestic cigarettes retailing. Property leases, property management, housing repairment, information consults of real estates, indoor and outdoor decorations, investments on educations and information, hotel operations and managements, trainings, constructions of stadiums and relevant facilities. (the following operations are limited in branches) car leases. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Zhiyuan Xu	280,000	Floor 21, Changjiang Road 88, Nanjing	13476299-1
Huaian New Energy Investment Co., Ltd, Jiangsu International Trusts	Limited Liability	Investments and assets management (excluding financial businesses); economic project developments of the industrial park; new hi-tech industrial investments and developments; public infrastructure construction and management; construction works; talent exchange information consults. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Zhiyuan Xu	60,000	Industrial Park of Huaian, Jiangsu International Trust	57814384-1
Suzhou Industrial Park Co., Ltd	Limited company (non-listed)	Permitted businesses: None. General businesses: industrial investments, storage investment consults. Self-operation and proxy of import and export businesses of other commodities (steel productions, plywood and wood import operation rights are approved) except 16 export commodities jointly operated under national unities and 14 import commodities under national approvals; undertake Sino-foreign joint venture operations and production cooperation; develop domestic trading with '3 imports and 1 compensation'.	Mingwei Li	13,000	16th floor 1st building, Zhiye Business Piazza, Industrial Park, Suzhou	13478843-8

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Shanghai FPL New Material Co., Ltd	Limited company (non-listed)	Technology development, consults, technology transfer and services in energy-saving material field, decoration constructions, anti-corrosion insulation engineering; sales of construction materials, mechanical and electrical equipment, chemical products (excluding dangerous chemical products, supervisory chemical products, fireworks, civil explosive and precursor chemicals), auto parts; imports and exports of commodities and technologies; exports processing and heat preservation materials, adhesive, construction materials and relevant supportive products. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Weihong Wang	2,041	Rm. 302, building 1, 641 Tianshan Road, Changnign District, Shanghai	69882059-5
Jiangsu Xinguanlian Technology Co., Ltd	Limited company (non-listed)	Photoelectric researches, consults and services; self-operating and proxy of imports and exports of all kinds of commodities and technologies (excluding commodities and technologies prohibited by the nation to import or export); peripheral storage devices and components, digital learning machines and the accessories; production and sales of electronic and optoelectronic devices; sales of paper products; photoelectric instruments packages; ordinary freight transports; replication of read-only discs; mechanical equipment leases (excluding finance leases); retail and wholesale of prepackaged food. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Weihong Wang	31,500	18 Tuanjie North Road, Economic development zone, Wuxi	13479682-5
Jiangsu Phoenix Property Investment Co., Ltd	Limited company (listed)	Property investments, industrial investments, house leases, property management. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Haiyan Chen	74,060	6 <sup>th</sup> Floor, Phoenix international Building, Zhongyang Road 389, Nanjing	10436303-3



(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Shagang Group Co., Ltd	Limited liability	Iron and steel smelting, steel rolling, metal rolling equipment accessories, production of refractory products, metal frameworks and its components, acquisition and process of wasted iron and steel, sales of the products of the company. (If the business has specific regulation by the State, the company can operate the business after register the permission). Exports the relevant productions and technologies produced by the company and its member companies; operating the production of the company and its member companies, produce the raw and auxiliary materials for scientific researches, mechanical equipment, accessories and relevant imports of technologies; international trading (except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). Contract to overseas metallurgy and inbound international tenders of projects; imports of equipment and materials needed by the above projects; send labours overseas to implement the above projects. (the projects which need approval under the law shall be operated after the approval of relevant departments).	Wenrong Shen	132,100	Jinfeng County Zhangjiagang	13478927-0
Changjiang Runfa Machinery Co., Ltd	Limited company (listed)	Permitted businesses: None. General businesses: production, processes and sales of lifting moving machines, harbour portal cranes, lift accessories, automobile profiles and the accessories; imports and exports the self-operated or proxy products ( except imports or exports of commodities and technologies limited or prohibited by the State).	Xiaqiu Yu	19,800	Zhenshan East Road, Jirgang County	71412337-9

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Suzhou Bank Co., Ltd.	Limited company (non-listed)	absorbing public deposits; providing short-, mid- and long-term loans; arranging domestic settlements; accepting and discounting bills; acting for issuing, cashing and selling government bonds and selling short-term financing guarantees; buying and selling government bonds and financial bonds; engaging interbank borrowings; acting for payments and receipts and acting for insurance; providing safe deposit boxes; providing entrusted deposit and loan businesses; providing bank card services; providing foreign exchange deposits; providing foreign exchange loans; providing foreign exchange remittances; providing foreign currency exchanges; providing foreign exchange settlement and sales; providing credit investigation, consults and notarial services; providing online banking businesses; and other businesses approved by banking supervision and management institutions and relevant departments. (Projects those are approved legally can be operated after the approval through relevant departments)	Lanfeng Wang	300,000	728 Zhongyuan Road, industrial district, Suzhou, Jiangsu Province	76829985-5
Jiangsu Communications Holding Group Finance Co., Ltd	Limited liability	Operating the following foreign and domestic currency businesses: financing advising, credit verification and relevant consultants and proxies to the member companies; assist member companies to realise the payment and receivements of the transactions; assist member companies to conduct entrusted loans; conduct bill acceptances and discounts to member companies; conduct internal transfers and set-offs of member companies and design appropriate schemes of the internal transfers and set-offs; conduct loans and finance leases for member companies; conduct loans to and from financial institutions; conduct entrusted investments among member companies; underwrites corporate bonds investments in companies; investment on priced bonds (except investments in secondary stock market). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Wenyi Du	100,000	3 <sup>rd</sup> and 4 <sup>th</sup> floor, Zhongshan East Road 291, Nanjing	58843422-0



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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
China Orient Asset Management Corporation, Nanjing office	Limited liability, Branch	Permitted businesses: conduct businesses under the authorisation of head office, in the range approved by the PBC. General businesses: None.	Jiaqin Yu		Hongwu Road 29, Nanjing	72057952-4
Nanjing Bangxin Hi-tech Micro-credit Co., Ltd	Limited liability	Issuing loans to technology and middle or small size companied, entrepreneurship investments, offering financing guarantees, conduct business proxies of financial institutions, and other businesses approved by the relevant supervisory departments. (The projects which need approval under the law shall be operated after the approval of relevant departments )	Guoquan Zhou	30,000	The 3 <sup>rd</sup> floor of Zhiyuan Building, Tianyuan Middle Road 118, Jiangning District, Nanjing	58944597-6
Shanghai Meishan Steel Co., Ltd	Limited company (non-listed)	Ferrous metal smelting and rolling processes; power productions; sales of self-produced productions, cold rolled products, minerals, steels, hardware, construction materials, instruments and meters and other metallic products; economic information consultants; processes of minerals, mineral-ash, pig iron, billet steel and hot rolled plate; self-operates and proxy of imports and exports of the productions(except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Yongxiang Li	708,143	Zhonghuamen, Yuhuatai District, Nanjing	13487285-9
Suzhou International Development Group Co., Ltd	Limited liability (Stated Owned)	Permitted businesses: None. General Businesses: stated owned assets management under authorisations, domestic businesses, material supplies (except state regulated franchises, and specified approved commodities), offering kinds of consulting services.	Jianlin Huang	100,000	East Avenue 101, Suzhou	13775872-8

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Suzhou Trust Co., Ltd	Limited liability (Sino foreign joint venture)	Capital trust; chattel trust; real estate trust; priced bond trust; other property trust or property right trust; funds' investments as sponsors of the fund investments or fund management corporates; operation of capital restructure, merger and acquisition and financing, corporate wealth management and financial consulting, securities underwriting services approved by relevant department of the State Council, servicing in intermediary, consulting, credit investigations etc., generation custody and safe-deposit box businesses, use fixed assets through due from banks and other institutions, loans to banks and other financial institutions, loans to customers, leases or investments, guarantee for others with fixed assets; loans from and to banks and other financial institutions and other legal businesses or businesses approved by CRBC. (the proportion of foreign capital is lower than 25%),(projects need approvals under the law, shall be operated after the approvals of relevant department)	Weijing Yuan	120,000	Zhuhui Road 383, Canglang District, Suzhou	13770573-0
Soo Chow Securities Co., Ltd	Limited company (listed)	Securities brokerage; security investment consultant; financial advisors relevant to security transactions or security investments; security underwriting and sponsoring; self-support securities; security asset management; security investment fund sales; offer intermediary businesses for future companies; margin trading; sales of financial products as an agent. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Li Fan	270,000	Xingyang Street 5, Industrial Park ,Suzhou	13772051-9
Suzhou Infrastructure Investment Management Co., Ltd	Limited Liability	Permitted businesses: None. General businesses: infrastructure project investments	Wenhua Lu	6,000	Renmin Road 905, Suzhou	71680837-1

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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Zking Property and Casualty Insurance Co., Ltd	Limited company (non-listed)	Property damage insurance; liability insurance; credit insurance and guarantee insurance; short-term health insurance; accident insurance; reinsurance of the above businesses; insurance fund uses under the approvals of the China Insurance Regulatory Commissions. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Jian Xu	250,000	Xinglong Avenue 188, Jianye District, Nanjing	68918496-1
Suzhou International Development SME guarantee investment Co., Ltd.	Limited Liability	Property damage insurance; liability insurance; credit insurance and guarantee insurance; short-term health insurance; accident insurance; reinsurance of the above businesses; insurance fund uses under the approvals of the China Insurance Regulatory Commissions. (The projects which need approval under the law shall be operated after the approval of relevant departments). Guarantee for loans, acceptance bills, trading finance and for other financing guarantees; guarantees for the preservation of proceedings, bidding guarantees, prepayment guarantees, engineering performance guarantees, final payment guarantees, and finance consultants relevant to guarantees or agent services like financial advisors, investments by using self-owned funds and other services approved by relevant supervisory department. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Wenjun Min	81,600	Tongjing South Road 800, Canglang District, Suzhou	73441051-9
Suzhou International Development Venture Capital Holding Co., Ltd	Limited Liability	Permitted businesses: None. General businesses: venture investments, proxy for other venture investment institutions or personal venture investments, venture investment consultant, offering venture management services to venture companies, participate to launch advisory institutions for venture companies or venture managements; corporate management consultant, financial advisors, merger and acquisition advisors, financing plans, listing plans and other planning for capital operations.	Wenjun Min	50,000	290 Trainu Road East, Suzhou	67489021-4

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Association of Jiangsu Listed Companies	Society		Hong Zuo		18 <sup>th</sup> floor, Huatai Security Building, Zhongshan East Road 90, Nanjing	50918328-4
Shanghai Baosteel Packing Co., Ltd.	Limited company (listed)	Designing and selling packaging products in all kinds of material; imports and export of commodities and technologies; packaging decoration printings; consultant of investment, technologies and technology transfers. (Projects need to be approved shall be operated after the approval of relevant department).	Yanlin Jia	83,333	1818 Luodong Road, Baoshan District, Shanghai	76059199-0
Jiangsu Financial Leasing Co., Ltd.	Limited company (Sino-foreign joint venture, non-listed)	Providing financial lease services; assets farm-in and farm-out; security investment with fixed return; acceptance of deposits from leasees; absorption of term deposits of non-banking shareholders within(including) 3 months; inter-bank offered credit; borrowings from financial institutions; loans from overseas; disposal or sale of leased properties; economic consulting; and other businesses approved by CBRC.	Xiangen Xiong	234,665	Floor 26-27, 128 Shanxi Road South, Nanjing	13475854-6
Shanghai Shineton Investment Co., Ltd	Limited liability	Corporate investment; industrial investment; investment management; enterprise planning consulting; real estate development and operation; self-owned property lease (finance lease is prohibited); imports and exports of commodities and technologies; internet financial information services (except services need to be authorized i.e. banking, security, insurance etc.); business information consulting. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Jiaoqing Yu	6,000	Room 1002, 228 Jiangchang 3 <sup>rd</sup> road	79146967-2
Bank of Hangzhou Co., Ltd.	Limited company (Sino-foreign joint venture, non-listed)	Providing services approved by CBRC in accordance with relevant laws and administrative regulations and other regulations, the business scope shall be prevailed by the lists in approval document	Zhenshan Chen	235,570	46 Qingchun Road, Xiacheng District, Hangzhou	25392482-6



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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Southern Fund Management Co., Ltd	Limited liability	Fund raising and sales, asset management, and other businesses approved by SEC.	Wanshan Wu	30,000	The 31 <sup>st</sup> , 32 <sup>nd</sup> and 33 <sup>rd</sup> floor of Duty-free business building, Fuhua 1 <sup>st</sup> Road 6, Futian District, Shenzhen	27953313-7
Huatai United Security Co., Ltd	Limited liability	Underwriting of securities and sponsor businesses (excluding government bonds, debt financing instruments for non-financial corporates and finance bond underwritings); financial advices relevant to security transactions or security investments; other businesses approved by SEC.	Xiaodong Wu	99,748	26A) of CTS building, Central Square, Futian District, Shenzhen	27943491-3
Jiangsu Equity Exchange Centre Co., Ltd	Limited liability	Permitted businesses: None. General businesses: offering sites, properties and services for the approval of raising and listing, registers, hosting, transactions, financing, settlements, transfers, dividend payments and pledges of the shareholdings, bonds, assets and relevant financial derivatives in non-listed companies, organise and supervise market transactions, issue market information, proxy of transaction services of listed products in the transaction market, offer consultant service to the market participants. Equity investments (by self-owned funds or customer-owned funds), debt investments, other fund investments relative to equity and debt investments; advising and managing equity and debt investments; financial advices. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Jian Jiang	20,000	The 11 <sup>th</sup> floor, Lushan Road 188, Nanjing	07274120-3
Huatai Zijin Co., Ltd.	Limited liability (Sole proprietorship)	Equity investments (by self-owned funds or customer-owned funds), debt investments, other fund investments relative to equity and debt investments; advising and managing equity and debt investments; financial advices. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Yi Zhou	235,000	180 Hanzhong Road, Nanjing	67982047-7

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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Huatai Ruitong Investment Management Co., Ltd.	Limited liability	Investment management and consultant; asset trustee management; economic information consultant; corporate management. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Yi Zhou	5,000	Room 101, Building A, No.4 Gupinggang, Gulou District, Nanjing	05797637-0
E-capital Transfer Co.,Ltd	Limited company (non-listed)	Networking platform construction for securities industry, financial information services; electric businesses; investments and assets management; software and information technique services; real estate development and operation. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Guanrong Wang	251,875	Rm 726, Floor 7, Jilong Road6, Free trade zone, Shanghai China	32436062-7
Huatai Financial Holdings (Hong Kong) Limited	Limited Company	Major business: investment banking( bonds sales, private placement, financial advising, merger and acquisition and structured finance and investments), providing sale and transactions ( providing transaction and trading services for securities and future products such as fixed-income products, credit, future agreements and structured products; designing financial products and market entry plans which can satisfy customers; providing finance services for agency businesses) and property management. Providing internet payments, mobilephone payments, currency exchange, bank card acquiring services; internet information services (contents except news, issuance, education, medicare, pharmacy, medical instruments and BBSS); call centre and information service of Second types of value-added telecommunications services ( except fixed-network telephone and internet information service); technological promotion, designation and production of advertisement; issuance of advertisements by using self-owned fields; sale and lease of electric products. (the projects which need approval under the law shall be operated after the approval of relevant departments).	Yi Zhou	1 billion HKD	FLAT/ RM5808-1258/ F,CENTER 99 GUEENSRD CENTRAL CENTRAL_HK	
Yeepay Ltd.	Other Limite Liability		Bin Tang	10,000	Rm 558, Building 3 Xijing Road 3, Badachu High technology district, Shijingshan District, Beijing	75264691-2



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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Lian Life Insurance Co., Ltd.	Limited Company (non-listed)	Providing insurances such as life insurance, health insurance, injury accident insurance, reinsurance of the insurances, use of insurance funds approved by state law or regulation, other businesses approved by China Insurance Regulatory Commission.	Yicai Zhu	289,000	Room 8-13, Floor B1, Yurun International Square, Jiangdong Mid Road 235, Jianye District, Nanjing ,Jiangsu Province	57818498-5
Jiangsu Xinxin Wealth Property Management Co., Ltd.	Limited Company (non-listed)	Manage assets of financial institutions as a trustee; manage private equity investment fund as a trustee; asset management; investment management; consultant of financing and economic information; financial information applied software development; electronic transaction platform construction (the projects which need approval under the law shall be operated after the approval of relevant departments).	Jun Hu	20,000	Mansion; Shanxi Road 128, Gulou District, Nanjing Floor 24, Yihua Finance scientific Mansion, Houhai Avenue	MA1MDBB26N
Shenzhen KeyBridge Communication Co., Ltd.	Limited Company (Listed)	Producing optical communication equipment, wireless communication multimedia system equipment and terminals, access network communication system equipment, traffic information equipments, electronic equipments, communication equipments for mining, radio frequency identification systems and the related products. Researching and developing internet technologies for information and communication system, developing computer applied software, imports and exports of commodities and technologies (excluding import distribution goods and state monopoly special control goods), house rents and steel structure engineering construction.	Yongbin Wang	39,312	2388, High technology Park, Nanshan District, Shenzhen, Guangdong Province	70847442-0

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Central China Land Media Co., Ltd.	Limited Company (Listed)	Providing internet information services for news, publications, education, culture, broadcasts, movies, TV programmes; plan, proxy, production and publishing of internal advertisements; media operation plans, graphic design production; electric internet engineering; providing operation management for the edits, prints, and publications of corporates' books, issues, newspapers, electric publications, audio and video products, web publications, new medias, framework medias and other medias; assets management, capital operation, industrial investments; culture creativity and plan; researching and developing , selling, technology transferring, consulting and service for hardwares and softwares of digital publications; undertaking exhibitions (the scope with no approvals cannot be operated if the scope need approvals)	Ai Wang	78,708	Tanan Road 45, Jiaozuo	17000041-7

As at 31 December 2014, there are 47 companies which are considered as the Group's related parties due to chairmen or general managers of these corporations are also the key management personnel of the Bank (mainly its directors). Other related companies are list below:

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Guoxin Investment Group Ltd.	State-owned	Stated owned asset operations, managements, transfers, investments, custodies, restructures and other businesses approved by the province government; house leases. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Qiulin Ma	2,000,000	88 Changjiang Road, Xuanwu District, Nanjing	73572480-0
Nanjing Zijin Cultural Development Co., Ltd.	Limited company	Permitted businesses: None. General businesses: culture and art event planning, organising and operation management; investment on culture and art industry; operation management and facility investment construction of culture and arts; cultural and art products designing, producing and selling; consults on culture and art information.	Kai Jiang	10,000	Rm 24, No. 1 Hujing Huayuan, Xuanwu District, Nanjing	69461233-4
Jiangsu investment management limited liability company	Limited company (sole proprietorship of legal person) domestic invested	Permitted businesses: None. General businesses: industrial investments, investment consulting, domestic trading.	Zujian Xu	100,000	Floor 24, 88 Changjiang Road, Nanjing	13479781-X
Jiangsu New Energy Development Co., Ltd	Limited Company (sole proprietorship of legal person) domestic invested	Development on wind energy, solar, biomass energy, geothermal energy, marine energy, natural gas hydrate energy, and other new energies; industry investments; investment management; investment consulting; engineering supervision and constitutions and domestic trading (the projects which need approval under the law shall be operated after the approval of relevant departments)	Zujian Xu	30,000	Rm. 2213, 88 Changjiang Road, Nanjing	74314182-4
Jiangsu International Trust, Yangzhou Electric Power Centre Ltd.	Limited company proprietorship of legal person) domestic invested	Permitted businesses: None. General businesses: electricity production, heating provision, industrial water supply, electricity technology service, coal-ash production and process, sales of gypsum and relevant productions, coal selling.	Bin Chen	100,000	Bali Zhen Economic development Zone, Yangzhou	68219206-1

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Yangzhou 2nd electric power Co., Ltd	Limited liability (domestic businesses joint with Taiwan, Macao and Hong Kong	Contribute and operate coal generator set with 2*600k kilowatt, operation of products relevant to electricity, coal-ash production and processes (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Bin Chen	169,200	Building 11, Xincheng Huanyuan, 181 Yangzhou	14086157-4
Jiangsu Xinhai Electricity Generation Co., Ltd	Limited company	Permitted businesses: production and sales of electric power, construction of heating pipes and sales of heating. General businesses: electric project development; comprehensive utilisation of wastes from electric generation; sales of metallic material and construction materials.	Shaoyin Cui	23,900	Xinhai Road 218, Haizhou District, Lianyungang	13896667-6
Liyang Pumped-storage power generation Co., Ltd, Jiangsu International Trust	Limited Company	Mining of limestone used as contribution stones. Contribution and operation of pumped-storage station of 6*250k kilowatt and the relevant supporting services. (the projects which need improvements under the law shall be operated after the improvements of relevant departments)	Ning Chen	80,000	Fuzijie 88, Wucun, Tianmu County, Liyang, Jiangsu	79862941-3
Jiangsu Re-guarantee Co., Ltd	Limited company	Re-guarantee and guarantee businesses, investment and assets management, financial consultants, market management, business services, social economic consults, assets valuations, equipment leasing. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Lefu Zhang	370,000	Zhongtai Plaza 16th Floor, Jiangdong Middle Road, Jianye District, Nanjing	69932555-3
Jiangsu Software Industry Co., Ltd	Share limited company	The development, production, sales and technology supportive services on computer net system integration, electric productions, computers and the software, integrated electrical and communication equipment; domestic trading; property management; house leases; industrial investments; commodity information service and science and technology trainings.	Kai Jiang	19,800	Zhujaing Road 702, Nanjing	72058458-5



(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Real Estate Investment Co., Ltd	Limited Company (sole proprietorship of legal person) domestic invested	Development and sales of properties, (the following are limited in branches) accommodation, restaurant services, cultural and recreational services, beauty salons, bathing services, swimming pools, domestic cigarettes retailing. Property leases, property management, housing repairment, information consults of real estates, indoor and outdoor decorations, investments on educations and information, hotel operations and managements, trainings, constructions of stadiums and relevant facilities. (the following operations are limited in branches) car leases.( the projects which need approval under the law shall be operated after the approval of relevant departments)	Zhiyuan Xu	280,000	Floor 21, Changjiang Road 88, Nanjing	13476299-1
Huaian New Energy Investment Co., Ltd, Jiangsu International Trusts	Limited company	Investments and assets management (excluding financial businesses); economic project developments of the industrial park; new hi-tech industrial investments and developments; public infrastructure construction and management; construction works; talent exchange information consults. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Zhiyuan Xu	8,000	Industrial Park of Huaian, Jiangsu International Trust	57814384-1
Suzhou Industrial Park Co., Ltd	Share limited company	Permitted businesses: None. General businesses: industrial investments, storage investment consults. Self-operation and proxy of import and export businesses of other commodities (steel productions, plywood and wood import operation rights are approved) except 16 export commodities jointly operated under national unities and 14 import commodities under national approvals; undertake Sino-foreign joint venture operations and production cooperation; develop domestic trading with '3 imports and 1 compensation'.	Jianhua Du	13,000	16th floor 1 <sup>st</sup> building, Zhiye Business Plaza, Industrial Park, Suzhou	13478843-8

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Shanghai FPL New Material Co., Ltd	Share limited company (non-listed)	Technology development, consults, technology transfer and services in energy-saving material field, decoration constructions, anti-corrosion insulation engineering; sales of construction materials, mechanical and electrical equipment, chemical products (excluding dangerous chemical products, supervisory chemical products, fireworks, civil explosive and precursor chemicals), auto parts; imports and exports of commodities and technologies; exports processing heat preservation materials, adhesive, construction materials and relevant supportive products. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Weihong Wang	2,041	Rm. 302,building 1, Tianshan Road, Changnign District, Shanghai	69882059-5
Jiangsu Xinguanglian Technology Co., Ltd	Share limited company	Photoelectric researches, consults and services; self-operating and proxy of imports and exports of all kinds of commodities and technologies ( excluding commodities and technologies prohibited by the nation to import or export); peripheral storage devices and components, digital learning machines and the accessories; production and sales of electronic and optoelectronic devices; sales of paper products; photoelectric instruments packages; ordinary freight transports; replication of read-only discs; mechanical equipment leases( excluding finance leases); retail and wholesale of prepackaged food. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Weihong Wang	31,500	18 TuanjieNorth Road, Economic development zone, Wuxi	13479682-5
Jiangsu Phoenix Property Investment Co., Ltd	Share limited company (listed)	Property investments, industrial investments, house leases, property management. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Haiyan Chen	74,060	6 <sup>th</sup> Floor, Phoenix international Building, Zhongyang Road 389, Nanjing	10436303-3



(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Southern Fund Management Co., Ltd	Limited liability company	Fund raising and sales, asset management, and other businesses approved by SEC.	Wanshan Wu	30,000	The 31 <sup>st</sup> , 32 <sup>nd</sup> and 33 <sup>rd</sup> floor of Duty-free business building, Fuhua 1 <sup>st</sup> Road 6, Futian District, Shenzhen	27953313-7
Huatai United Securities Co., Ltd	Limited liability company	Underwriting of securities and sponsor businesses (excluding government bonds, debt financing instruments for non-financial corporates and finance bond underwritings); financial advices relevant to security transactions or security investments; other businesses approved by SEC.	Xiaodong Wu	100,000	5 <sup>th</sup> floor (01A, 02, 03, 04), 17A, 18A, 24A, 25A, 26A) of CTS building, Central Square, Futian District, Shenzhen	27943491-3
Jiangsu Equity Exchange Centre Co., Ltd	Limited Company	Permitted businesses: None. General businesses: offering sites, properties and services for the approval of raising and listing, registers, hosting, transactions, financing, settlements, transfers, dividend payments and pledges of the shareholdings, bonds, assets and relevant financial derivatives in non-listed companies, organise and supervise market transactions, issue market information, proxy of transaction services of listed products in the transaction market, offer consultant service to the market participants.	Jian Jiang	20,000	The 11 <sup>th</sup> floor, Lushan Road 188, Nanjing	07274120-3

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Shagang Group Co., Ltd	Limited company (controlled by natural person)	Iron and steel smelting, steel rolling, metal rolling equipment accessories, production of refectory products, metal frameworks and its components, acquisition and process of wasted iron and steel, sales of the products of the company. (If the business has specific regulation by the State, the company can operate the business after register the permission). Exports the relevant productions and technologies produced by the company and its member companies; operating the production of the company and its member companies, produce the raw and auxiliary materials for scientific researches, mechanical equipment, accessories and relevant imports of technologies; international trading (except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). Contract to overseas metallurgy and inbound international tenders of projects; imports of equipment and materials needed by the above projects; send labours overseas to implement the above projects. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Wenrong Shen	132,100	Jinfeng County Zhangjiagang	13478927-0
Changjiang Runfa Machinery Co., Ltd	Share limited company (listed, natural person control)	Permitted businesses: None. General businesses: production, processes and sales of lifting moving machines, harbour portal cranes, lift accessories, automobile profiles and the accessories; imports and exports the self-operated or proxy products (except imports or exports of commodities and technologies limited or prohibited by the State).	Xiaqiu Yu	19,800	Zhenshan East Road, Jingang County	71412337-9

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Jiangsu Communications Holding Group Finance Co., Ltd	Limited Company	Operating the following foreign and domestic currency businesses: financing advising, credit verification and relevant consultants and proxies to the member companies; assist member companies to realise the payment and receivements of the transactions; assist member companies to conduct entrusted loans; conduct bill acceptances and discounts to member companies; conduct internal transfers and set-offs of member companies and design appropriate schemes of the internal transfers and set-offs; conduct loans and finance leases for member companies; conduct loans to and from financial institutions; conduct entrusted investments among member companies; underwrites corporate bonds between member companies; investment on priced bonds (except investments in secondary stock market). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Wenyi Du	100,000	3 <sup>rd</sup> and 4 <sup>th</sup> floor, Zhongshan East Road 291, Nanjing	58843422-0
China Orient Asset Management Corporation, Nanjing office	Limited Company (Stated Owned)	Permitted businesses: conduct businesses under the authorisation of head office, in the range approved by the PBC. General businesses: None.	Jiaqin Yu		Hongwu Road 29, Nanjing	72057952-4
Jiangsu Dongxing Properties Co., Ltd	Limited Company	House leases, property management, sales of construction materials, decoration materials and hardware accessories, industry investments and investment consultants. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Chuanbiao Zhao	5,000	Hongwu Road 29, Baixia District, Nanjing	69785904-1

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Nanjing Bangxin Hi-tech Micro-credit Co., Ltd	Limited Company	Issuing loans to technology and middle or small size companied, entrepreneurship investments, offering financing guarantees, conduct business proxies of financial institutions, and other businesses approved by the relevant supervisory departments. (The projects which need approval under the law shall be operated after the approval of relevant departments )	Jiaqin Yu	30,000	The 3 <sup>rd</sup> floor of Zhiyuan Building, Tianyuan Middle Road, Jiangning District, Nanjing	58944597-6
Shanghai Meishan Steel Co., Ltd	Share limited company	Ferrous metal smelting and rolling processes; power productions; sales of self-produced productions, cold rolled products, minerals, steels, hardware, construction materials, instruments and meters and other metallic products; economic information consultants; processes of minerals, mineral-ash, pig iron, billet steel and hot rolled plate; self-operates and proxy of imports and exports of the productions(except projects limited by the National; for trades with specific Stated regulation, the operation can be undertaken after the permission is get). (The projects which need approval under the law shall be operated after the approval of relevant departments).	Yongxiang Li	708,143	Zhonghuamen, Yuhuatai District, Nanjing	13487285-9
Suzhou International Development Group Co., Ltd	Limited Company (Stated Owned)	Permitted businesses: None. General Businesses: stated owned assets management under authorisations, domestic businesses, material supplies (except state regulated franchises, and specified approved commodities), offering kinds of consulting services.	Jianlin Huang	100,000	East Avenue 101, Suzhou	13775872-8



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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Suzhou Trust Co., Ltd	Limited company (Sino foreign joint venture)	Capital trust; chattel trust; real estate trust; priced bond trust; other property trust or property right trust; funds' investments as sponsors of the fund investments or fund management corporates; operation of capital restructure, merger and acquisition and financing, corporate wealth management and financial consulting, securities underwriting services approved by relevant department of the State Council, servicing in intermediary, consulting, credit investigations etc., generation custody and safe-deposit box businesses, use fixed assets through due from banks and other institutions, loans to banks and other financial institutions, loans to customers, leases or investments, guarantee for others with fixed assets; loans from and to banks and other financial institutions and other legal businesses or businesses approved by CRBC. (the proportion of foreign capital is lower than 25%),(projects need approvals under the law, shall be operated after the approvals of relevant department)	Lijiao Zhu	120,000	Zhuhui Road 383, Canglang District, Suzhou	13770573-0
Suzhou Yingcai Investment Group Co., Ltd	Ownership by the whole people	Major businesses: real estate investment. Simultaneous businesses: construction materials, mantellic materials, chemical raw materials (except dangerous materials), decoration materials, hardware, electric materials, office automation equipment; disposal of confiscated goods (groceries, hardware); house lease and property management. Operation ways: retails, wholesales, purchase or sale as agents.	Jianguan Zhu	18,769	Renmin Road 905, Suzhou	13776444-X

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Soo Chow Securities Co., Ltd	Share limited company (listed)	Securities brokerage; security investment consultant; financial advisors relevant to security transactions or security investments; security underwriting and sponsoring; self-support securities; security asset management; security investment fund sales; offer intermediary businesses for future companies; margin trading; sales of financial products as an agent. (the projects which need approval under the law shall be operated after the approval of relevant departments).	Li Fan	270,000	Xingyang Street 5, Industrial Park, Suzhou	13772051-9
Suzhou Infrastructure Investment Management Co., Ltd	Limited Company	Permitted businesses: None. General businesses: infrastructure project investments	Wenhua Lu	6,000	Renmin Road 905, Suzhou	71680837-1
Zking Property and Casualty Insurance Co., Ltd	Share limited Company	Property damage insurance; liability insurance; credit insurance and guarantee insurance; short-term health insurance; accident insurance; reinsurance of the above businesses; insurance fund uses under the approvals of the China Insurance Regulatory Commissions. (The projects which need approval under the law shall be operated after the approval of relevant departments).	Jian Xu	250,000	Xinglong Avenue 188, Jianye District, Nanjing	68918496-1
Suzhou Guofa SME guarantee investment Co., Ltd.	Limited company	Guarantee for loans, acceptance bills, trading finance and for other financing guarantees; guarantees for the preservation of proceedings, bidding guarantees, prepayment guarantees, engineering performance guarantees, final payment guarantees, and finance consultants relevant to guarantees or agent services like financial advisors, investments by using self-owned funds and other services approved by relevant supervisory department. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Wenjun Min	81,600	Tongjing South Road 800, Canglang District, Suzhou	73441051-9



(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Suzhou International Development Venture Capital Holding Co., Ltd	Limited Company	Permitted businesses: None. General businesses: venture investments, proxy for other venture investment institutions or personal venture investments, venture investment consultant, offering venture management services to venture companies, participate to launch advisory institutions for venture companies or venture managements; corporate management consultant, financial advisors, merger and acquisition advisors, financing plans, listing plans and other planning for capital operations.	Xiaoyong Chen	50,000	Taihu East Road 290, Suzhou	67489021-4
Association of Jiangsu Listed Companies	Society	The operation, management, transfer and investment of state owned assets under authorisation of local government, corporate hosting, asset restructures, estate leases, and other approved businesses (businesses with specific regulation are operated by following the regulation). Hotel management; delegate of guest rooms, automobiles, flight, coach and train tickets; delegate of ordering meals and attraction tickets; meeting services; consultant of travel information. Wholesale and retail of prepackaged and bulk food. (operation by verified permissions). (The projects which need approval under the law shall be operated after the approval of relevant departments)	Hong Zuo		18 <sup>th</sup> floor, Huatai Security Building, Zhongshan East Road 90, Nanjing	50918328-4
Yangzhou Investment & Development Group Co., Ltd	Limited company (sole proprietorship of legal person) domestic invested		Yuanhao Zhu	68,000	Fengleshang Street 1, Yangzhou	75732337-0

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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Yangzhou Electric Power Center	State owned	Permitted businesses: None. General businesses: operate and manage the local assets of heating power, electric power, develop local electric and heating power resources, power grid investment, development of electric power equipment, energy saving equipment, metallic equipment (excluding precious metal), construction material development and sales, electric, energy and energy saving technologies promotions and consultants, sales of instruments and apparatuses, mechanical and electrical products, energy materials (except patrol), chemical products (except dangerous products), and thermal materials. Development, production and operation of electric and thermal power; wholesale and retail of metallic materials (excluding franchise), and construction materials; promotion of electrical, energy and energy saving technologies, and consulting services, coal transactions.	Yuliang Cai	6,000	Wenchang Middle Road 492, Yangzhou	71154951-8
Yangzhou Thermal Power Co., Ltd	State owned	Invests and manages financial institutions; operates non-security investments and relevant consultants; venture investments and relevant consultants, proxy of other venture investment management services; operation and management of policy funds authorised by the government. (The projects which need approval under the law shall be operated after the approval of relevant departments)	Yuliang Cai	1,800	Wenchang Wet Road, 55, Yangzhou	71410883-0
Yangzhou Modern Financial Investment Group Co., Ltd	Ownership by the whole people		Yuanhao Zhu	60,000	17 <sup>th</sup> floor, Qionghua Building, Pifang Street 3, Yangzhou	59693961-6

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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Yangzhou Entrepreneur and Investment Co., Ltd.	State Owned	Entrepreneurship and investments businesses; proxy of entrepreneurship and investments for other entrepreneurship corporations or individuals; consulting of entrepreneurship investments; providing entrepreneurship managements for entrepreneur corporates; taking part in establishment of investment management consulting institutions for investment corporates.	Rong Xiang	15,500	Floor 19, ICBC Yangzhou Branch Office, Yangtze River Road Middle 156, Yangzhou	66175826-5
Jiangsu Rural Credit Union	Collective ownership (Cooperatives)	Permitted businesses: perform the obligation of industrial management to the union members; transfer of funds among members; finance funds for union members in the financial market approved by the PBC; operate capital settlements and clearings for union members; operate other businesses approved by the PBC. General businesses: None.	Chenxi Wang	3,720	Zhognshan South Road 368, Baixia District, Nanjing	73225117-1

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Wuxi Rural Commercial Bank Co., Ltd.	Limited Company(non-listed)	Absorbing public deposits; providing short-, mid- and long-term loans; arranging domestic settlements; accepting and discounting bills; acting for issuing, cashing and selling government bonds and selling short-term financing guarantees; buying and selling government bonds and financial bonds; engaging interbank borrowings; acting for payments and receipts and acting for insurance; providing safe deposit boxes; providing entrusted deposit and loan businesses; providing bank card services; providing foreign exchange deposits; providing foreign exchange loans; providing foreign exchange remittances; providing foreign currency exchanges; providing foreign exchange settlement and sales; providing credit investigation, consults and notarial services; providing online banking businesses; and other businesses approved by banking supervision and management institutions and relevant departments. (Projects those are approved legally can be operated after the approval through relevant departments)	Xiaoping Ren	166,330	9 Financial Street 2, Wuxi, Jiangsu	77543566-7

(续上表)

Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Suzhou Bank Co., Ltd.	Limited company (non-listed)	absorbing public deposits; providing short-, mid- and long-term loans; arranging domestic settlements; accepting and discounting bills; acting for issuing, cashing and selling government bonds and selling short-term financing guarantees; buying and selling government bonds and financial bonds; engaging interbank borrowings; acting for payments and receipts and acting for insurance; providing safe deposit boxes; providing entrusted deposit and loan businesses; providing bank card services; providing foreign exchange deposits; providing foreign exchange loans; providing foreign exchange remittances; providing foreign currency exchanges; providing foreign exchange settlement and sales; providing credit investigation, consults and notarial services; providing online banking businesses; and other businesses approved by banking supervision and management institutions and relevant departments. (Projects those are approved legally can be operated after the approval through relevant departments)	Lanfeng Wang	300,000	728 Zhongyuan Road, industrial district, Suzhou, Jiangsu Province	76829985-5
Bank of Hangzhou Co., Ltd.	Limited company (Sino-foreign joint venture, non-listed)	Providing services approved by CBRC in accordance with relevant laws and administrative regulations and other regulations, the business scope shall be prevailed by the lists in approval document	Zhenshan Chen	235,570	46 Qingchun Road, Xiacheng District, Hangzhou	25392482-6
Huatai Zijin Co., Ltd.	Limited liability (Sole proprietorship)	Equity investments (by self-owned funds or customer-owned funds), debt investments, other fund investments relative to equity and debt investments; advising and managing equity and debt investments; financial advises. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Yi Zhou	235,000	180 Hanzhong Road, Nanjing	67982047-7

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Company name	Company type	Major businesses	Legal representative	Registered capital and changes	Registered address	Organisation code
Huatai Ruitong Investment Management Co., Ltd.	Limited liability	Investment management and consultant; asset trustee management; economic information consultant; corporate management. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Yi Zhou	5,000	Room 101, Building A, No.4 Gupinggang, Gulou District, Nanjing	05797637-0
E-capital Transfer Co., Ltd	Limited company (non-listed)	Networking platform construction for securities industry, financial information services; electric businesses; investments and assets management; software and information technique services; real estate development and operation. (the projects which need approval under the law shall be operated after the approval of relevant departments)	Guanrong Wang	201,500	Rm 726, Floor 7, Jilong Road6, Free trade zone, Shanghai China	32436062-7



## 2. Related parties transactions and the closing balance

The transactions carried out with the Group's related parties are conducted in the normal course of business. These transactions include absorbing deposits and offering loans. The transactions which are carried out with the aforementioned authorities are conducted in the normal course of business, with prices based on normal transaction prices and under normal commercial terms.

### 2.1 Transactions with shareholders holding 5% share or more of the Bank and their related enterprises:

#### (1) Balance of loans and advances

Related party	31 December 2015	31 December 2014
Wuxi Construction and Development Investment Co., Ltd	1,053,157	1,312,569
Proportion in similar transaction	0.19%	0.27%
Interest rate range	5.4%~6.15%	6.15%~6.8775%

#### (2) Interest income of loans and advances from related parties

Related party	31 December 2015	31 December 2014
Wuxi Construction and Development Investment Co., Ltd	78,570	92,562
<b>Total</b>	<b>78,570</b>	<b>92,562</b>

#### (3) Balance of held-for-sale financial assets

Related party	31 December 2015	31 December 2014
Jiangsu International Trust Co., Ltd	375,000	580,000
Proportion insimilar transaction	0.18%	0.58%
Interest rate range	2.5%~7%	7%~7.6%

#### (4) Interest income from held-for-sale financial assets

Related party	31 December 2015	31 December 2014
Jiangsu International Trust Co., Ltd	33,139	26,122
<b>Total</b>	<b>33,139</b>	<b>26,122</b>

#### (5) Interest income from held-to-maturity investments

Related party	2015	2014
Jiangsu Phoenix Publishing & Media Group Co., Ltd		4,119
<b>Total</b>		<b>4,119</b>

NB The second mid-term security of Jiangsu Phoenix Publishing & Media Group Co., Ltd in 2009 is held from 31 December 2011 to 15 December 2014, with the abbreviation of 09 Feng Media MTN2, with a value of CNY 80,000 thousand.

#### (6) Balance of investments on receivables

Related party	31 December 2015	31 December 2014
Jiangsu International Trust Co., Ltd	33,790,058	8,247,300
Huatai Securities Co., Ltd	500,000	850,000
<b>Total</b>	<b>34,290,058</b>	<b>9,097,300</b>
Proportion insimilar transaction	24.54%	11.15%
Interest rate range	2.5%~8.93%	4.83%~8.68%

#### (7) Interest income from investments on receivable

Related party	31 December 2015	31 December 2014
Jiangsu International Trust Co., Ltd	582,605	168,161
Huatai Securities Co., Ltd	54,057	45,495
<b>Total</b>	<b>636,662</b>	<b>213,656</b>

#### (8) Balance of due to banks and other financial institutions

Related party	31 December 2015	31 December 2014
Jiangsu International Trust Co., Ltd	224,119	981,529
Huatai Securities Co., Ltd	62,333	25,378
<b>Total</b>	<b>286,452</b>	<b>1,006,907</b>
Proportion insimilar transaction	0.10%	0.49%
Interest rate range	0.35%~5.1%	0.1%~6.00%

#### (9) Interest expenses on due to banks and other financial institutions

Related party	2015	2014
Jiangsu International Trust Co., Ltd	98	23,697
Huatai Securities Co., Ltd	370	21
<b>Total</b>	<b>468</b>	<b>23,718</b>

#### (10) Balance of related parties' deposits

Related party	31 December 2015	31 December 2014
Wuxi Construction and Development Investment Co., Ltd	1,761,096	1,847,904
Proportion insimilar transaction	0.23%	0.27%
Interest rate range	0.35%~1.71%	0.385%~1.71%

#### (11) Interest expense from related parties' deposits

Related party	2015	2014
Wuxi Construction and Development Investment Co., Ltd	27,626	26,152
<b>Total</b>	<b>27,626</b>	<b>26,152</b>

## (12) Trust services business

Trust service business for Jiangsu International Trust Co., Ltd

Item	31 December 2015	31 December 2014
Trust plan custody business	9,687,000	3,450,000
<b>Total</b>	<b>9,687,000</b>	<b>3,450,000</b>

Trust service business for Huatai Securities Co., Ltd

Item	31 December 2015	31 December 2014
Agent promotion of trust		50,000
<b>Total</b>		<b>50,000</b>

## (13) Commission income from trust services

Related party	2015	2014
Jiangsu International Trust Co., Ltd	3,487	1,242
Huatai Securities Co., Ltd		200
<b>Total</b>	<b>3,487</b>	<b>1,442</b>

## (14) Business management fee

Related party	2015	2014
Huatai Securities Co., Ltd	2,773	
<b>Total</b>	<b>2,773</b>	

NB The business management fee is the lease payment to Shanghai Branch of Huatai Securities Co., Ltd.

## 2.2 Transactions with key management people

Transactions	2015	2014
Remuneration paid to key management personnel	26,594	28,654

## 2.3 Transactions with other related parties

Categories	31 December 2015	31 December 2014
Due from banks and other financial institutions	1,020,000	994,000
Loans and advances to customers	481,774	587,100
Discount assets		202,061
Due to customers	866,005	1,095,988
Due to banks and other financial institutions	2,429,596	36,057
Bond investment	600,000	500,000
Investment on receivables ( trusts and asset management plans)	1,834,300	300,000
Acceptances	25,000	200,000
Trust plan custodies	6,200,000	2,963,230
Structured financing guarantee businesses		
Agent promotion fund trust plans	398,410	698,410
Nont-guaranteed wealth management products investments	800,000	
Credit asset transfers	386,976	489,630

Interest rate range	2015	2014
Due from banks and other financial institutions	4.2%~4.5%	4.80%
Loans and advances to customers	5.15%~7.2%	5.6%~7.2%
Discount assets		4.1%~4.11%
Due to customers	0.35%~4.4%	0.39%
Due to banks and other financial institutions	0.35%~5.4%	0.385%~3.08%
Bond investment	5.43%~6.28%	6.28%
Investment on receivables ( trusts and asset management plans)	3.61%~8.93%	8.50%
Bank acceptances commission rate	0.50%	0.50%
Non-guaranteed wealth management products investment interest rate	4.2%~4.35%	
Intermediation (commission rate)	0.046%~0.51%	0.3047%~1.20%

Income	2015	2014
Interest income from due from banks and other financial institutions	454	12,338
Interest income of Loans and advances to customers	50,030	57,494
Interest income of discount assets		4,965
Interest expenses from due to customers	16,842	5,481
Interest expenses from due to banks and other financial institutions	2,007	49,326
Interest income of bonds	32,646	31,400
Income from investment on receivables ( trusts and asset management plans)	31,052	24,486
Bank acceptances commissions	13	100
Interest income from non-guaranteed wealth management products		
Intermediation income	4,892	9,974

## XIV. Risk Management

### Summary of Risk Management of Financial Instrument

#### 1. Major financial risks

The major financial instrument risks of the Group during operation are credit risk, liquidity risk and market risk, the market risk is including interest rate risk, exchange rate risk and other pricing risks.

#### 2. Target of financial risk management

The target of financial risk management of the Group is in the acceptable range of risks, to optimise capital distribution and to maximize shareholders' equity, on the premise of the requirement of steady operating with satisfying supervisory departments, customers and other stakeholders.

#### 3. Financial risk management framework

The Board of Directors are responsible for constructing the overall risk preference, make deliberation and approval of target and strategies of the risk management of the Group, and undertake the final obligation of the monitoring to financial risk management.

The senior managers are responsible for the whole risk management, and need to manage all aspects of the risks, including implementing the risk management strategies, measures and credit policies. They are also responsible for approving internal systems, measures and proceeds. The relevant departments such as risk management department and the accounting department are responsible for managing the financial risks.

The Group manages the risks of branches through directly report from branches to the risk management department, monitors the business departments by setting up risk management teams in business departments to supervise the risks of business lines, and will appoint several members in the board or risk committee to supervise risk management of subsidiaries.

#### 1. Credit Risks

Credit risks refer to the risks where borrowers or trading counterparties cannot perform their obligations in accordance with agreements reached in advance. Under the plan of internal control and risk management committee, through the collaboration of the head office, other branches and sub-branches, the Group formed the whole procedure in before investigation, loan verification, post loan supervision, assets recovery and preservation. Meanwhile, the Group carried out complete oversight of the credit risk control mechanism in internal and external business.

During the reporting period, the Group continued to build and improve the system of credit risk. The Group revised the credit risk management system in several aspects, including the top leader be in charge of the quality of credit assets, communicated with clients, the customer managers full-time and part-time be in charge of assets recovery, monitor and warn before the loan matures. Moreover, strengthen credit risk management and quota management, implement the key monitoring to the key industries, clients and

business, implement the quota management to the real estate loan and government financing vehicles, strengthen the quality management of credit assets, strengthen the management of major credit risk issues report, carry out the survey of credit risk and management check of credit basis, strengthen the construction of credit risk control technology, improve the credit business related system function, and promote the clients rating and risk pre-warning of the Group's system construction.

According to the five -grade loans classification issued by CBRC, the Group's credit assets are classified into five categories, which are normal, concerned, secondary concerned, doubtful and losing. The Group applies different management policies to the loans in accordance with their respective loan categories.

Risks arising from financial guarantees and contingent liabilities are similar to those associated with loans and advances. Transactions of financial guarantees and contingent liabilities are, therefore, subject to the same portfolio management and the same requirements for application and collateral as loans and advances to customers.

#### 1.1 Maximum credit risk exposure

Without considering the available collaterals or other credit enhancements, the amount of maximum credit risk exposure at the balance sheet date means the book value is set after deducting impairment provisions from book balance of financial assets. Amount of maximum credit risk exposure of the Group are listed as follows:

Item	The Group	
	31 December 2015	31 December 2014
Cash and balances at the central bank	119,313,372	130,080,765
Due from banks and other financial institutions	54,315,848	92,550,450
Funds lent to banks and other financial institutions	5,431,649	8,595,168
Financial assets designated at fair value through profit and loss	714,800	5,513,037
Derivative financial assets	28,286	69,692
Reverse repurchase agreements and other similar secured lending	76,181,793	49,933,917
Interest receivables	6,263,995	6,017,740
Loans and advances to customers	527,553,217	453,816,201
Available-for-sale financial assets(excluding share investment)	205,748,847	99,677,291
Held-to-maturity investments	116,133,972	74,844,513
Investment on receivables	139,266,718	81,412,409
Long-term receivables	7,730,270	
Other assets	1,957,498	3,645,100



Item	The Group	
	31 December 2015	31 December 2014
<b>Total on-balance sheet credit risk exposure</b>	1,260,640,265	1,006,156,283
Financial guarantee and other contingent liability about creditworthiness	73,266,206	85,007,527
Loan commitment and other commitment about creditworthiness	10,351,285	1,330,651
<b>Off-balance sheet credit risk exposure</b>	83,617,491	86,338,178
<b>Total credit exposure</b>	1,344,257,756	1,092,494,461

Item	The Bank	
	31 December 2015	31 December 2014
Cash and balances at the central bank	119,255,735	130,016,450
Due from banks and other financial institutions	54,623,643	92,949,612
Funds lent to banks and other financial institutions	6,031,649	8,595,168
Financial assets designated at fair value through profit and loss	714,800	5,513,037
Derivative financial assets	28,286	69,692
Reverse repurchase agreements and other similar secured lending	76,181,793	49,933,917
Interest receivables	6,197,995	6,013,140
Loans and advances to customers	526,644,947	452,791,134
Available-for-sale financial assets(excluding share investment)	205,748,847	99,677,291
Held-to-maturity investments	116,133,972	74,844,513
Investment on receivables	139,266,718	81,412,409
Other assets	1,950,890	3,630,528
<b>Total on-balance sheet credit risk exposure</b>	1,252,779,275	1,005,446,891
Financial guarantee and other contingent liability about creditworthiness	73,266,206	85,007,527
Loan commitment and other commitment about creditworthiness	10,351,285	1,330,651
<b>Off-balance sheet credit risk exposure</b>	83,617,491	86,338,178
<b>Total credit exposure</b>	1,336,396,766	1,091,785,069

### 1.2 Risk concentration of the maximum exposure to credit risk

When a certain amount of clients is concentrated on the same operating activity, geographic location or have comparable economic characteristics on industry, the capacity of the client to fulfill the contracts that will be affected by the same economic change. The concentration degree of the credit risks reveals the sensitivity of the Group's achievements to the specific trade or geographic area.

Please refers to NOTE IX.8 for an analysis of loans and advances by industry, characteristic, loans portfolio and concentration of geographical region.

### 1.3 Collaterals and other credit enhancement

The amount and type of collateral required are determined by the Group based on its assessment of the credit risk of the counterparty.

The main types of collaterals obtained are as follows:

- For reverse repurchase transactions, mainly bills, beneficial right of trust, or securities;
- For commercial lending, mainly charges over real estate properties, inventories, shares or trade receivables;
- For retail lending, mainly mortgages over residential properties.

Managers will monitor the market value of collaterals, requests additional collaterals in accordance with the underlying agreement and monitors the market value of collateral obtained during its review of the adequacy of the provision for impairment losses.

### 1.4 Credit quality

(1) The situations of the credit quality of the credit risk in financial assets are as follows:

Item	The Group				Total
	31 December 2015			Impaired financial assets (NB)	
	Neither past due or impaired	Past due but not impaired	Provisions		
Due from banks and other financial institutions	54,315,848				54,315,848
Funds lent to banks and other financial institutions	5,431,649				5,431,649
Financial assets designated at fair value through profit and loss	714,800				714,800
Derivative financial assets	28,286				28,286
Reverse repurchase agreements and other similar secured lending	76,181,793				76,181,793
Interest receivables	6,263,995				6,263,995
Loans and advances to customers	546,648,751	7,119,809	-15,394,136	8,014,911	546,389,335
Available-for-sale financial assets(excluding share investment)	205,748,847				205,748,847
Held-to-maturity investments	116,133,972				116,133,972
Investment on receivables	139,140,321			600,000	139,266,718
Long-term receivables	7,816,745			-86,475	7,730,270
Other assets	2,029,108			-139,057	1,952,551
<b>Total</b>	<b>1,160,454,115</b>	<b>7,119,809</b>	<b>-16,093,271</b>	<b>8,677,411</b>	<b>1,160,158,064</b>

Item	The Group				Total
	31 December, 2014			Impaired financial assets (NB)	
	Neither past due or impaired	Past due but not impaired	Provisions		
Due from banks and other financial institutions	92,550,450				92,550,450
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	69,692				69,692
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	6,016,989	751			6,017,740
Loans and advances to customers	475,861,287	6,298,830	-13,148,296	6,351,728	475,363,549
Available-for-sale financial assets(excluding share investment)	99,677,291				99,677,291
Held-to-maturity investments	74,844,513				74,844,513
Investment on receivables	81,562,132			-149,723	81,412,409
Other assets	3,764,833			11,816	3,656,916
<b>Total</b>	<b>898,389,309</b>	<b>6,299,581</b>	<b>-13,417,752</b>	<b>6,363,544</b>	<b>897,634,682</b>

The Bank					
31 December 2015					
Item	Neitherpastduenorimpaired	Pastduebutnotimpaired	Impaired financial assets (NB)	Provisions	Total
Due from banks and other financial institutions	54,623,643				54,623,643
Funds lent to banks and other financial institutions	6,031,649				6,031,649
Financial assets designated at fair value through profit and loss	714,800				714,800
Derivative financial assets	28,286				28,286
Reverse repurchase agreements and other similar secured lending	76,181,793				76,181,793
Interest receivables	6,197,995				6,197,995
Loans and advances to customers	545,864,722	7,032,959	7,901,809	-15,318,425	545,481,065
Available-for-sale financial assets(excluding share investment)	205,748,847				205,748,847
Held-to-maturity investments	116,133,972				116,133,972
Investment on receivables	139,140,321		600,000	-473,603	139,266,718
Other assets	2,024,696		64,334	-138,140	1,950,890
<b>Total</b>	<b>1,152,690,724</b>	<b>7,032,959</b>	<b>8,566,143</b>	<b>-15,930,168</b>	<b>1,152,359,658</b>

The Bank					
31 December 2014					
Item	Neitherpastduenorimpaired	Pastduebutnotimpaired	Impaired financial assets(NB)	Provisions	Total
Due from banks and other financial institutions	92,949,612				92,949,612
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	69,692				69,692
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	6,013,140				6,013,140
Loans and advances to customers	474,880,132	6,239,015	6,320,121	-13,100,786	474,338,482
Available-for-sale financial assets(excluding share investment)	99,677,291				99,677,291
Held-to-maturity investments	74,844,513				74,844,513
Investment on receivables	81,562,132			-149,723	81,412,409
Other assets	3,750,261		11,816	-119,733	3,642,344
<b>Total</b>	<b>897,788,895</b>	<b>6,239,015</b>	<b>6,331,937</b>	<b>-13,370,242</b>	<b>896,989,605</b>

NB: Impaired financial assets were actual impaired financial assets as confirmed by the individual assessment.



## (2) Loans and Advances to customers

## 1) Neither past due nor impaired loans and advances

Item	The Group			
	31 December 2015		31 December 2014	
	Corporate loans and advances	Personal loans	Corporate loans and advances	Personal loans
Normal	438,790,723	96,959,228	397,968,783	73,235,304
Concerned	10,874,785	24,015	4,626,722	30,478
<b>Total</b>	<b>449,665,508</b>	<b>96,983,243</b>	<b>402,595,505</b>	<b>73,265,782</b>

Item	The Bank			
	31 December 2015		31 December 2014	
	Corporate loans and advances	Personal loans	Corporate loans and advances	Personal loans
Normal	438,141,722	96,916,712	397,074,937	73,154,887
Concerned	10,786,936	19,352	4,619,922	30,386
<b>Total</b>	<b>448,928,658</b>	<b>96,936,064</b>	<b>401,694,859</b>	<b>73,185,273</b>

## 2) Duration analysis for past due but not impaired loans and advances

## The Group

Expires	31 December 2015		
	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (including) days	2,490,746	296,779	2,787,525
Overdue more than 90 days	4,181,150	151,134	4,332,284
<b>Total</b>	<b>6,671,896</b>	<b>447,913</b>	<b>7,119,809</b>

Expires	31 December 2014		
	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (including) days	2,978,105	244,467	3,222,572
Overdue more than 90 days	3,047,711	28,547	3,076,258
<b>Total</b>	<b>6,025,816</b>	<b>273,014</b>	<b>6,298,830</b>

## The Bank

Expires	31 December 2015		
	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (including) days	2,488,217	296,780	2,784,997
Overdue more than 90 days	4,106,414	141,548	4,247,962
<b>Total</b>	<b>6,594,631</b>	<b>438,328</b>	<b>7,032,959</b>

Expires	31 December 2014		
	Corporate loans and advances	Personal loans	Total
Overdue from 1 to 90 (including) days	2,941,416	239,684	3,181,100
Overdue more than 90 days	3,029,368	28,547	3,057,915
<b>Total</b>	<b>5,970,784</b>	<b>268,231</b>	<b>6,239,015</b>

The Group believes that the above overdue loans can be repaid through operation by the creditors, conpesatories by guarantors or disposal of collaterals etc., hence they are temporarily overdue and the Group has not recognise the loans and advances as impaired loans.

## 3) Impaired loans and advances

Impaired loans and advances are defined as those loans and advances having with objective evidence of impairment as a result of one or more events that occur after initial recognition, resulting in an impact on the estimated future cash flows of loans and advances that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and the situation where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Classification by ways of guarantees:

Item	The Group	
	31 December 2015	31 December 2014
Credit loans	250,760	167,673
Guaranteed loans	4,373,060	3,327,894
Secured by mortgages loans	3,092,800	2,446,227
Secured by monetary assets loans	298,291	409,934
<b>Total</b>	<b>8,014,911</b>	<b>6,351,728</b>

Item	The Bank	
	31 December 2015	31 December 2014
Credit loans	250,760	167,673
Guaranteed loans	4,259,958	3,296,287
Secured by mortgages loans	3,092,800	2,446,227
Secured by monetary assets loans	298,291	409,934
<b>Total</b>	<b>7,901,809</b>	<b>6,320,121</b>

## 4) Collateral Value

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Fair value of collateral of past due but not impaired loans and advances	8,862,712	7,950,425
Fair value of collateral of impaired loans and advances	6,864,284	4,506,241

## 5) The Restructured Loans

Item	The Group	
	31 December 2015	31 December 2014
Restructured loans and advances to customers	955,716	175,473
Including: impaired loans and advances to customers	369,736	136,771

Item	The Bank	
	31 December 2015	31 December 2014
Restructured loans and advances to customers	932,386	175,473
Including: impaired loans and advances to customers	369,736	136,771

## (3) Credit quality of bonds and investments on receivables

1) At the balance sheet date, analysis on credit quality of bonds investment and investment on receivables are presented as follows:

Item	The Group and the Bank	
	31 December 2015	31 December 2014
Treasury bonds	36,550,358	30,576,777
Local government bonds	40,637,361	2,089,799
Financial bonds	36,540,902	34,733,395
Interbank certificate of deposit	9,170,938	4,454,366
Corporate bonds	18,047,792	17,565,478
Subordinated bonds	2,829,894	1,579,880
Asset-backed securities	2,397,950	1,448,429
Investments in financial products	143,848,290	78,019,260
Other investments	172,314,455	91,129,589
<b>Total</b>	<b>462,337,940</b>	<b>261,596,973</b>

NB: The impairment reserve is included

2) As at balance sheet date, the rating analysis of the credit quality of bonds and receivables on investment classified by sponsors is presented as following:

The Group and the Bank:

Sponsors	31 December 2015					Total
	Unrated	AAA	AA	A	Below A	
Local government	60,690,454	16,497,265				77,187,719
Policy banks	28,958,838					28,958,838
Financial institutions	218,425,281	11,669,204	2,629,375			232,723,860
Corporates	106,542,892	11,139,626	5,764,482		20,523	123,467,523
<b>Total</b>	<b>414,617,465</b>	<b>39,306,095</b>	<b>8,393,857</b>		<b>20,523</b>	<b>462,337,940</b>

Sponsors	31 December 2014					Total
	Unrated	AAA	AA	A	Below A	
Local government	32,666,576					32,666,576
Policy banks	28,269,009					28,269,009
Financial institutions	106,431,454	7,243,445	4,262,814	198,242		118,135,955
Corporates	65,207,020	10,337,268	6,734,758	196,156	50,231	82,525,433
<b>Total</b>	<b>232,574,059</b>	<b>17,580,713</b>	<b>10,997,572</b>	<b>394,398</b>	<b>50,231</b>	<b>261,596,973</b>

## 2. Market Risks

Market risk is the risk of loss that is caused by adverse movements in fair value of the Group's financial instruments and future cash flows arising from adverse movements in market variables observed such as exchange rate, interest rate, commodity price, and stock price. The principal market risk faced by the Group comes from interest rate and the position of exchange rate products. The target of market risk management is to avoid uncontrollable loss of revenue or equity caused by market risk, and to offset the impact of volatility risk of financial instruments on the Group.

The Board of Directors of the Group is responsible for managing overall market risks including the approval of strategy, procedure, quantitative standard, risk limits, etc. The senior management is responsible for formulating, periodic inspecting and supervising the implementation of risk management policies, procedures and detailed operating procedures.

The management model adopted by the Group in market risk is "Centralized and unified management, hierarchical authorization implementation". The market risk management policy, authorization management and market risk limit scheme are under the unified establishment by the Group. Risk Management Department is the top management department that in charge of the market risk for the Group. It is responsible for managing works related to market risk, controlling activity compliances in relation to market risk and risk limit at medium length, reporting and handling unusual market risk and the violation of rules to supervise and manage market risk, and submitting to the Board of Directors and senior management the market risk report periodically. The Financial Market Department, Financial Interbank Department and Investment Bank

Department are the major executive departments for risk management and they are responsible for on-the-counter capital deals according to market risk management methods and market risk limit approved by the Group.

The Group manages capital through trading account and bank account. Financial instruments available for free transaction and hold for the purpose of transactions of for risk evasion incurred by trading accounts or other items are accounted into trading account with others accounted into bank accounts.

The Group through the three categories, business limits, stop-loss limits and risk limits, overall monitored and managed the market risk of CNY and foreign exchange derivative business. The design covered the pressure test plan of all the assets' market risk factors in trading account and bank account. After the examination and approval procedures, the Group carried out the pressure test work of the two accounts quarterly.

In the opinion of management, as the market risk of the Group' s trading business activities is not material, the Group has not separately disclosed quantitative information about exposure to market risk arising from the trading portfolio.

## 2.1 Interest rate risk

The Group' s interest rate exposures comprise primarily those arising from mismatches in durations and structures of assets and liabilities in its banking operations and from positions undertaken for trading purposes.

The Group manages its interest rate risk by adjusting the composition of assets and liabilities, monitoring indicators such as the interest rate sensitivity gap on a regular basis and measuring risk exposure in accordance with the re-pricing characteristics of assets and liabilities. The Asset and Liability Management Committee meets regularly and manages interest rate risk exposures by adjusting the composition of the assets and liabilities in accordance with movement in market interest rates.

## (1) The Group

As at 31 December 2015, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2015	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance at the central bank	117,506,903				3,590,511	121,097,414
Due from banks and other financial institutions	44,198,237	9,586,045	531,566			54,315,848
Funds lent to banks and other financial institutions	2,548,112	2,883,537				5,431,649
Financial assets designated at fair value through profit and loss	229,553	102,568	351,018	31,661		714,800
Reverse repurchase agreements and other similar secured lending	74,361,486	1,470,307	350,000			76,181,793
Loans and advances to customers	33,712,501	488,522,800	23,688,717	465,317		546,389,335
Available-for-sale financial assets	18,014,418	30,042,642	4,661,333	153,030,454	75,035	205,823,882
Held-to-maturity investments	2,190,242	13,260,296	46,773,769	53,909,665		116,133,972
Investment on receivables	23,730,138	76,080,293	33,172,550	6,283,737		139,266,718
Long-term receivables		1,936,087	5,794,183			7,730,270
Property, plant and equipment					5,321,689	5,321,689
Other assets					11,925,966	11,925,966
<b>Total assets</b>	<b>316,491,590</b>	<b>623,884,575</b>	<b>115,323,136</b>	<b>213,720,834</b>	<b>20,913,201</b>	<b>1,290,333,336</b>
Due to customers	304,245,712	362,194,942	82,660,756	27,327,061		776,428,471
Borrowings from the central bank	2,400,000	4,900,000				7,300,000
Repurchase agreements and other similar secured borrowing	53,447,906	5,502,049				58,949,955
Due to banks and other financial institutions	32,377,407	246,823,670	17,163,650			296,364,727
Loans and advances from banks	6,464,588					6,464,588
Borrowings from other financial institutions	1,000,000	3,880,000				4,880,000
Bond payables	11,219,505	16,429,984	9,000,000	15,000,000		51,649,489
Other liabilities					22,761,543	22,761,543
<b>Total liabilities</b>	<b>411,155,118</b>	<b>639,730,645</b>	<b>108,824,406</b>	<b>42,327,061</b>	<b>22,761,543</b>	<b>1,224,798,773</b>
<b>Interest rate risk gap</b>	<b>-94,663,528</b>	<b>-15,846,070</b>	<b>6,498,730</b>	<b>171,393,773</b>	<b>N/A</b>	<b>N/A</b>



As at 31 December 2014, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2014	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance at the central bank	128,369,465				3,685,081	132,054,546
Due from banks and other financial institutions	76,643,282	15,657,168	250,000			92,550,450
Funds lent to banks and other financial institutions	5,603,608	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss	2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending	45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances to customers	105,284,270	368,791,011	843,226	445,042		475,363,549
Available-for-sale financial assets	41,925,196	52,157,784	3,997,748	1,596,563	47,840	99,725,131
Held-to-maturity investments	1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables	9,388,500	47,660,542	22,983,687	1,379,680		81,412,409
Long-term equity investments						
Property, plant and equipment					4,929,161	4,929,161
Other assets					13,387,169	13,387,169
<b>Total assets</b>	<b>416,823,216</b>	<b>494,595,071</b>	<b>75,917,805</b>	<b>28,923,707</b>	<b>22,049,251</b>	<b>1,038,309,050</b>
Due to customers	408,530,797	190,419,013	82,347,519			681,297,329
Borrowings from the central bank	5,050,000					5,050,000
Repurchase agreements and other similar secured borrowing	40,598,155	247,306				40,845,461
Due to banks and other financial institutions	98,154,153	99,492,049	7,673,333			205,319,535
Loans and advances from banks	1,921,553	321,772				2,243,325
Bond payables	4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities					18,509,521	18,509,521
<b>Total liabilities</b>	<b>559,233,451</b>	<b>290,480,140</b>	<b>99,020,852</b>	<b>15,000,000</b>	<b>18,509,521</b>	<b>982,243,964</b>
<b>Interest rate risk gap</b>	<b>-142,410,235</b>	<b>204,114,931</b>	<b>-23,103,047</b>	<b>13,923,707</b>	<b>N/A</b>	<b>N/A</b>

(2) The Bank

As at 31 December 2015, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2015	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance at the central bank	117,449,266				3,586,550	121,035,816
Due from banks and other financial institutions	44,198,237	9,893,840	531,566			54,623,643
Funds lent to banks and other financial institutions	2,548,112	3,483,537				6,031,649
Financial assets designated at fair value through profit and loss	229,553	102,568	351,018	31,661		714,800
Reverse repurchase agreements and other similar secured lending	74,361,486	1,470,307	350,000			76,181,793
Loans and advances to customers	33,578,911	487,752,531	23,684,306	465,317		545,481,065
Available-for-sale financial assets	18,014,418	30,042,642	4,661,333	153,030,454	75,035	205,823,882
Held-to-maturity investments	2,190,242	13,260,296	46,773,769	53,909,665		116,133,972
Investment on receivables	23,730,138	76,080,293	33,172,550	6,283,737		139,266,718
Long-term equity investments					1,073,800	1,073,800
Property, plant and equipment					5,317,247	5,317,247
Other assets					11,770,030	11,770,030
<b>Total assets</b>	<b>316,300,363</b>	<b>622,086,014</b>	<b>109,524,542</b>	<b>213,720,834</b>	<b>21,822,662</b>	<b>1,283,454,415</b>
Due to customers	304,089,020	361,942,706	82,564,856	27,327,061		775,923,643
Borrowings from the central bank	2,400,000	4,900,000				7,300,000
Repurchase agreements and other similar secured borrowing	53,447,906	5,502,049				58,949,955
Due to banks and other financial institutions	32,653,763	246,823,670	17,163,650			296,641,083
Loans and advances from banks	6,464,588					6,464,588
Bond payables	11,219,505	16,429,984	9,000,000	15,000,000		51,649,489
Other liabilities					21,408,688	21,408,688
<b>Total liabilities</b>	<b>410,274,782</b>	<b>635,598,409</b>	<b>108,728,506</b>	<b>42,327,061</b>	<b>21,408,688</b>	<b>1,218,337,446</b>
<b>Interest rate risk gap</b>	<b>-93,974,419</b>	<b>-13,512,395</b>	<b>796,036</b>	<b>171,393,773</b>	<b>N/A</b>	<b>N/A</b>

As at 31 December 2014, the interest risk exposure analysis on the date of reprising at the end of the year or the date of maturity according to which came in due first is as follows:

31 December 2014	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Interest free	Total
Cash and balance at the central bank	128,305,150				3,682,143	131,987,293
Due from banks and other financial institutions	77,042,444	15,657,168	250,000			92,949,612
Funds lent to banks and other financial institutions	5,603,608	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss	2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending	45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances to customers	105,085,764	367,964,450	843,226	445,042		474,338,482
Available-for-sale financial assets	41,925,196	52,157,784	3,997,748	1,596,563	47,840	99,725,131
Held-to-maturity investments	1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables	9,388,500	47,660,542	22,983,687	1,379,680		81,412,409
Long-term equity investments					73,800	73,800
Property, plant and equipment					4,926,181	4,926,181
Other assets					13,370,977	13,370,977
<b>Total assets</b>	<b>416,959,557</b>	<b>493,768,510</b>	<b>75,917,805</b>	<b>28,923,707</b>	<b>22,100,941</b>	<b>1,037,670,520</b>
Due to customers	408,324,041	190,245,029	82,257,889			680,826,959
Borrowings from the central bank	5,000,000					5,000,000
Repurchase agreements and other similar secured borrowing	40,598,155	247,306				40,845,461
Due to banks and other financial institutions	98,201,374	99,492,049	7,673,333			205,366,756
Loans and advances from banks	1,921,553	321,772				2,243,325
Bond payables	4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities					18,490,472	18,490,472
<b>Total liabilities</b>	<b>559,023,916</b>	<b>290,306,156</b>	<b>98,931,222</b>	<b>15,000,000</b>	<b>18,490,472</b>	<b>981,751,766</b>
<b>Interest rate risk gap</b>	<b>-142,064,359</b>	<b>203,462,354</b>	<b>-23,013,417</b>	<b>13,923,707</b>	<b>N/A</b>	<b>N/A</b>

NB1 The remaining days to expire date of the financial assets designated at fair value through profit and loss in the investment is not the intended held till that date by the Group.

Interest rate risk in banking operations is inherent in many business segments of the Group, and arises from factors such as differences in timing between contractual maturities or re-pricing of assets and liabilities. Similar risk in trading positions arises mainly from investment portfolio undertaken by treasury operation. Because those trading positions quantities are extremely small, this kind of interest rate risk is insignificant to the Group.

The Group regularly monitors such interest rate risk positions and it regularly performs interest rate sensitivity analysis on these interest rate positions for the purpose of measuring and managing the risk in order to limit potential negative effects of movements in interest rate on net interest income, maintains stable growth in net interest income. With regard to trading positions, the Group will measure at fair value through profit or loss to reflect an actual profit and loss situation.

As the reference interest rates for CNY deposits and loans are determined by the People Bank of China ( "PBC" ), the Group follows the interest rates set by the PBC when carrying out loaning and depositing activities. The Group's financial assets and liabilities are all denominated in CNY.

The following lists the results of gap analysis on financial assets and liabilities (except to financial assets and liabilities at fair value through profit or loss) by each as at 31 December 2015 and 31 December 2014:

Item	The Bank			
	31 December 2015		31 December 2014	
	Increase200bp	Decrease200bp	Increase200bp	Decrease200bp
Change interest rate of basic point ( "bp" )				
Changing of interest rate cause net interest income increase or decrease	-929,490	929,490	412,595	-412,595
Changing of interest rate cause equity increase or decrease	-7,784,803	7,784,803	-3,696,128	3,696,128

The above gap analysis is based on financial assets and liabilities (except to financial assets and liabilities at fair value through profit or loss), expect within one year, changing of interest rate has the effects on net interest income.

The above analysis is based on the following assumptions: all within three months or three months to one year re-pricing or maturity assets and liabilities, which assuming at the relevant middle period to re-pricing or maturity, and the yield curve parallel moving according to the interest rate changes.

Based on the above assumptions, increase or decrease of interest rate may cause the differences between the Group's real net interest income & equity and the results of sensitivity analysis.

## 2.2 Exchange rate Risks

Foreign exchange risk refers to the fair value of financial instruments or future cash flow fluctuates arising from the movements of foreign currency exchange rate. The Group mainly engages in CNY business with the rest being in US dollar, HK dollar and other foreign currency business. Currently the Group's foreign currency business is major in settlement and sale business. Therefore, the Group's exchange rate risks mainly come from the currency mismatch of asset and liability from proprietary business and agent business for clients, as well as currency position mismatch from foreign currency trade.

In order to manage currency risk, the Group applied several methods to avoid and control the currency risk formed by currency exposure, such as the match of currency between the spot, forward foreign exchange transaction and borrowing; setting limits on positions by currency, filling in position by currency on the same day and etc.

The Group monitors daily foreign currency transactions and positions closely. The following tables show the balance amount of Group's assets and liabilities by major currencies and exchange risk exposure at the balance sheet date.

## (1) The Group

31 December 2015	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
<b>Assets:</b>					
Cash and balance at the central bank	119,348,239	1,730,438	18,737		121,097,414
Due from banks and other financial institutions	48,901,955	4,531,989	881,904		54,315,848
Funds lent to banks and other financial institutions	1,444,456	3,987,193			5,431,649
Financial assets designated at fair value through profit and loss	714,800				714,800
Derivative financial assets	28,286				28,286
Reverse repurchase agreements and other similar secured lending	76,181,793				76,181,793
Interest receivables	6,210,532	53,098	365		6,263,995
Loans and advances	539,551,742	6,729,961	107,632		546,389,335
Available-for-sale financial assets	205,823,667	215			205,823,882
Held-to-maturity investments	116,133,972				116,133,972
Investment on receivables	139,266,718				139,266,718
Long-term receivables	7,730,270				7,730,270
Long-term equity investment					
Property, plant and equipment	5,321,689				5,321,689
Intangible assets	692,975				692,975
Deferred tax assets	2,611,551				2,611,551
Other assets	1,684,727	3,570,758	88,721	-3,015,047	2,329,159
<b>Total assets</b>	<b>1,271,647,372</b>	<b>20,603,652</b>	<b>1,097,359</b>	<b>-3,015,047</b>	<b>1,290,333,336</b>
<b>Liabilities:</b>					
Borrowing from the central bank	7,300,000				7,300,000

31 December 2015	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
Due to banks and other financial institutions	296,205,779	158,948			296,364,727
Loans and advances from banks	5,450,000	1,014,588			6,464,588
Borrowings from other financial institutions	4,880,000				4,880,000
Derivative financial liabilities	260				260
Repurchase agreements and other similar secured borrowing	58,949,955				58,949,955
Due to customers	757,113,866	18,358,582	956,023		776,428,471
Employee benefit payables	3,651,506				3,651,506
Tax payables	1,170,541	40	1		1,170,582
Interest payables	13,637,446	161,284	2,683		13,801,413
Estimated liabilities	2,056				2,056
Bond payables	51,649,489				51,649,489
Deferred tax liabilities					
Other liabilities	6,653,491	367,755	129,527	-3,015,047	4,135,726
<b>Total liabilities</b>	<b>1,206,664,389</b>	<b>20,061,197</b>	<b>1,088,234</b>	<b>-3,015,047</b>	<b>1,224,798,773</b>
<b>Net position</b>	<b>64,982,983</b>	<b>542,455</b>	<b>9,125</b>		<b>65,534,563</b>



31 December 2014	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
<b>Assets:</b>					
Cash and balance at the central bank	130,626,695	1,402,681	25,170		132,054,546
Due from banks and other financial institutions	87,973,171	4,293,899	283,380		92,550,450
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	69,692				69,692
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	5,945,440	69,005	3,295		6,017,740
Loans and advances	465,358,773	9,942,406	62,370		475,363,549
Available-for-sale financial assets	99,724,915	216			99,725,131
Held-to-maturity investments	74,844,513				74,844,513
Investment on receivables	81,412,409				81,412,409
Long-term equity investments					
Property, plant and equipment	4,929,161				4,929,161
Intangible assets	727,151				727,151
Deferred tax assets	2,561,085				2,561,085
Other assets	45,507	9,084,972	213,649	-5,332,627	4,011,501
<b>Total assets</b>	<b>1,018,260,634</b>	<b>24,793,179</b>	<b>587,864</b>	<b>-5,332,627</b>	<b>1,038,309,050</b>
<b>Liabilities:</b>					
Borrowing from the central bank	5,050,000				5,050,000
Due to banks and other financial institutions	203,985,062	1,334,473			205,319,535
Loans and advances from banks	1,181,894	981,491	79,940		2,243,325
Derivative financial liabilities	30,190				30,190
Repurchase agreements and other similar secured borrowing	40,845,461				40,845,461
Due to customers	659,389,702	21,557,416	350,211		681,297,329

31 December 2014	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
Employee benefit payables	3,276,043				3,276,043
Tax payables	1,090,675	39	1		1,090,715
Interest payables	11,345,381	132,619	79		11,478,079
Estimated liabilities	2,081				2,081
Bond payables	28,978,793				28,978,793
Deferred tax liabilities					
Other liabilities	7,727,705	84,558	152,777	-5,332,627	2,632,413
<b>Total liabilities</b>	<b>962,902,987</b>	<b>24,090,596</b>	<b>583,008</b>	<b>-5,332,627</b>	<b>982,243,964</b>
<b>Net position</b>	<b>55,357,647</b>	<b>702,583</b>	<b>4,856</b>		<b>56,065,086</b>

## (2) The Bank

31 December 2015	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
<b>Assets:</b>					
Cash and balance at the central bank	119,286,641	1,730,438	18,737		121,035,816
Due from banks and other financial institutions	49,209,750	4,531,989	881,904		54,623,643
Funds lent to banks and other financial institutions	2,044,456	3,987,193			6,031,649
Financial assets designated at fair value through profit and loss	714,800				714,800
Derivative financial assets	28,286				28,286
Reverse repurchase agreements and other similar secured lending	76,181,793				76,181,793
Interest receivables	6,144,532	53,098	365		6,197,995
Loans and advances	538,643,472	6,729,961	107,632		545,481,065
Available-for-sale financial assets	205,823,667	215			205,823,882
Held-to-maturity investments	116,133,972				116,133,972
Investment on receivables	139,266,718				139,266,718
Long-term equity investments	1,073,800				1,073,800
Property, plant and equipment	5,317,247				5,317,247
Intangible assets	689,911				689,911
Deferred tax assets	2,535,751				2,535,751
Other assets	1,673,655	3,570,758	88,721	-3,015,047	2,318,087

31 December 2015	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
<b>Total assets</b>	1,264,768,451	20,603,652	1,097,359	-3,015,047	1,283,454,415
<b>Liabilities:</b>					
Borrowing from the central bank	7,300,000				7,300,000
Due to banks and other financial institutions	296,482,135	158,948			296,641,083
Loans and advances from banks	5,450,000	1,014,588			6,464,588
Derivative financial liabilities	260				260
Repurchase agreements and other similar secured borrowing	58,949,955				58,949,955
Due to customers	756,609,038	18,358,582	956,023		775,923,643
Employee benefit payables	3,637,630				3,637,630
Tax payables	1,085,300	40	1		1,085,341
Interest payables	13,583,218	161,284	2,683		13,747,185
Estimated liabilities	2,056				2,056
Bond payables	51,649,489				51,649,489
Deferred tax liabilities					
Other liabilities	5,453,981	367,755	129,527	-3,015,047	2,936,216
<b>Total liabilities</b>	1,200,203,062	20,061,197	1,088,234	-3,015,047	1,218,337,446
<b>Net position</b>	64,565,389	542,455	9,125		65,116,969

31 December 2014	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
<b>Assets:</b>					
Cash and balance at the central bank	130,559,442	1,402,681	25,170		131,987,293
Due from banks and other financial institutions	88,372,333	4,293,899	283,380		92,949,612
Funds lent to banks and other financial institutions	8,595,168				8,595,168
Financial assets designated at fair value through profit and loss	5,513,037				5,513,037
Derivative financial assets	69,692				69,692
Reverse repurchase agreements and other similar secured lending	49,933,917				49,933,917
Interest receivables	5,940,840	69,005	3,295		6,013,140
Loans and advances	464,333,706	9,942,406	62,370		474,338,482

31 December 2014	CNY	USD Converted to CNY	Other currencies Converted to CNY	Offset	Total
Available-for-sale financial assets	99,724,915	216			99,725,131
Held-to-maturity investments	74,844,513				74,844,513
Investment on receivables	81,412,409				81,412,409
Long-term equity investments	73,800				73,800
Property, plant and equipment	4,926,181				4,926,181
Intangible assets	726,998				726,998
Deferred tax assets	2,558,968				2,558,968
Other assets	36,185	9,084,972	213,649	-5,332,627	4,002,179
<b>Total assets</b>	1,017,622,104	24,793,179	587,864	-5,332,627	1,037,670,520
<b>Liabilities:</b>					
Borrowing from the central bank	5,000,000				5,000,000
Due to banks and other financial institutions	204,032,283	1,334,473			205,366,756
Loans and advances from banks	1,181,894	981,491	79,940		2,243,325
Derivative financial liabilities	30,190				30,190
Repurchase agreements and other similar secured borrowing	40,845,461				40,845,461
Due to customers	658,919,332	21,557,416	350,211		680,826,959
Employee benefit payables	3,273,467				3,273,467
Tax payables	1,084,547	39	1		1,084,587
Interest payables	11,335,379	132,619	79		11,468,077
Estimated liabilities	2,081				2,081
Bond payables	28,978,793				28,978,793
Deferred tax liabilities					
Other liabilities	7,727,362	84,558	152,777	-5,332,627	2,632,070
<b>Total liabilities</b>	962,410,789	24,090,596	583,008	-5,332,627	981,751,766
<b>Net position</b>	55,211,315	702,583	4,856		55,918,754

(3) According to the above analysis of exchange position, the Group adopted the sensitivity test to measure the sensitivity of the value of the Group arising from the movement of foreign exchange rate. Assume a 5% change in each foreign currency against CNY to see the effect at the balance sheet date:

Change of Foreign Currency against CNY	The Group and the Bank	
	Net interest income sensitivity	
	2015	2014
Rise 5%	-7,862	1,210
Fall 5%	7,862	-1,210

Change of Foreign Currency against CNY	The Bank	
	Equity Sensitivity	
	31 December 2015	31 December 2014
Rise 5%	20,684	40,646
Fall 5%	-20,684	-40,646

When the Group is undertaking the foreign exchange rate sensitivity analysis, it is on the basis of the on-balance sheet net position and the net position of loans off-balance sheet, and under the assumption that the impact on profit and loss from foreign exchanges is at the 5% of absolute fluctuation of the intermediate price on balance sheet date on all currencies.

The above assumptions is not considering: the changes of businesses at pro balance sheet date; the impact of changes of exchange rate on customers; the complicated relationship between the complex structured productions and the changes of exchange rate; the impact of exchange rate on market price and off-balance sheet productions.

### 3. Liquidity risk

Liquidity risk refers to the risk that a commercial bank has the solvency but cannot obtain sufficient fund in a timely manner or cannot obtain sufficient fund in time with reasonable cost to deal with business development or pay off due debts.

The Group set up the liquidity risk governance structure composed by the Group's Risk Management Committee, Senior Management and Asset-liability Committee. The Group's Risk Management Department heads up managing liquidity risk, finance department administers centrally to the overall liquidity risk. The Group's liquidity risk measurement adopts liquidity indicators and liquidity gap calculation method, uses regular stress test and temporary special stress test to analyse its capacity to withhold liquidity incident or crisis. To deal with liquidity, the Group enhanced limit management and monitoring; formulated targeted contingent plan for different liquidity incident and crisis, set up liquidity contingent lending team, set up liquidity risk reporting mechanism, implements monthly CNY and foreign currencies liquidity risk monitoring and reporting system, and quarterly liquidity stress tests.

Most of the Group's assets are funded by customer deposits, mainly including deposits from enterprises, retail deposits and deposits from banks and other financial institutions. These customer deposits, which have been growing in recent years, are widely diversified in types and maturities and represent a stable source of funds.

### 3.1 Cash flow analysis for Non-derivative Financial Assets

At the balance sheet date of 31 December 2015, the maturity situation and analysis on the Group's financial assets and liabilities is as follows:

31 December 2015	Overdue	Payable on demand	Within 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance at the central bank		12,820,877					108,276,537	121,097,414
Due to banks and other financial institutions		12,369,839	31,552,042	9,862,401	531,566			54,315,848
Loans and advances from banks			2,548,112	2,883,537				5,431,649
Financial assets designated at fair value through profit and loss			229,553	102,568	351,018	31,661		714,800
Reverse repurchase agreements and other similar secured lending			74,361,486	1,470,307	350,000			76,181,793
Loans and advances	13,150,014		26,247,537	340,978,411	93,343,088	88,064,421		561,783,471
Available-for-sale financial assets			18,014,418	30,042,642	4,661,333	153,117,140		205,835,533
Held-to-maturity financial assets			2,190,242	13,260,296	46,773,769	53,909,665		116,133,972
Investment on receivables	600,000		23,130,138	76,553,896	33,172,550	6,283,737		139,740,321
Long-term receivables				1,957,745	5,859,000			7,816,745
Other assets			7,814,727	192,146	94,799	192,878		8,294,550
<b>Total assets</b>	<b>13,750,014</b>	<b>25,190,716</b>	<b>186,088,255</b>	<b>477,303,949</b>	<b>185,137,123</b>	<b>301,599,502</b>	<b>108,276,537</b>	<b>1,297,346,096</b>
Due to customers		265,919,675	38,326,037	362,194,942	82,660,756	27,327,061		776,428,471
Borrowing from the central bank			2,400,000	4,900,000				7,300,000
Repurchase agreements and other similar secured borrowing			53,447,906	5,502,049				58,949,955
Due to banks and other financial institutions		4,000,807	28,376,600	246,823,670	17,163,650			296,364,727
Loans and advances from banks			6,464,588					6,464,588
Borrowings from other financial institutions			1,000,000	3,880,000				4,880,000
Bond payables			11,219,505	16,429,984	9,000,000	15,000,000		51,649,489
Other liabilities			6,132,263	6,911,406	6,302,226	477,595		19,823,490
<b>Total liabilities</b>		<b>269,920,482</b>	<b>147,366,899</b>	<b>646,642,051</b>	<b>115,126,632</b>	<b>42,804,656</b>		<b>1,221,860,720</b>
<b>Net position</b>	<b>13,750,014</b>	<b>-244,729,766</b>	<b>38,721,356</b>	<b>-169,338,102</b>	<b>70,010,491</b>	<b>258,794,846</b>	<b>108,276,537</b>	<b>75,485,376</b>



At the balance sheet date of 31 December 2014, the maturity situation and analysis on the Group's financial assets and liabilities is as follows:

31 December 2014	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance at the central banks		37,718,940					94,335,606	132,054,546
Due to banks and other financial institutions		5,065,870	71,577,412	15,657,168	250,000			92,550,450
Loans and advances from banks		294,158	5,309,450	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss			2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending			45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances	12,236,254		99,808,975	238,678,137	67,281,368	70,507,111		488,511,845
Available-for-sale financial assets			41,925,196	52,157,784	3,997,748	1,656,054		99,736,782
Held-to-maturity financial assets			1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Investment on receivables			9,277,533	48,046,609	22,458,310	1,779,680		81,562,132
Other assets		3,901,575	5,643,461	272,425	22,562			9,840,023
<b>Total assets</b>	<b>12,236,254</b>	<b>46,980,543</b>	<b>283,150,922</b>	<b>365,140,689</b>	<b>141,853,132</b>	<b>99,445,267</b>	<b>94,335,606</b>	<b>1,043,142,413</b>
Due to customers		232,641,466	175,889,331	190,419,013	82,347,519			681,297,329
Borrowing from the central bank		50,000	5,000,000					5,050,000
Repurchase agreements and other similar secured borrowing			40,598,155	247,306				40,845,461
Due to banks and other financial institutions		974,528	97,179,624	99,492,049	7,673,334			205,319,535
Loans and advances from banks			1,921,553	321,772				2,243,325
Bond payables			4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities		434,790	5,243,586	6,389,130	3,343,961			15,411,467
<b>Total liabilities</b>		<b>234,100,784</b>	<b>330,811,042</b>	<b>296,869,270</b>	<b>102,364,814</b>	<b>15,000,000</b>		<b>979,145,910</b>
<b>Net position</b>	<b>12,236,254</b>	<b>-187,120,241</b>	<b>-47,660,120</b>	<b>68,271,419</b>	<b>39,488,318</b>	<b>84,445,267</b>	<b>94,335,606</b>	<b>63,996,503</b>

At the balance sheet date of 31 December 2015, the maturity situation and analysis on the Bank's financial assets and liabilities is as follows:

31 December 2015	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance at the central bank		12,807,237					108,228,579	121,035,816
Due to banks and other financial institutions		12,646,195	31,552,042	9,893,840	531,566			54,623,643
Loans and advances from banks			2,548,112	3,483,537				6,031,649
Financial assets designated at fair value through profit and loss			229,553	102,568	351,018	31,661		714,800
Reverse repurchase agreements and other similar secured lending			74,361,486	1,470,307	350,000			76,181,793
Loans and advances	12,956,361		26,247,537	340,192,583	93,338,588	88,064,421		560,799,490
Available-for-sale financial assets			18,014,418	30,042,642	4,661,333	153,117,140		205,835,533
Held-to-maturity financial assets			2,190,242	13,260,296	46,773,769	53,909,665		116,133,972
Investment on receivables	600,000		23,130,138	76,553,896	33,172,550	6,283,737		139,740,321
Other assets			7,814,727	184,652	94,799	192,878		8,287,056
<b>Total assets</b>	<b>13,556,361</b>	<b>25,453,432</b>	<b>186,088,255</b>	<b>475,184,321</b>	<b>179,273,623</b>	<b>301,599,502</b>	<b>108,228,579</b>	<b>1,289,384,073</b>
Due to customers		265,811,871	38,277,149	361,942,706	82,564,856	27,327,061		775,923,643
Borrowing from the central banks			2,400,000	4,900,000				7,300,000
Repurchase agreements and other similar secured borrowing			53,447,906	5,502,049				58,949,955
Due to banks and other financial institutions		4,277,163	28,376,600	246,823,670	17,163,650			296,641,083
Loans and advances from banks			6,464,588					6,464,588
Bond payables			11,219,505	16,429,984	9,000,000	15,000,000		51,649,489
Other liabilities			6,117,015	6,453,937	5,421,609	477,595		18,470,156
<b>Total liabilities</b>		<b>270,089,034</b>	<b>146,302,763</b>	<b>642,052,346</b>	<b>114,150,115</b>	<b>42,804,656</b>		<b>1,215,398,914</b>
<b>Net position</b>	<b>13,556,361</b>	<b>-244,635,602</b>	<b>39,785,492</b>	<b>-166,868,025</b>	<b>65,123,508</b>	<b>258,794,846</b>	<b>108,228,579</b>	<b>73,985,159</b>

At the balance sheet date of 31 December 2014, the maturity situation and analysis on the Bank's financial assets and liabilities is as follows:

31 December 2014	Overdue	Payable on demand	Within 3 months	3 months to 12 months	1 year to 5 years	Over 5 years	Unlimited duration	Total
Cash and balance at the central bank		37,716,002					94,271,291	131,987,293
Due to banks and other financial institutions		5,065,032	71,977,412	15,657,168	250,000			92,949,612
Loans and advances From banks		294,158	5,309,450	2,991,560				8,595,168
Financial assets designated at fair value through profit and loss			2,086,198	1,005,796	2,421,043			5,513,037
Reverse repurchase agreements and other similar secured lending			45,962,473	2,941,444	1,030,000			49,933,917
Loans and advances Available-for-sale financial assets	12,148,203		99,667,541	237,838,478	67,277,935	70,507,111		487,439,268
Held-to-maturity financial assets			41,925,196	52,157,784	3,997,748	1,656,054		99,736,782
Investment on receivables			1,560,224	3,389,766	44,392,101	25,502,422		74,844,513
Other assets			9,277,533	48,046,609	22,458,310	1,779,680		81,562,132
<b>Total assets</b>	12,148,203	46,974,436	283,404,888	364,301,030	141,849,699	99,445,267	94,271,291	1,042,394,814
Due to customers		232,491,896	175,832,145	190,245,029	82,257,889			680,826,959
Borrowing from the central banks			5,000,000					5,000,000
Repurchase agreements and other similar secured borrowing			40,598,155	247,306				40,845,461
Due to banks and other financial institutions		1,021,749	97,179,624	99,492,049	7,673,334			205,366,756
Loans and advances from banks			1,921,553	321,772				2,243,325
Bond payables			4,978,793		9,000,000	15,000,000		28,978,793
Other liabilities		434,790	5,231,008	6,389,130	3,343,961			15,398,889
<b>Total liabilities</b>		233,948,435	330,741,278	296,695,286	102,275,184	15,000,000		978,660,183
<b>Net position</b>	12,148,203	-186,973,999	-47,336,390	67,605,744	39,574,515	84,445,267	94,271,291	63,734,631

NB1 For cash and balance with the central bank, the ageing over 5 year's amount represents statutory deposit reserves and fiscal deposits balances maintained with the PBC.

NB2 The remaining days to expire date of the financial assets designated at fair value through profit and loss in the investment is not the intended held till that date by the Group.

NB3 Amount payable on demand includes time deposits matured but waiting to be indicated by customers.

### 3.2 Cash flow analysis of derivative financial assets

The financial derivative instruments held by the Group including:

Foreign exchange derivative instruments: forward contracts

The following presents the distribution of expiration of financial derivative instruments whose transactions are completed with net full price

31 December 2015	Within 3 months	3 months to 1 year	1 year to 5 years	Total
<b>Foreign exchange derivative instruments</b>				
-Cash outflow	-2,180,977	-4,778,831		-6,959,808
-Cash inflow	2,181,322	4,818,329		6,999,651
<b>Total</b>	345	39,498		39,843

31 December 2014	Within 3 months	3 months to 1 year	1 year to 5 years	Total
<b>Foreign exchange derivative instruments</b>				
-Cash outflow	-6,249,244	-3,569,164		-9,818,408
-Cash inflow	6,262,916	3,583,357		9,846,273
<b>Total</b>	13,672	14,193		27,865

## 4. Fair value of financial instruments

### 4.1 Assets and liabilities measured at fair value

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

- The first level: input value is the obtainable unadjusted price of identical assets or liabilities in the active market at evaluation day, including securities in stock exchanges and some government bonds.
- The second level is the direct or indirect observable input value of the relevant assets or liabilities excluding the ones in the first level, including most out market derivative contracts, the source of input is from price suppliers or the website of China bond.
- The third level is the unobservable input value of the relevant assets or liabilities.

When the public price cannot be obtained, the Group confirms the fair value of the financial instruments through value estimation or inquiry.

(1) The continuous measurement of assets at fair value are presented at the 3 classes as following:

Item as at 31 December 2015	The Group and the Bank			
	1 <sup>st</sup> level	2 <sup>nd</sup> level	3 <sup>rd</sup> level	Total
<b>I. Assets</b>				
<b>Financial assets sustainably measured at fair value</b>				
1. Financial assets measured at fair value through profit and loss		714,800		714,800
1) Liability instrument investment		714,800		714,800
2) Equity instrument investment				
3) Others				
2. Derivative financial assets		28,286		28,286
1) Interest rate derivative instruments				
2) Currency derivative instruments		28,286		28,286
3) Others				
3. Available-for-sale financial assets		21,328,097	184,420,750	205,748,847
1) Liability instrument investment		21,328,097	184,420,750	205,748,847
2) Equity instrument investment				
3) Others				
<b>Total</b>		22,071,183	184,420,750	206,491,933
<b>II. Liabilities</b>				
<b>Financial liabilities sustainably measured at fair value</b>				
1. derivative financial liabilities		260		260
1) Liability instrument investment				
2) Equity instrument investment		260		260
3) Others				
2. Financial liabilities measured at fair value through profit and loss				
<b>Total</b>		260		260

Item as at 31 December 2014	The Group and the Bank			
	1 <sup>st</sup> level	2 <sup>nd</sup> level	3 <sup>rd</sup> level	Total
<b>I. Assets</b>				
<b>Financial assets sustainably measured at fair value</b>				
1. Financial assets measured at fair value through profit and loss		5,513,037		5,513,037
1) Liability instrument investment		5,513,037		5,513,037
2) Equity instrument investment				
3) Others				
2. Derivative financial assets		69,692		69,692
1) Interest rate derivative instruments				
2) Currency derivative instruments		69,692		69,692
3) Others				
3. Available-for-sale financial assets	12,999	8,778,031	90,899,260	99,699,290
1) Liability instrument investment		8,778,031	90,899,260	99,677,291
2) Equity instrument investment	12,999			12,999
3) Others				
<b>Total</b>	12,999	14,360,760	90,899,260	105,273,019
<b>II. Liabilities</b>				
<b>Financial liabilities sustainably measured at fair value</b>				
1. Derivative financial liabilities		30,190		30,190
1) Liability instrument investment				
2) Equity instrument investment		30,190		30,190
3) Others				
2. Financial liabilities measured at fair value through profit and loss				
<b>Total</b>		30,190		30,190

The Group has no fair value measured by the public price or through estimation techniques.

The Group recognise the occurrence date of matters those lead converts between the levels as the time point of the converts among the classes. The Group has no converts between the 1st level and 2nd level for the year.

For financial instruments in the active market, the Group recognises the fair value at the price in active market; for financial instruments those are not traded in active market, the Group recognises the fair value through estimation techniques. The models used to estimate fair value are cash flow discount model and Market Comparable Company Model etc. The input values of estimation techniques are mainly including risk-free rate, basic rate, exchange rate, credit spreads, the liquidity premium, EBITDA multiplier and deficient liquidity discount.

(2) Fair value at 2nd level

The financial instruments classified at the 2nd level by the Group are mainly including bond investments, interbank deposit receipts, foreign exchange forward and swaps, as well as interest rate swaps etc. Fair value of CNY bonds are recognised by following the estimation result by China bond. The foreign exchange



forward and swaps, interest rate swaps are estimated by using Cash Flow Discount Model and Black-Scholes Model. All material estimation parameters are using techniques with observable market information.

Item	The Group	
	31 December 2015	31 December 2014
1. Assets		
Treasury bonds	3,043,970	1,436,019
Local government bonds	3,142,897	
Financial bonds	6,485,136	7,954,172
Interbank certificate of deposits	5,265,966	2,318,590
Corporate bond	4,072,828	2,567,587
Asset-backed securities	32,100	14,700
Derivative financial assets	28,286	69,692
Total	22,071,183	14,360,760
2. Liabilities		
Derivative financial liabilities	260	30,190
Total	260	30,190

### (3) Fair value measurement at the 3rd level

The Group constituted relevant procedures in order to determine the appropriate valuation techniques and input value, and the Group also regularly review the relevant procedures and the appropriation of the definition of fair value.

The quantitative information of measurement of fair value at the 3rd level is as following:

Item	31 December 2015 Fair value	Valuation techniques	Non-observable input value	Range interval (weight average)
Financial products	143,848,290	Discounted cash flow	Risk adjusted discount rate	[3.00%, 6.20%]
Asset administration plans	40,572,460	Discounted cash flow	Risk adjusted discount rate	[2.50%, 7.02%]

The debt investment plans and financial product are valued by techniques which are non-observable to market data; the valuation model is discounted cash flow model. The non-observable assumption in the model is involving risk adjusted discount rate etc. as at 31 December 2015, the impact that by using other reasonable non-observable assumption to substitute the original non-observable assumption on fair value measurement result is not significant.

The above assumptions provided a unified base for the Group to measure the fair value of the assets and liabilities for the Group, however, other institutions might use different approaches and assumptions, therefore the disclosure of fair value in financial institutions are not completely comparable.

The adjustment information of opening and closing balance of assets measured at sustainable 3rd level fair value is as following:

Held-for-sale financial assets	2015	2014
Opening balance	90,899,260	10,752,280
Total profit or loss for the year		
Including: through profit and loss	6,049,121	2,386,149
Through other comprehensive income		
Purchase	367,381,800	200,129,260
Settlement	279,909,431	122,368,429
Closing balance	184,420,750	90,899,260

(4) The Group has no situations those assets and liabilities measured sustainably at fair value transferred among the three levels.

### 4.2 Financial instruments not measured at fair value

The financial assets and liabilities those are not measured at fair value are mainly including deposit with the central bank, due from banks and other financial institutions, funds lent to banks and other financial institutions, reverse repurchase agreements and other similar secured lending, loans and advances to customers, fixed maturity investment, investments on receivables, borrowing from the central bank, due to banks and other financial institutions, loans and advances from banks, repurchase agreements and other similar secured borrowing, due to customers under amortise cost and bond payables.

The followings present book value and the appropriate fair value of fixed maturity investment and bond payables:

Financial assets	31 December 2015		Level
	Book value	Fair value	
Held-to-maturity investments	116,133,972	121,071,957	2 <sup>nd</sup>
Bond payables	51,649,489	53,493,970	2 <sup>nd</sup>

Financial assets	31 December 2014		Level
	Book value	Fair value	
Held-to-maturity investments	74,844,513	76,695,167	2 <sup>nd</sup>
Bond payables	28,978,793	29,655,057	2 <sup>nd</sup>

Despite the above financial assets and liabilities, for other financial assets and liabilities those are not measured at fair value, their fair value shall be confirmed under cash flow discounting, and their book value and fair value are similar:

Assets	Liabilities
Cash and deposits at the central bank	Borrowing from the central bank
Due from banks and other financial institutions	Due to banks and other financial institutions
Funds lent to banks and other financial institutions	Loans and advances From banks
Reverse repurchase agreements and other similar secured lending	Repurchase agreements and other similar secured borrowing
Loans and advances to customers	Due to customers
Investments on receivables	Other financial liabilities
Other financial assets	

#### 4.3 Impact of assets and liabilities measured at fair value on profit and loss and equity

Item	1 January 2015	Impact of changes of fair value on profit and loss	Cumulative changes of fair value accounted in equity	Provision of impairment	31 December 2015
Financial assets					
1. financial assets measured at fair value through profit and loss (excluding derivative financial assets)	6,896	5,786			12,682
2. Derivative financial assets	39,502	-11,476			28,026
3. Available-for-sale financial assets	57,215		739,153		796,368
<b>Total financial assets</b>	<b>103,612</b>	<b>-5,690</b>	<b>739,153</b>		<b>837,076</b>
4. Derivative financial liabilities		260			260
<b>Total financial liabilities</b>		<b>260</b>			<b>260</b>

Item	1 January 2014	Impact of changes of fair value on profit and loss	Cumulative changes of fair value accounted in equity	Provision of impairment	31 December 2014
Financial assets					
1. financial assets measured at fair value through profit and loss (excluding derivative financial assets)	-31,426	38,322			6,896
2. Derivative financial assets	787	38,715			39,502
3. Available-for-sale financial assets	-366,737		423,952		57,215
<b>Total financial assets</b>	<b>-397,376</b>	<b>77,037</b>	<b>423,952</b>		<b>103,613</b>

## XV. Capital Management

The primary objectives of the Group's capital management are to ensure the Group complies with regulatory capital requirements, to maximise shareholders' value and to support the continuous growth in business. The Group will check capital position and other relevant capital management strategy regularly, and through the positive capital management to protect medium and long-term business objectives' realisation and improving the use efficiency of capital. The required information of capital adequacy is filed with the CBRC by the Group on a quarterly basis.

The risk-weighted assets are measured according to the nature of individual assets and counterparty, reflecting an estimate of related credit, market and other risks after taking into account of any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with adjustment made to reflect the contingent nature of any potential losses.

The disclosure of the Group and the Bank is in accordance with Capital Management of Commercial Banks (for Trial Implementation) and other relevant regulations established by CBRC and details are as following:

Item	The Group	
	31 December 2015	31 December 2014
Net Tier 1 core capital	65,354,464	55,966,339
Net Tier 1 capital	65,367,865	55,968,208
Tier 2 capital	22,414,351	21,811,429
Net capital	87,782,216	77,779,637
Risk-Weighted Capital	760,506,090	638,991,613
Tier 1 core capital adequacy ratio	8.59%	8.76%
Tier 1 capital adequacy ratio	8.60%	8.76%
Capital adequacy ratio	11.54%	12.17%

Item	The Bank	
	31 December 2015	31 December 2014
Net Tier 1 core capital	63,990,983	55,790,115
Net Tier 1 capital	63,990,983	55,790,115
Tier 2 capital	22,416,616	21,780,665
Net capital	86,407,599	77,570,780
Risk-Weighted Capital	752,415,209	638,470,190
Tier 1 core capital adequacy ratio	8.50%	8.74%
Tier 1 capital adequacy ratio	8.50%	8.74%
Capital adequacy ratio	11.48%	12.15%

The CBRC requires that capital adequacy ratio and tier one capital adequacy ratio for commercial banks shall not lower than 10.5% and 8.5% respectively, as well as the core tier one capital ratio shall not lower than 7.5%. At present, the Group is fully compliant with legal and regulatory requirements.

## 1. Constitution of Tier 1 Capital

Item	The Group	
	31 December 2015	31 December 2014
Paid-in capital	10,390,000	10,390,000
Countable part of capital reserve	10,694,649	10,140,284
Surplus reserves	9,104,575	7,288,454
General reserves	15,715,462	11,777,885
Retained profits	19,251,120	16,338,585
Countable part of non-controlling interest	253,907	86,123
Others		
Total Tier 1 core capital	65,409,713	56,021,331
Tier 1 core capital adjustments	-55,249	-54,992
Net Tier 1 core capital	65,354,464	55,966,339
Other Tier 1 Capital	13,401	1,869
Net Tier 1 Capital	65,367,865	55,968,208

Item	The Bank	
	31 December 2015	31 December 2014
Paid-in capital	10,390,000	10,390,000
Countable part of capital reserve	10,694,649	10,140,284
Surplus reserves	9,104,575	7,288,454
General reserves	15,699,373	11,761,796
Retained profits	19,228,371	16,338,220
Countable part of non-controlling interest		
Others		
Total Tier 1 core capital	65,116,968	55,918,754
Tier 1 core capital adjustments	-1,125,985	-128,639
Net Tier 1 core capital	63,990,983	55,790,115
Other Tier 1 Capital		
Net Tier 1 Capital	63,990,983	55,790,115

## 2. Constitution of Tier 2 Capital

Item	The Group	
	31 December 2015	31 December 2014
Tier 2 capital instruments and the countable premium	15,000,000	15,000,000
Excess provision for loan impairment	7,378,998	6,796,569
Countable part for non-controlling interests	35,353	14,860
Adjustment of Tier 2 capital		
Net Tier 2 capital	22,414,351	21,811,429
Net capital	87,782,216	77,779,637

Item	The Bank	
	31 December 2015	31 December 2014
Tier 2 capital instruments and the countable premium	15,000,000	15,000,000
Excess provision for loan impairment	7,416,616	6,780,665
Countable part for non-controlling interests		
Adjustment of Tier 2 capital		
Net Tier 2 capital	22,416,616	21,780,665
Net capital	86,407,599	77,570,780

## 3. Constitution of risk assets

Item	The Group	
	31 December 2015	31 December 2014
Credit risk-weighted assets	711,373,368	596,290,526
Market risk-weighted assets	2,376,279	1,265,535
Operation risk-weighted assets	46,756,443	41,435,552
Total risk-weighted assets	760,506,090	638,991,613

Item	The Bank	
	31 December 2015	31 December 2014
Credit risk-weighted assets	703,502,526	595,880,175
Market risk-weighted assets	2,376,279	1,265,535
Operation risk-weighted assets	46,536,404	41,324,480
Total risk-weighted assets	752,415,209	638,470,190

Since the establishment of the Group, it always pays high attention to the work of capital management, adhere to the management theory of connotative and denotative, ensure smooth running of the capital adequacy ratio. The Group predicts, plans, and manages the capital adequacy ratio by using scenario models and stress tests based on its strategic development plans, business expansion needs, and risk exposure trends, which start-up capital supplement program.

The Group ensures the capital needs of the operation and development through issuing subordinated bonds and increasing share capital. At 2009, 2010 and 2013, the Group increased the registered capital in three times amounted to CNY 2,540 million, raised equity capital for CNY 11,930 million. Meanwhile, the Group issued the total amounts of subordinated bonds for CNY 7,000 million from 2008 to 2012 in three times; it chose to exercise the right to redeem all of the bonds at face value for a total amount of CNY 4,000 million on 8 September 2013, 16 September 2013 and 28 October 2014 respectively. At 2015, the Group issued Tier 2 capital instrument of CNY 12,000 million, at 31 December 2015, the balance of countable Tier 2 capital instrument is CNY 15,000 million.

In order to comply with the "Capital management for Commercial Bankds (for trial implementation)" and other related regulations promulgated by the CBRC, the Group is accelerating the implementation of new capital agreement, strengthening the formulation and real-time revision of the internal capital management system, revising the capital management plan to lead the balanced development across the business, deepening capital management in resource allocation, expense allocation and the performance appraisal, strengthening the capital management guidance, guiding the business structure adjustment and transformation, using capital to bind the expansion of risk and promoting the assets structure optimisation.



## XVI. Postbalance sheet date event

The 2015 Profit Distribution Proposal was approved by the 19th meeting of the 3rd session Board of Directors of the Bank on 1February 2016:

1. An appropriation to the statutory surplus reserve of 10% of the net profit for the year 2015 amounted to CNY 974,505 thousand;
2. According to Issues on "Provision for measures for the administration of financial companies' reserve" (Caijin [2012] No.20), an appropriation to the general risk reserves at 1.5% of the increased amount of risk assets, with a total value of CNY3,937,580 thousand.
3. Suggest an appropriation to the discretionary surplus reserves of 10% of the net profit for the year 2015mounted to CNY974,505 thousand;
4. And the dividend distribution is not implemented

## XVII. Approval of financial statements

The financial statements have been approved by the whole Board of Directors of the Bank.

BANK OF JIANGSU CO., LTD

The notes to the financial statements from page 1 to page 183are signed by the following leading officials

Legal representative:  Chief Finance Officer:  Finance Director: 

签名:  签名:  签名: 

## BANK OF JIANGSU CO., LTD

### Supplementary Information of Financial Statements in 2015

#### I. Net Profit after Non-recurring Profit and Loss

According to the regulation of For Companies Offering Public Securities the Information Disclosure Descriptive Announcement1 Non-recurring Profit and Loss [2008], the non-recurring profit and loss is the profit and loss raised from transactions and situations those are not directly relevant to the normal operation of the Group, or though they are relevant to normal operations, they can affect the judgement of the financial statement users to the operation achievement and profitability of the Group due to their unusual nature or contingent.

The net profit after non-recurring profit and loss for the Group and the Bank at 2013 and 2015 are as the following:

Item	The Group	
	2015	2014
Equity attributable to owners of the parent company	9,497,433	8,684,947
Add/ less: non-recurring profit and loss	-26,080	-25,380
-Impairment reserve restitution of receivables under specific impairment test		
-Non operation income	-85,666	-81,394
-Non operation costs	48,490	42,352
-Taxed affected by non-recurring profit and loss	11,096	13,662
<b>Net profit after non-recurring profit and loss</b>	<b>-4,554</b>	<b>-5,185</b>
-Taxed affected by non-recurring profit and loss	9,475,907	8,664,752

Item	The Bank	
	2015	2014
Net profit	9,475,050	8,686,165
Add/ less: non-recurring profit and loss	-15,175	-18,789
-Impairment reserve of receivables under specific impairment test		
-Non operation income	-73,142	-72,584
-Non operation costs	48,475	42,330
-Taxed affected by non-recurring profit and loss	9,492	11,465
<b>Net profit after non-recurring profit and loss</b>	<b>9,459,875</b>	<b>8,667,376</b>

#### II. Information Disclosure for Capital Constitution

The following appendicesof supervisory item and the appropriate balance sheet are disclosed in accordance withThe Supervisory Requirement to Commercial Banks of Information Disclosure for Capital Constitutionsin Chinese CBRC on Issuing commercial bank capitalInform the regulatory supporting policy documents (CBRC Issuing [2013] No. 33).