



2017

年度报告 ANNUAL REPORT

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ANNUAL
REPORT

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服务社会 和谐共赢

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务实 创新 精细 卓越

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董事长、党委书记 杲传勇 Board Chairman and Party Secretary Gao Chuanyong

董事长致辞

过去一年，面对严峻复杂的经济金融形势，齐商银行在各级党委政府和监管部门的正确领导及社会各界的大力支持下，不畏挑战、积极应对，围绕“稳发展、调结构、防风险、增效益”的总体要求，攻坚克难，积极作为，各项经营工作实现了平稳健康发展。截至2017年末，本行资产总额达到1,071亿元，较年初增长2.94%；各项存款余额798亿元，较年初增加4.15%；各项贷款余额571亿元，较年初增加9.46%；实现经营利润15亿元，上缴各项税金4.77亿元，各项主要监管指标持续达标。

一是公司治理持续优化。本行按照中央及省市银监部门部署要求，将党的领导写入《公司章程》，对相关议事规则进行了修订，公司治理主体的职责边界和决策程序更加清晰，治理体系更加协调完善。年内完成在齐鲁股权交易中心的股权登记托管工作，为增强股权管理的规范性提供了有效保障。调整规范专门委员会成员构成，增设消费者权益保护委员会，董事会及专门委员会的决策水平得到持续提高。坚持董事会月度工作部署、高级管理层贯彻落实并定期报告、监事会有效监督的运行机制，加强对高级管理层成员的履职监督与评价考核，董事会战略决策、高级管理层执行落实、监事会监督制衡的协调运行机制更加高效。董事会持续加大对风险的管控力度，年内修订完善各类风险管理政策，有效促进风险内控管理水平的提升。切实贯彻资本新规，突出效益导向，精细摆布风险资产，合理分配资本资源，二级资本债券发行申请获批，为本行稳健发展打下坚实资本保障。

二是结构调整稳步推进。持续发展普惠金融，供应链金融、农村金融实现新突破，全面完成“三个不低于”监管指标，小微贷款余额占比达到69.51%，“齐商银行全流程标准化小微信贷技术”获评山东省委省政府“泰山产业领军人才工程”。大力发展零售金融，积极探索消费金融新模式，有针对性地开展精准营销和产品创新，成功上线“助农金融自助终端”等服务产品，个人消费贷款规模与效益不断迈上新台阶，富有齐银特色的消费信用品牌逐步树立。优化发展公司金融，坚持审慎发展、区别对待、有保有压的公司金融发展战略，主动调整退出高成本负债业务，内部杠杆率持续降低、结构逐步优化。合规发展同业金融，加强对监管政策的研究落实，坚持流动性优先原则，做好优质流动性资产储备，严控同业投资合规风险。着力实施网点转型，优化自助渠道服务，改善线上客户体验，增强客户粘性；制定实施《营业网点绩效评价管理办法》，落实“差异发展、扶优限劣”要求，为本行网点机构科学设置、优化布局、推进转型提供了有力支撑。

三是创新发展亮点纷呈。制定印发《创新工作管理办法》，规范了创新工作的研发、管理、评估流程。研究制定了务实高效、效益优先的“2017年创新项目计划”，为本行加快业务创新、实现驱动发展打下了坚实基础。截至2017年末，直销银行三期、黄金定投业务、内部资金转移定价系统等创新项目相继投入运行，不但填补了行内空白，同时也赢得了客户、树立了形象，取得了良好成效。

四是风险管理合规高效。持续推进全面风险管理体系建设，联合实施项目完成率继续保持参加行前列，风险精细化管理水平有效提升。扎实开展“学指引、用手册、促内控”和“合规制度建设年”等活动，逐步建成了内容科学、程序严密、有效管用的制度体系。深入开展“三三四十”专项治理，摸清了风险底数和薄弱环节。在山东城商行系统首次组织开展了实景流动性应急演练。行政印章、反洗钱等管理系统上线运行，管理效能、工作效率、数据质量得到提升。推进信审会标准化工作，出台授信“十个严禁”配套处罚措施，实行“限额管理”和“名单制准入”，全行贷款抵质押率稳步提升，授信管理水平进一步夯实。科学制定信息科技中长期发展规划，顺利完成新一代数据中心建设和搬迁，稳步引进大数据、云计算、虚拟化平台等前沿技术，常态化开展重要信息系统应急演练，运行效率、业务性能、安全防控得到大幅提升。持续提高常规非现场检查、飞行检查、专项检查效能和稽核审计成果利用率，内审效能不断提升，内控体系得到进一步完善。

2018年，本行将全面贯彻党的十九大、中央及省市经济金融工作会议精神，紧紧围绕“市民银行”和“中小企业主办行”的市场定位，坚持“稳中求进”的总基调，牢牢把握“强合规、控风险、促转型、增效益、稳发展”的总要求，以服务供给侧结构性改革为主线，打好防控金融风险攻坚战，切实优化流程、强化服务、增强精细化管理水平，推动全行向集约化、高质量发展转变，实现新常态下的科学稳健可持续发展，为将本行打造成为一家特色显著、效益优良、省内领先的区域性现代化商业银行、实现新时代的“齐银梦”而努力奋斗！

Address from Chairman

Under the correct leadership of Party Committees, governments and supervision departments at all levels as well as the vigorous supports from all sectors of society, Qishang Bank defies and responds actively to challenges, overcomes difficulties and fulfills duties positively, and realizes the steady and healthy development of various management works centered on the general requirements of "stabilizing development, adjusting structure, preventing risk and enhancing benefits" in face of the severe and sophisticated economic and financial situation in the past year. By the end of 2017, our Bank's total assets reached RMB 107.1 billion Yuan, which was 2.94% higher as against to that at the beginning of the year; the outstanding of various deposits was RMB 79.8 billion Yuan, which was 4.15% higher as against to that at the beginning of the year; various loan balance was RMB 57.1 billion Yuan, which was 9.46% higher as against to that at the beginning of the year; realized an earned profit of RMB 1.5 billion Yuan and paid various taxes of RMB 477 million Yuan. Various main supervision indexes reached the standard in succession.

In the first place, corporate governance has been unceasingly optimized. Qishang Bank included the leadership under the Communist Party of China into Articles of Incorporation in accordance with the arrangements and requirements laid down by departments of the central, provincial and municipal Banking Regulatory Commissions; revised relevant rules of debate; specified the duty boundaries and decision-making process of the company's governing subjects; coordinated and improved the governance system. During the current year, Qishang Bank completed the registration of shares and collocation work of Qilu Equity Exchange Center, which provided an effective guarantee for strengthening the standardization of equity management. Qishang Bank also adjusted the membership of the Special Committee of Standardization; established Customer Rights Protection Committee; and sustainably enhanced the decision-making level of the Board of Directors and the Special Committee. The Bank holds fast to the operational mechanism, for which the Board of Directors persists in making monthly work arrangement; senior executive layer carries out the arrangement; and the Board of Supervisors efficiently monitors the arrangement; intensifies the duty performance supervision and assessment towards members of the senior executive layer; and has made the operational mechanism more efficient counterbalanced with the Board of Directors conducting decision-making, senior executive layer implementing the work arrangement, and Board of Supervisors monitoring. The Board of Directors continued to step up risk control; revised and improved various risk control policies within the year, and efficiently promoted the management level of internal risk control. The Bank authentically carried out new rules on capital; highlighted benefit orientation; exquisitely managed risky assets, and reasonably allocated capital resources. The approval for the issuance of capital debentures laid down a solid capital foundation for the steady development of our bank.

In the second place, structural adjustment was pushed forward steadily. We sustainably developed inclusive finance and supply chain finance; made new break-through in rural finance; and completed the "Three No-less-than" supervision indexes; the proportion of small and micro loan balances reached 69.51%. The "Full-process Standardized Small and Micro Loan Technology of Qishang Bank" was awarded as "Taishan Leading Talent Project". We vigorously developed retail finance, actively explored new modes of consumption finance, made pointed implementation of precise marketing and product innovation; successfully pushed forward a series of services and products such as "Agricultural Finance Self-service Terminal", etc. Individual consumption and loan scale as well as efficiency stepped on a new stage unceasingly. Brands of consumption credits bestowed with characteristics of Qishang Bank have been gradually set up. Our bank emphasized in developing corporate finance, adhered to the strategies of corporate financial development, and initiatively adjusted and retreated from high-cost liability business. Internal leverage continued to decline and structure has been gradually optimized. Qishang Bank developed inter-bank finance in compliance; strengthened studies and implementation of supervision policy; stuck to Liquidity Principle and Priority Principle; reserved high-quality liquid assets; strictly controlled financial investment and compliance risks; emphasized in carrying out network transformation, optimized self-service channels; improved online customer experience; intensified customer stickiness; formulated and implemented Management Measures for Performance Assessment of Business Outlets; carried out the requirements of "differentiated development and supporting successful enterprises, restricting unsuccessful ones", which provided strong supports for the scientific arrangement, optimized layout, transformation promotion of network institutes.

Thirdly, innovative development is full of highlights. Qishang Bank formulated and issued Management Measures of Innovative Work; standardized the development, management, assessment of innovative work; studied and formulated practical, efficient and benefit-oriented "2017 Program on Innovative Projects", which laid down a solid foundation for speeding up business innovation of our bank and the realization of innovation-driven development. By the end of 2017, a series of innovative projects including the third-phase of direct bank, golden automatic investment, and Internal Pricing System of Capital Transference, etc., were successively put into operation, which not only filled in the blank of the industry, but also won over clients, established self-image and acquired favorable effects.

In the fourth place, risk control is compliant and efficient. Qishang Bank sustainably pushed forward the establishment of all-around risk-management system; the completion rate of joint implementation projects continued to be at the top of the participating banks; the delicacy risk management level has been effectively enhanced. We solidly carried out the activities of "Learning Guide, Using Manual and Promoting Internal Control" and "Year of Compliance System Construction", etc.; and gradually established the efficient and useful systematic mechanism with scientific contents and rigorous procedures. Qishang Bank profoundly carried out "Three, Three, Four and Ten" specified governances; figured out the basic number and weak links of risks, and carried out the first real-scene liquidity emergency drill in the system of Shandong City Commercial Banks Alliance. The management systems including administrative seal, and anti-money laundering mechanism were put into operation; management efficiency, work efficiency and data quality were enhanced. The bank pushed forward the standardization of Information Assessment Committee; issued and authorized "ten-prohibition" supplementary punishment measures; and carried out "quota management" and "list entry"; the bank's loan guarantee rate has been enhanced steadily, credit management level has been further consolidated. Qishang Bank scientifically formulated medium-and-long-term development plan on information technology; successfully completed the construction and movement of the new generation data center; steadily brought in a series of cutting-edge technologies including big data, cloud computing and virtualization platform; and carried out emergency drills for important information systems on a regular basis. The operating efficiency, business performance, safety monitoring and control have been enhanced constantly. The inner control system has been further improved.

Qishang Bank will fully implement the spirits of the 19th National Congress of CPC this year, as well as that of the central, provincial and municipal economic and financial conferences; adhere to the general tone of "seeking improvement in stability"; hold fast to the overall requirements of "strengthening compliance, controlling risk, promoting transformation, enhancing benefits, and developing steadily" centered on the marketing positioning as the "Citizens' Bank" and "Sponsor Bank for Middle and Small-sized Enterprises". We will take the structural reform on the service supply side as principal line and fight hard to prevent and control financial risks; practically optimize process, strengthen service, intensify refinement management level, promote the intensive and high-quality transference of the entire bank; realize scientific, steady and sustainable development under the new normal. We will strive to make Qishang Bank into a regional leading modern commercial bank with prominent characteristics and outstanding efficiency and fight for the realization of the "Qishang Dream" in the new era!



行长、党委副书记 赵晓东
President and Vice Party Secretary Zhao Xiaodong



监事长、党委副书记 韩兴柱
Chief Supervisor and Vice Party Secretary Han Xingzhu

重要提示

本行董事会及其董事保证本报告所载资料不存在任何虚假记载、误导性陈述或重大遗漏，并对其内容的真实性、准确性和完整性负个别及连带责任。

本行第六届董事会第十五次会议审议通过了本年度报告。

本年度财务会计报告已经由立信会计师事务所按照国家企业会计准则的规定进行了审计，本年度报告经注册会计师孙晓爽、杨俊玉签字，出具了标准无保留意见的审计报告。

齐商银行股份有限公司董事会

董事长杲传勇、行长赵晓东、财务总监郝同利保证年度报告中财务会计报告的真实、完整。

Important Notice

The Board of Directors and all the directors of the Bank undertake that the information in this Report contains no false record, misleading statement or material omission, and assume individual and joint & several liabilities for the authenticity, accuracy and integrity of the contents hereof.

This Annual Report was deliberated and adopted at the fifteenth meeting of the sixth Board of Directors of the Bank.

The annual financial report has been audited by BDO China Shu Lun Pan Certified Public Accountants LLP in accordance with the Accounting Standards for Enterprises of China, and the Annual Report has been signed by the CPAs Sun Xiaoshuang and Yang Junyu with standard unqualified audit report issued.

The Board of Directors of QISHANG BANK CO., LTD.

The Chairman Gao Chuanyong, the President Zhao Xiaodong and the Financial Controller Hao Tongli hereby warrant the authenticity and integrity of the Financial Report in this Report.

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基本情况 Basic Information

第一部分 基本情况

一、法定中文名称：齐商银行股份有限公司

（简称：齐商银行，下称本行）

法定英文名称：QI SHANG BANK CO., LTD

（英文简称：QISHANG BANK）

二、法定代表人：杲传勇

三、董事会秘书：马慧玲

四、成立时间：1997 年 8 月 28 日

五、注册资本金：人民币 35.34 亿元

六、注册和办公地址：山东省淄博市张店区中心路 105 号

邮政编码：255025

国际互联网网址：<http://www.qsbank.cc>

电话：0533-2178888

传真：0533-2179666

七、董事会秘书处联系方式：

电话：0533-2178888-9197

传真：0533-2178888-9109

八、其它信息

1. 统一社会信用代码：913700001641139094

2. 金融许可证号码：B0171H237030001

九、本报告分别以中英文编制，中英文本理解上发生歧义时，以中文文本为准。

Part I. Basic Information

- I. **Legal name in Chinese:** 齐商银行股份有限公司
("齐商银行" for short, hereinafter referred to as "the Bank")
Legal name in English: QISHANG BANK Co., LTD
(hereinafter referred to as QISHANG BANK in English)
- II. **Legal representative:** Gao Chuanyong
- III. **Secretary to the Board of Directors:** Ma Huiling
- IV. **Date of establishment:** August 28, 1997
- V. **Registered capital:** RMB 3.534 billion
- VI. **Registered & office address:** No. 105, Zhongxin Road, Zhangdian District, Zibo, Shandong Province
Zip code: 255025
Website: <http://www.qsbank.cc>
Tel: +86-533-2178 888
Fax: +86-533-2179 666
- VII. **Contact information of Board Secretariat**
Tel: +86-533-2178888-9197
Fax: +86-533-2178888-9109
- VIII. **Other information**
 - 1. Unified social credit code: 913700001641139094
 - 2. Financial license No.: B0171H237030001
- IX. **The report is prepared in both English and Chinese. The Chinese version shall prevail if there is any ambiguity between the Chinese and English understanding.**

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主要经营情况 Major Operating Conditions

第二部分 主要经营情况

一、总体经营情况

主要利润指标（单位：元）

| 项 目 | 2017年 |
|-------------------|-----------------|
| 营业利润 | 690,914,473.86 |
| 投资收益 | 28,096,566.60 |
| 营业外收支净额 | 2,509,795.34 |
| 利润总额 | 693,424,269.20 |
| 净利润(归属于母公司股东的净利润) | 488,054,826.34 |
| 经营活动产生的现金流量净额 | -851,806,184.40 |

主要会计数据（单位：元）

| 项 目 | 2017年 | 2016年 | 2015年 |
|------|--------------------|--------------------|-------------------|
| 营业收入 | 2,694,585,685.65 | 2,499,285,982.95 | 2,512,370,471.16 |
| 净利润 | 515,019,122.25 | 501,281,946.54 | 637,787,260.60 |
| 总资产 | 107,126,673,602.75 | 104,067,849,539.13 | 83,229,245,368.74 |
| 总负债 | 95,334,175,908.33 | 92,446,825,508.80 | 76,147,771,050.26 |
| 股东权益 | 11,792,497,694.42 | 11,621,024,030.33 | 7,081,474,318.48 |

主要财务指标（单位：元）

| 项 目 | 2017年 | 2016年 | 2015年 |
|-----------------|-------|-------|-------|
| 每股收益 | 0.14 | 0.21 | 0.33 |
| 每股净资产 | 3.34 | 3.62 | 3.78 |
| 每股经营活动产生的现金流量净额 | -0.24 | 2.58 | 4.20 |
| 净资产收益率 | 4.40% | 5.36% | 9.52% |

1、资产规模继续保持较快增长。截至报告期末，本行集团口径资产总额1071.27亿元，较年初增加30.59亿元，增幅2.94%；母公司法人口径资产总额1044.42亿元，较年初增加27.87亿元，增幅2.74%；集团口径贷款总额571.25亿元，较年初增加49.38亿元，增幅9.46%；母公司法人口径贷款总额546.53亿元，较年初增加46.04亿元，增幅9.2%。

2、盈利水平增势趋缓。截至报告期末，集团口径实现税前利润6.93亿元，较同期增加1.06亿元，增幅18.06%；母公司法人口径实现税前利润6.33亿元，较同期增加1.07亿元，增幅20.34%；集团口径实现净利润5.15亿元，较同期增加0.14亿元，增幅2.79%；母公司法人口径实现净利润4.72亿元，较同期增加0.09亿元，增幅1.94%。集团口径资本利润率为4.4%，资产利润率为0.49%。

3、成本控制在合理水平。报告期内，集团口径成本收入比为42.67%，较同期下降2.94个百分点。其中，发生业务及管理费用11.5亿元，较同期上升0.88%；营业收入26.95亿元，较同期上升7.84%；母公司法人口径成本收入比为42.57%，较同期下降3.61个百分点。其中，发生业务及管理费用10.9亿元，较同期下降0.73%；营业收入25.6亿元，较同期上升7.70%。

4、经营风险控制有效。报告期末，本行五级分类口径不良贷款率2.41%，较年初上升0.53个百分点；拨备覆盖率154.18%，较去年同期下降6.23个百分点，资本充足率13.18%，核心一级资本充足率12.34%，分别较去年同期下降1.54和1.65个百分点。截至报告期末，本行集团口径杠杆率为7.98%，一级资本净额为116.45亿元。

5、机构布局更趋合理。报告期内，济南章丘支行、济南济阳支行、威海文登支行、东营沂州路支行相继开业，机构总数达到133家，其中社区支行、小微支行24家，县域支行22家，下沉服务重心、延伸金融服务薄弱区域的成效日益显现，在鲁陕两省逐步形成了具有竞争力的金融服务网络。

6、改革创新成效显著。报告期内，本行建立健全创新管理体制，实施了包括19项创新项目在内的年度创新计划，各项业务规范发展，产品创新深入推进，取得了良好效果；产品开发效率进一步提高，表外业务进一步拓展，新产品推广应用日益广泛；理财产品日趋丰富，满足了投资者多元化需求；扎实推进转型发展战略，加大市场营销力度，大力发展小微金融业务、零售金融业务，差异化、特色化经营迈出新步伐。

二、主要业务运作情况

1、个人存款情况：截至报告期末，本行本外币个人存款余额269.61亿元，比年初减少1.04亿元，减幅0.38%，在各项存款中占比33.79%，比年初下降1.53个百分点。

2、个人贷款情况：截至报告期末，本行本外币个人贷款余额85.74亿元，比年初增加33.98亿元，增幅65.65%，在各项贷款中占比15.01%，比年初上升5.09个百分点。

3、对公存款情况：截至报告期末，本行本外币对公存款余额528.37亿元，比年初增加32.82亿元，增幅6.62%，在各项存款中占比66.21%，比年初上升1.53个百分点。

4、对公贷款情况：截至报告期末，本行本外币对公贷款余额485.51亿元，比年初增加15.4亿元，增幅为3.28%，在各项贷款中占比84.99%，比年初下降5.09个百分点。

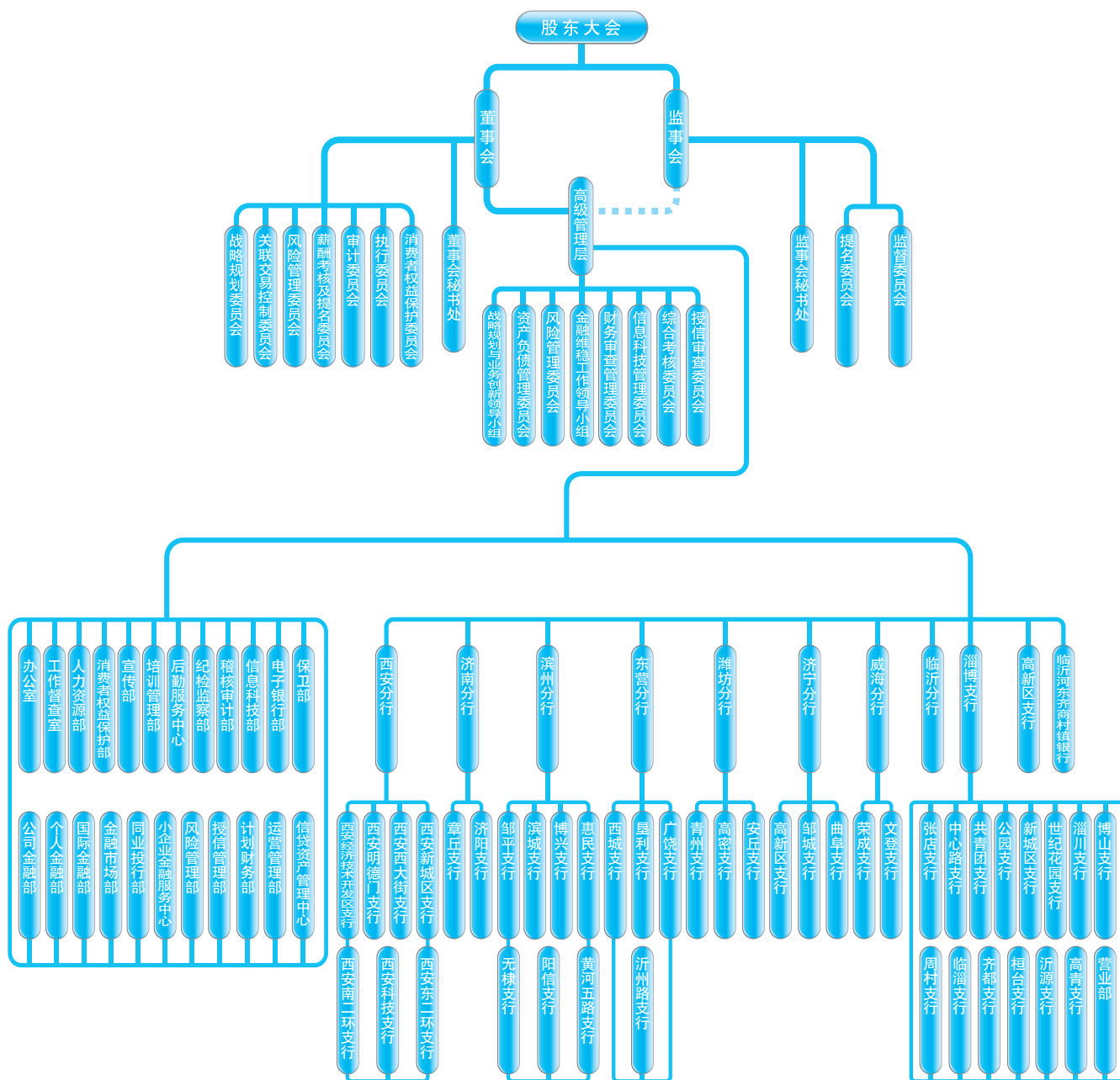
5、贷款的主要行业分布(贷款投放前五位的行业及相应的比例)：

| 行业名称 | 金额(万元) | 占比 |
|----------|--------------|--------|
| 制造业 | 1,847,763.98 | 33.76% |
| 批发和零售业 | 1,154,349.77 | 21.09% |
| 房地产业 | 420,402.01 | 7.68% |
| 租赁和商务服务业 | 331,530.12 | 6.06% |
| 建筑业 | 279,557.32 | 5.11% |

6、最大十家集团客户授信情况

| 序号 | 客户名称 | 表内外授信 敞口合计 | 占资本净额 比例 |
|----|------------------|---------------|-------------|
| 1 | 山东鸿嘉集团有限公司 | 67,102.00 | 5.47% |
| 2 | 淄博市张店区国有资产经营有限公司 | 54,111.51 | 4.41% |
| 3 | 淄博颐店元投资有限公司 | 50,000.00 | 4.07% |
| 4 | 山东蓝帆化工有限公司 | 47,621.73 | 3.88% |
| 5 | 淄博华创实业有限公司 | 44,000.00 | 3.58% |
| 6 | 山东北金集团有限公司 | 42,310.00 | 3.45% |
| 7 | 山东兴新力控股集团有限公司 | 42,129.50 | 3.43% |
| 8 | 淄博宏程置业有限公司 | 41,806.00 | 3.41% |
| 9 | 山东仁丰特种材料股份有限公司 | 40,690.00 | 3.31% |
| 10 | 山东方正建工有限公司 | 40,600.00 | 3.31% |

三、组织结构图



全行机构名称及地址

齐商银行西安分行共下辖9个网点，其中1家分行营业部，7家综合型支行，1家小微支行。

| 行 名 | 地 址 |
|---------------|----------------------------|
| 齐商银行西安分行 | 西安市高新区唐延路33号迈科国际大厦1层 |
| 齐商银行西安经济开发区支行 | 西安市经济技术开发区文景路风景御园23-10104 |
| 齐商银行西安新城区支行 | 西安市长缨西路82号院10号楼1-2层 |
| 齐商银行西安明德门支行 | 西安市雁塔区朱雀大街19号南方星座D座中段一层 |
| 齐商银行西安南二环支行 | 西安市南二环西段银达大厦（财富中心）20101室 |
| 齐商银行西安西大街支行 | 西安市西大街128号西安荣民国际饭店一层10101室 |
| 齐商银行西安高科技支行 | 西安市高新区西沣辅道130号3幢1单元10101室 |
| 齐商银行西安东二环支行 | 西安市碑林区咸宁西路3号 |
| 齐商银行西安永兴坊小微支行 | 西安市新城区东大街1号永兴坊 |

齐商银行济南分行下辖5家网点，其中1家分行营业部，2家综合型支行，2家小微支行。

| 行 名 | 地 址 |
|-----------------|--|
| 齐商银行济南分行 | 济南市经十东路12111号 |
| 齐商银行济南章丘支行 | 济南市章丘区双山大街1013号 |
| 齐商银行济南济阳支行 | 济南市济阳县济北开发区富阳街47号 |
| 齐商银行济南明湖东路小微支行 | 济南市历下区明湖东路保利大明湖小区7号楼3-101 |
| 齐商银行济南章丘山泉路小微支行 | 济南市章丘区山泉路中段唐人中心F地块第F3栋一单元105铺、205铺、106铺、206铺 |

齐商银行滨州分行下辖15家网点，其中1家分行营业部，9家综合型支行，1家社区支行，4家小微支行。

| 行 名 | 地 址 |
|--------------|------------------------------|
| 齐商银行滨州分行 | 滨州市渤海十八路657号 |
| 齐商银行滨州邹平支行 | 滨州市邹平县黄山一路89号 |
| 齐商银行滨州黛溪支行 | 滨州市邹平县黛溪五路南首鄢家村 |
| 齐商银行滨州博兴支行 | 博兴县博城三路欣佳购物广场 |
| 齐商银行滨州兴福支行 | 滨州市博兴县兴福镇汾王路63号 |
| 齐商银行滨州滨城支行 | 滨州市滨城区渤海七路659号 |
| 齐商银行滨州惠民支行 | 滨州市惠民县环城东路89号 |
| 齐商银行滨州无棣支行 | 滨州市无棣县腾达大街157号 |
| 齐商银行滨州阳信支行 | 滨州市阳信县阳城六路以北,幸福三路以西 |
| 齐商银行滨州黄河五路支行 | 滨州市黄河五路450号 |
| 齐商银行滨州胜滨社区支行 | 滨州市滨城区渤海七路531号滨南采油厂西侧胜滨小区沿街楼 |
| 齐商银行滨州中海小微支行 | 滨州市滨城区渤海十五路中海学苑小区门口向东200米 |

| 行 名 | 地 址 |
|--------------|---------------------------|
| 齐商银行滨州黄河小微支行 | 滨州市黄河二路渤海八路万鑫小区北门 |
| 齐商银行滨州鲁北小微支行 | 滨州市无棣县院前街与棣新五路交汇处向南100米路东 |
| 齐商银行滨州李庄小微支行 | 滨州市李庄镇220国道与龙峰路交叉口西北角 |

齐商银行东营分行下辖6家网点，其中1家分行营业部，4家综合型支行，1家小微支行。

| 行 名 | 地 址 |
|-------------|----------------------|
| 齐商银行东营分行 | 东营市东营区东城东二路213号 |
| 齐商银行东营西城支行 | 东营市北一路805号 |
| 齐商银行东营垦利支行 | 东营市垦利县中兴路199号 |
| 齐商银行东营广饶支行 | 东营市广饶县孙武路与迎宾路交叉路口西北角 |
| 齐商银行东营沂州路支行 | 东营市沂州路与淮河路交叉口西北角 |
| 东营辽河路小微支行 | 东营市沂州路62号 |

齐商银行潍坊分行下辖7家网点，其中1家分行营业部，3家综合型支行，2家社区支行，1家小微支行。

| 行 名 | 地 址 |
|------------|------------------------------|
| 齐商银行潍坊分行 | 潍坊市奎文区北海路4931号 |
| 齐商银行潍坊青州支行 | 山东省青州市益王府南路2309号 |
| 齐商银行潍坊高密支行 | 山东省高密市密水大街与健康街交汇处银座商城东北角一、二层 |
| 齐商银行潍坊安丘支行 | 山东省安丘市永安路与金融街交汇处金融中心6号楼 |
| 潍坊青州古城社区支行 | 山东省青州市偶园街高家亭巷8号 |
| 潍坊青州黄楼社区支行 | 山东省青州市黄楼街道办事处新花卉市场西厅东南角一层 |
| 潍坊十笏园小微支行 | 潍坊市潍城区东风西街453号十笏园商业文化街区1号楼 |

齐商银行济宁分行下辖8家网点，其中1家分行营业部，3家综合型支行，2家社区支行，2家小微支行。

| 行 名 | 地 址 |
|-------------|----------------------------|
| 齐商银行济宁分行 | 济宁市共青团路62号 |
| 齐商银行济宁高新区支行 | 济宁市吴泰闸路杨光城市花园4号商业栋101号 |
| 齐商银行济宁邹城支行 | 山东省邹城市普阳山路997号 |
| 齐商银行济宁曲阜支行 | 山东省曲阜市春秋东路20号 |
| 济宁南池社区支行 | 济宁市南池商业街B区0145号商铺 |
| 济宁冠亚星城社区支行 | 济宁市吴泰闸路冠亚星城小区C区6号楼131号商铺 |
| 济宁义乌商贸城小微支行 | 济宁市邹城市城前西路189号义乌商贸城南门以西50米 |
| 济宁洸河路小微支行 | 济宁市洸河路益民南区2号商业楼西数第1、2间 |

齐商银行威海分行下辖5家网点，其中1家分行营业部，2家综合型支行，2家小微支行。

| 行 名 | 地 址 |
|------------|----------------------|
| 齐商银行威海分行 | 威海市青岛北路136号 |
| 齐商银行威海荣成支行 | 山东省荣成市新庄北区57号楼 |
| 齐商银行威海文登支行 | 威海市文登区文山东路11号 |
| 威海望海园小微支行 | 威海市环翠区望海园富华城家家悦一楼门市房 |
| 威海世昌大道小微支行 | 威海市世昌大道99号-103 |

齐商银行临沂分行下辖1家网点。

| 行 名 | 地 址 |
|----------|------------------|
| 齐商银行临沂分行 | 临沂市兰山区北京路与算圣路交汇处 |

齐商银行淄博市辖内共有77家网点，其中1家总行营业部，70家综合型支行，6家小微支行。

| 行 名 | 地 址 |
|-------------|-------------------------|
| 齐商银行总行营业部 | 淄博市张店区金晶大道105号 |
| 齐商银行高新区支行 | 淄博市张店区柳泉路115号金达大厦C座 |
| 齐商银行开发支行 | 淄博市张店区柳泉路97号 |
| 齐商银行华光路支行 | 淄博市张店区华光路中段 |
| 齐商银行华侨城支行 | 淄博市开发区中润大道与西五路交界处东北角 |
| 齐商银行义乌商城支行 | 淄博市张店区华光路商城广场街28.29号 |
| 齐商银行高创园支行 | 淄博市张店区柳泉路创业上府名城7号楼 |
| 齐商银行淄博支行 | 淄博市张店区人民路8甲1号 |
| 齐商银行张店支行 | 淄博市张店区金晶大道130号 |
| 齐商银行鲁中支行 | 淄博市张店区共青团西路3号 |
| 齐商银行齐盛支行 | 淄博市张店区北京路60号 |
| 齐商银行张北支行 | 淄博市张店区金晶大道199号 |
| 齐商银行丽景苑支行 | 淄博市张店区西五路丽景苑小区2号综合楼 |
| 齐商银行中心路支行 | 淄博市张店金晶大道39号 |
| 齐商银行凯瑞园支行 | 淄博市张店区人民西路166号 |
| 齐商银行共青团东路支行 | 淄博市张店区东一路50号 |
| 齐商银行莲池支行 | 淄博市张店区西六路与联通路东北角 |
| 齐商银行山铝支行 | 淄博市张店区南定镇山铝西山五街1号 |
| 齐商银行共青团支行 | 淄博市张店区新村西路142号 |
| 齐商银行和平支行 | 淄博市张店区南世纪路18号18甲89号、90号 |
| 齐商银行黄金国际支行 | 淄博市张店区世纪路150号甲15 |

| 行 名 | 地 址 |
|------------|-------------------------------|
| 齐商银行世纪路支行 | 淄博市张店区世纪路78号 |
| 齐商银行科技支行 | 淄博市张店区北西六路8号 |
| 齐商银行公园支行 | 淄博市张店区共青团西路84号 |
| 齐商银行公园新村支行 | 淄博市张店区西五路尚美第三城1号楼8号商铺 |
| 齐商银行柳泉路支行 | 淄博市张店区柳泉路45号 |
| 齐商银行天齐支行 | 淄博市张店区美食街13-A |
| 齐商银行祥瑞园支行 | 淄博市张店区华光路288号 |
| 齐商银行新城区支行 | 淄博市张店区张周路7号（汇美大厦一楼） |
| 齐商银行通济支行 | 淄博市张店区世纪路44号 |
| 齐商银行城西支行 | 淄博市张店区钱裕园C区公建1号办公楼 |
| 齐商银行体坛支行 | 淄博市张店区柳泉路13号 |
| 齐商银行兴学街支行 | 淄博市张店区兴学街58甲1号 |
| 齐商银行世纪花园支行 | 淄博市张店区联通路与西八路路口东北角向东100米 |
| 齐商银行科苑支行 | 淄博市张店区柳泉路218号 |
| 齐商银行城中支行 | 淄博市张店区华光路48号 |
| 齐商银行人民路支行 | 淄博市张店区人民西路23号 |
| 齐商银行博山支行 | 淄博市博山区中心路10号 |
| 齐商银行颜山支行 | 淄博市博山区北神头村文姜花苑文姜大厦一层自北向南第1-2套 |
| 齐商银行新建四路支行 | 淄博市博山区新建四路35号 |
| 齐商银行白虎山支行 | 淄博市博山区白虎山路商业街中段（博山区医院南邻） |
| 齐商银行西冶街支行 | 淄博市博山区城西办事处西冶街 |
| 齐商银行柳杭支行 | 淄博市博山区颜北路12号 |
| 齐商银行淄川支行 | 淄博市淄川区松龄东路209号 |
| 齐商银行新星支行 | 淄博市淄川区淄城路341号 |
| 齐商银行昆仑支行 | 淄博市淄川区昆仑镇昆仑路29号 |
| 齐商银行松龄支行 | 淄博市淄川区般阳路139号 |
| 齐商银行服装城支行 | 淄博市淄川区通乾服装广场1075号 |
| 齐商银行建材城支行 | 淄博市淄川区张博路杨寨段路东 |
| 齐商银行周村支行 | 淄博市周村区丝绸路70号 |
| 齐商银行棉花市支行 | 淄博市周村区棉花市街71号 |
| 齐商银行新建东路支行 | 淄博市周村区新建东路228号 |
| 齐商银行新建中路支行 | 淄博市周村区新建中路37号 |
| 齐商银行临淄支行 | 淄博市临淄区桓公路218号 |
| 齐商银行晏婴路支行 | 淄博市临淄区晏婴路193号 |
| 齐商银行凤凰支行 | 淄博市临淄区凤凰镇北金集团办公楼 |
| 齐商银行闻韶支行 | 淄博市临淄区人民西路1号 |
| 齐商银行辛店支行 | 淄博市临淄区齐园路63甲2号 |

| 行 名 | 地 址 |
|------------|--------------------------|
| 齐商银行齐都支行 | 淄博市临淄区人民大道西首路北（临淄恒生国际星城） |
| 齐商银行牛山路支行 | 淄博市临淄区牛山路214号 |
| 齐商银行齐城支行 | 淄博市临淄区闻韶路17号 |
| 齐商银行桓公路支行 | 淄博市临淄区桓公路张家新村南门西侧 |
| 齐商银行金茵支行 | 淄博市临淄区金茵生活小区小徐家村委综合楼东首 |
| 齐商银行桓台支行 | 淄博市桓台县东岳路南首 |
| 齐商银行兴桓路支行 | 淄博市桓台县兴桓路中段 |
| 齐商银行果里支行 | 淄博市桓台县果周路97号 |
| 齐商银行沂源支行 | 淄博市沂源县鲁山路西首路北 |
| 齐商银行历山支行 | 淄博市沂源县历山路28号 |
| 齐商银行高青支行 | 淄博市高青县清河路5号 |
| 齐商银行青城路支行 | 淄博市高青县青城路6号芦湖小区38号楼一楼 |
| 齐商银行芦湖支行 | 淄博市高青县青城路26号甲5 |
| 淄川开发区小微支行 | 淄博市淄川经济开发区创业大厦东侧一楼 |
| 桓台唐山小微支行 | 淄博市桓台县唐山镇政府西邻 |
| 临淄淄江花园小微支行 | 淄博市临淄区淄江社区服务中心C区一层101室 |
| 淄博华侨城小微支行 | 淄博市张店区中润华侨城北商业楼8号房 |
| 周村新建东路小微支行 | 淄博市周村区新建东路155号 |
| 淄川翰林世家小微支行 | 淄博市淄川区殷阳路翰林世家70甲4号 |

Part II Major Operating Conditions

I. Overview of Business Performance

Major profit indicators (Unit: RMB)

| Item | Year 2017 |
|---|-----------------|
| Operating profit | 690,914,473.86 |
| Investment income | 28,096,566.60 |
| Net non-operating income and expenditure | 2,509,795.34 |
| Total profit | 693,424,269.20 |
| Net profit (Net profit attributed to the parent company's shareholders) | 488,054,826.34 |
| Net cash flow from operating activities | -851,806,184.40 |

Major accounting data (Unit: RMB)

| Item | Year 2017 | Year 2016 | Year 2015 |
|----------------------|--------------------|--------------------|-------------------|
| Operating income | 2,694,585,685.65 | 2,499,285,982.95 | 2,512,370,471.16 |
| Net profit | 515,019,122.25 | 501,281,946.54 | 637,787,260.60 |
| Total assets | 107,126,673,602.75 | 104,067,849,539.13 | 83,229,245,368.74 |
| Total liabilities | 95,334,175,908.33 | 92,446,825,508.80 | 76,147,771,050.26 |
| Shareholders' equity | 11,792,497,694.42 | 11,621,024,030.33 | 7,081,474,318.48 |

Major financial indicators (Unit: RMB)

| Item | Year 2017 | Year 2016 | Year 2015 |
|---|-----------|-----------|-----------|
| Earnings per share (EPS) | 0.14 | 0.21 | 0.33 |
| Net asset value per share | 3.34 | 3.62 | 3.78 |
| Net cash flow from operating activities per share | -0.24 | 2.58 | 4.20 |
| ROE on net assets | 4.40% | 5.36% | 9.52% |

1. The size of assets continued to grow rapidly. By the end of the reporting period, the total assets at the Group level arrived at RMB 107.127 billion, an increase of RMB 3.059 billion or 2.94% over the year beginning; the total assets at the level of the parent company's corporate entities reached RMB 104.442 billion, growing by RMB 2.787 billion or 2.74% over the year beginning; the total loans at the Group level reached RMB 57.125 billion, jumping by RMB 4.938 billion or 9.46% over the year beginning; and the total loans at the level of the parent company's corporate entities hit RMB 54.653 billion, a jump of RMB 4.604 billion or 9.2% over the year beginning.

2. The profitability growth slowed down. By the end of the reporting period, the tax-before profit at the Group level reached RMB 693 million, an increase of RMB 106 million or 18.06% as compared to the same period; the tax-before profit at the level of the parent company's corporate entities arrived at RMB 633 million, increasing by RMB 107 million or 20.34% year on year; the net profit at the Group level hit RMB 515 million, an increase of RMB 14 million or 2.79% as compared to the same period; the net profit at the level of the parent company's corporate entities was RMB 472 million, increasing by RMB 9 million or 1.94% year on year. The capital profit ratio at the Group level stood at 4.4% and the asset profit ratio at 0.49%.

3. Cost control remained at a reasonable level. During the reporting period, the cost-to-income ratio at the Group level was 42.67%, a decrease of 2.94 percentage points over the same period. Wherein the general and administrative expenses reached RMB 1.15 billion, a year-on-year growth of 0.88%, and the operating income arrived at RMB 2.695 billion, increasing by 7.84% as compared to the same period; the cost-to-income ratio at the level of the parent company's corporate entities decreased by 3.61 percentage points over the same period, to 42.57%. Among others, the general and administrative expenses reached RMB 1.09 billion, decreasing by 0.73% year on year, and the operating income reached RMB 2.56 billion, increasing by 7.70% as compared to the same period.

4. Operational risk was well controlled. During the reporting period, the construction of the comprehensive risk management system of the bank continues to advance, the non-performing loan ratio under the five-tier loan classification standard was 2.41%, rising by 0.53 percentage point over the year beginning; the provision coverage ratio arrived at 154.18%, dropping by 6.23 percentage point year on year; the capital adequacy ratio and the core tier-1 capital adequacy ratio reached at 13.18% and 12.34%, respectively, a year-on-year decrease of 1.54 percentage points and 1.65 percentage points. By the end of the reporting period, the leverage ratio at the Group level was 7.98%, and the net Tier one capital was RMB 11.645 billion.

5. The institution development strategy was implemented smoothly. During the reporting period, Jinan zhangqiu Branch, Jinan Jiyang Branch, Weihai Wendeng Branch, and Dongying Yizhoulu Branch opened one after another, with the total number of institutions reaching 133. A competitive financial service network was initially formed in Shandong province.

6. Remarkable achievements were made in reform and innovation. During the reporting period, the Bank established and improved the innovative management system, implemented the annual innovation plan including 19 innovation projects, made all businesses developed in a standard manner and product innovation advanced thoroughly, and good results have been achieved; the efficiency of product development was further enhanced, the off-balance sheet business was further expanded, and new products were promoted and applied widely; the increasingly abundant wealth management products met the diversified needs of investors; besides, the Bank solidly promoted the transformation development strategy, reinforced the marketing efforts and energetically developed the small & micro finance business and retail finance business, making new progress toward the differential and specialty operation.



II. Operation Situation of Main Business

1. Situation of personal deposits: By the end of the reporting period, the Bank's balance of personal deposits in RMB and foreign currencies decreased by RMB 104 million or 0.38%, to RMB 26.961 billion, and the proportion to various deposits jumped by 1.53 percentage point over the year beginning, to 33.79%.

2. Situation of personal loans: By the end of the reporting period, the Bank's balance of personal loans in RMB and foreign currencies scaled up RMB 3.398 billion or 65.65%, to RMB 8.574 billion, and the proportion to various deposits jumped by 5.09 percentage points over the year beginning, to 15.01%.

3. Situation of corporate deposits: By the end of the reporting period, the Bank's balance of corporate deposits in RMB and foreign currencies scaled up RMB 3.282 billion or 6.62%, to RMB 52.837 billion, and the proportion to various deposits increased by 1.53 percentage points over the year beginning, to 66.21%.

4. Situation of corporate loans: By the end of the reporting period, the Bank's balance of corporate loans in RMB and foreign currencies scaled up RMB 1.54 billion or 3.28%, to RMB 48.551 billion, and the proportion to various deposits fell by 5.09 percentage points over the year beginning, to 84.99%.

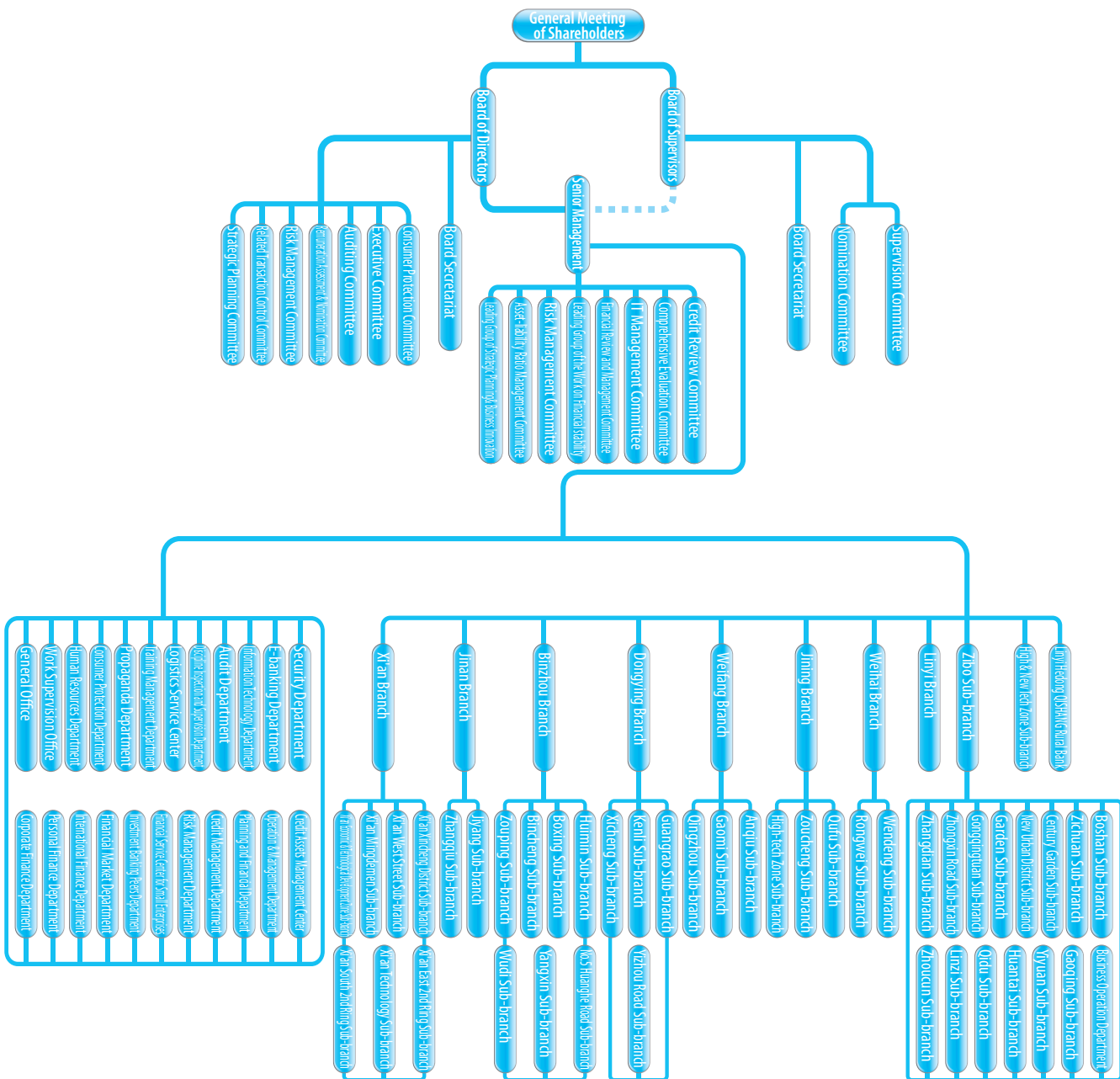
5. Major industry distribution of loans (Top five borrowing industries and corresponding proportions)

| Industry | Amount (RMB 10,000) | Percentage |
|---------------------------------|---------------------|------------|
| Manufacturing | 1,847,763.98 | 33.76% |
| Wholesale and retail | 1,154,349.77 | 21.09% |
| Real estate | 420,402.01 | 7.68% |
| Leasing and commercial services | 331,530.12 | 6.06% |
| Construction | 279,557.32 | 5.11% |

6. Credit situation of the Top 10 Group customers (Unit: RMB10,000)

| S/N | Customer Name | Total credit exposures on and off the balance sheet | Proportion in the net capital |
|-----|---|---|-------------------------------|
| 1 | Shandong Hongjia Group Co., Ltd. | 67,102.00 | 5.47% |
| 2 | Zibo Zhangdian District Public Asset Management Co., Ltd. | 54,111.51 | 4.41% |
| 3 | Zibo Yidianyuan Investment Co., Ltd. | 50,000.00 | 4.07% |
| 4 | Shandong Lanfan Chemical Co., Ltd. | 47,621.73 | 3.88% |
| 5 | Zibo Huachuang Industrial Co., Ltd. | 44,000.00 | 3.58% |
| 6 | Shandong Beijin Group Co., Ltd. | 42,310.00 | 3.45% |
| 7 | Shandong Xingguo Xinli Holding Group Co., Ltd. | 42,129.50 | 3.43% |
| 8 | Zibo Hongcheng Real Estate Co., Ltd. | 41,806.00 | 3.41% |
| 9 | Shandong Renfeng Special Materials Co., Ltd. | 40,690.00 | 3.31% |
| 10 | Shandong Fangzheng Construction Co., Ltd. | 40,600.00 | 3.31% |

III. Organizational Chart



Name and address of the Bank's outlets

Xi'an QISHANG BANK has jurisdiction over 9 branches, including 1 branch business department, 7 comprehensive branches and 1 small and micro branches.

| Bank Name | Address |
|--|---|
| Xi'an Branch of QISHANG BANK | 1/F, Maik International Building, 33 Tangyan Road, High and New-tech Development Zone, Xi'an City |
| Xi'an Economic & Technological Development Zone Sub-branch of QISHANG BANK | 23-10104, Fengjing Yuyuan, Wenjing Road, Xi'an Economic & Technological Development Zone |
| Xi'an Xincheng District Sub-branch of QISHANG BANK | 1-2/F, Building No.10, Courtyard No.82, West Changying Road, Xi'an |
| Xi'an Mingdemen Sub-branch of QISHANG BANK | 1/F, Middle Section, Tower D, Nanfang Xingzuo, 19 Zhuque Street, Yanta District, Xi'an |
| Xi'an South 2nd Ring Sub-branch of QISHANG BANK | Room 20101, Xi'an Yinda Building (Fortune Plaza), West of South 2nd Ring, Xi'an |
| Xi'an West Street Sub-branch of QISHANG BANK | Room 10101, 1/F, Xi'an Rongmin International Hotel, 128 West Street, Xi'an |
| Xi'an High-tech Sub-branch of QISHANG BANK | Room 10101, Unit 1, Building No.3, 130 Xifeng Auxiliary Lane, High and New-tech Development Zone, Xi'an |
| Xi'an East 2nd Ring Sub-branch of QISHANG BANK | 3 West Xianning Road, Beilin District, Xi'an |
| Xi'an Yongxingfang Small & Micro Sub-branch of QISHANG BANK | Yongxingfang, 1 Dongxin Street, Xincheng District, Xi'an |

Jinan Branch of QISHANG BANK has jurisdiction over 5 branches, including 1 branch business department, 2 comprehensive branches and 2 small and micro branches.

| Bank Name | Address |
|---|--|
| Jinan Branch of QISHANG BANK | 12111 East Jingshi Road, Jinan |
| Jinan Zhangqiu Branch of QISHANG BANK | 1013 Shuangshan Street, Zhangqiu District, Jinan |
| Jinan Jiyang Branch of QISHANG BANK | 47 Fuyang Street, Jibei Development Zone, Jiyang County, Jinan |
| Jinan East Minghu Road Small & Micro Sub-branch of QISHANG BANK | No. 3-101, Building 7, Baolidaminghu Residential Quarter, East Minghu Road, Lixia District, Jinan |
| Jinan Zhangqiu Shanquan Road Small & Micro Sub-branch of QISHANG BANK | No. 105, 205, 106 and 206, Unit 1, Building F3, Block F, Tangren Center, Middle Section of Shanquan Road, Zhangqiu District, Jinan |

Binzhou Branch of QISHANG BANK has jurisdiction over 15 branches, including 1 branch business department, 9 comprehensive branches, 1 community branch and 4 small and micro branches.

| Bank Name | Address |
|---|--|
| Binzhou Branch of QISHANG BANK | No.657, Bohai 18th Road, Binzhou City |
| Binzhou Zouping Sub-branch of QISHANG BANK | 89 Huangshan 1st Road, Zouping County, Binzhou City |
| Binzhou Daixi Sub-branch of QISHANG BANK | Nanshou Yanjia Village, Daixi 5th Road, Zouping County, Binzhou |
| Binzhou Boxing Sub-branch of QISHANG BANK | Xinjia Shopping Plaza, Bocheng 3rd Road, Boxing County |
| Binzhou Xingfu Sub-branch of QISHANG BANK | 63 Fenwang Road, Xingfu Town, Boxing County, Binzhou City |
| Binzhou Bincheng Sub-branch of QISHANG BANK | 659 Bohai 7th Road, Bincheng District, Binzhou City |
| Binzhou Huimin Sub-branch of QISHANG BANK | 89 East Huancheng Road, Huimin County, Binzhou City |
| Binzhou Wudi Sub-branch of QISHANG BANK | 157 Tengda Street, Wudi County, Binzhou City |
| Binzhou Yangxin Sub-branch of QISHANG BANK | West of Xingfu 3rd Road, North of Yangcheng 6th Road, Yangxin County, Binzhou City |
| Binzhou Huanghe Wulu Sub-branch of QISHANG BANK | No. 450, Huanghe 5th Road, Binzhou City |
| Binzhou Shengbin Community Sub-branch of QISHANG BANK | The building along the street of Shengbin Quarter, West of Binnan Oil Extraction Plant, 531 Bohai 7th Road, Bincheng District, Binzhou |
| Binzhou Zhonghai Small & Micro Sub-branch of QISHANG BANK | 200m East of Gate of Zhong Hai Xue Yuan Quarter, Bohai 15th Road, Bincheng District, Binzhou |

| Bank Name | Address |
|---|---|
| Binzhou Huanghe Small & Micro Sub-branch of QISHANG BANK | North Gate of Wanxin Quarter, Bohai 8th Road, Huanghe 2nd Road, Binzhou |
| Binzhou Lubei Small & Micro Sub-branch of QISHANG BANK | 100m East, South of Intersection between Yuanqian Street and Dixin 5th Road, Wudi County, Binzhou City |
| Binzhou Lizhuang Small & Micro Sub-branch of QISHANG BANK | Northwest Corner of the intersection of China National Highway 220 and Longfeng Road, Lizhuang Town, Binzhou City |

Dongying Branch of QISHANG BANK has jurisdiction over 6 branches, including 1 branch business department, 4 comprehensive branches and 1 small and micro branch.

| Bank Name | Address |
|---|---|
| Dongying Branch of QISHANG BANK | 213 Dongcheng East 2nd Road, Dongying District, Dongying |
| Dongying Xicheng Sub-branch of QISHANG BANK | 805 North 1st Road, Dongying |
| Dongying Kenli Sub-branch of QISHANG BANK | 199 Zhongxing Road, Kenli County, Dongying City |
| Dongying Guangrao Sub-branch of QISHANG BANK | Northwest corner of intersection between Sunwu Road and Yingbin Road, Guangrao County, Dongying |
| Dongying Yizhou Road Branch of QISHANG BANK | Northwest Corner of Intersection between Yizhou Road and Huaihe Road, Dongying City |
| Dongying Liaohe Road Small & Micro Sub-branch | 62 Yizhou Road, Dongying |

Weifang Branch of QISHANG BANK has jurisdiction over 7 branches, including 1 branch business department, 3 comprehensive branches, 2 community branches and 1 small and micro branch.

| Bank Name | Address |
|--|---|
| Weifang Branch of QISHANG BANK | 4931 Beihai Road, Kuiwen District, Weifang City |
| Weifang Qingzhou Sub-branch of QISHANG BANK | 2309 South Yiwangfu Road, Qingzhou, Shandong Province |
| Weifang Gaomi Sub-branch of QISHANG BANK | 1 and 2 Floors, Northeast Corner of Yinzuo Shopping Mall, Intersection between Mishui Street and Jiankang Street, Gaomi City, Shandong Province |
| Weifang Anqiu Sub-branch of QISHANG BANK | Building No.6, Financial Center, Intersection between YongAn Road and Financial Street, Anqiu, Shandong Province |
| Weifang Qingzhou Ancient City Community Sub-branch | 8 Gaojiating Lane, Ouyuan Street, Qingzhou City, Shandong Province |
| Weifang Huanglou Community Sub-branch | 1/F, Southeast Corner of West Hall of New Flower Market, Huanglou Subdistrict Office, Qingzhou, Shandong Province |
| Weifang Shihuyuan Small & Micro Sub-branch | Building 1, Shihu Garden Business Culture Street, No.453, Dongfeng West Street, Weicheng District, Weifang City |

Jining Branch of QISHANG BANK has jurisdiction over 8 branches, including 1 branch business department, 3 comprehensive branches, 2 community branches and 2 small and micro branches.

| Bank Name | Address |
|--|--|
| Jining Branch of QISHANG BANK | 62 Gongqingtuan Road, Jining City |
| Jining High & New Tech Zone Sub-branch of QISHANG BANK | 101 Commercial Building, 4 Yangguang City Garden, Wutaizha Road, Jining City |
| Jining Zoucheng Sub-branch of QISHANG BANK | 997 Puyangshan Road, Zoucheng City, Shandong Province |
| Jining Qufu Sub-branch of QISHANG BANK | No. 20, East Chunqiu Road, Qufu City, Shandong Province |
| Jining Nanchi Community Sub-branch | Store 0145, Zone B, Nanchi Business Street, Jining |
| Jining Guanya Xingcheng Community Sub-branch | Store 131, Building No.6, Zone C, Guanya Xingcheng Quarter, Wutaizha Road, Jining |
| Jining Yiwu Trade City Small & Micro Sub-branch | 50 meters west of the south gate of Yiwu Trade City, No.189, West Chengqian Road, Zoucheng City, Jining City |
| Jining Guanghe Road Small & Micro Sub-branch | Rooms 1 and 2, west of No.2 Commercial Building, Yimin South Area, Guanghe Road, Jining City |

Weihai Branch of QISHANG BANK has jurisdiction over 5 branches, including 1 branch business department, 2 comprehensive branches and 2 small and micro branches.

| Bank Name | Address |
|---|---|
| Weihai Branch of QISHANG BANK | 136 North Qingdao Road, Weihai City |
| Weihai Rongcheng Branch of QISHANG BANK | Building 57, Xinzhuang North District, Rongcheng City, Shandong Province |
| Weihai Wendeng Branch of QISHANG BANK | 11 East Wenshan Road, Weihai City |
| Weihai Wanghaiyuan Small & Micro Sub-branch | Store Room, 1/F, Jiajiayue, Wanghaiyuan Fuhuacheng, Huancui District, Weihai City |
| Weihai Shichang Road Small & Micro Sub-branch | No. 99-103, Shichang Road, Weihai City |

Linyi Branch of QISHANG BANK has jurisdiction over 1 branch.

| Bank Name | Address |
|------------------------------|---|
| Linyi Branch of QISHANG BANK | Intersection of Beijing Road and Suansheng Road, Lanshan District, Linyi City |

There are altogether 77 branches of QISHANG BANK in Zibo City, including 1 head office business department, 70 comprehensive branches and 6 small and micro branches.

| Bank Name | Address |
|--|--|
| Business Department of Head Office of QISHANG BANK | 105 Jinjing Avenue, Zhangdian District, Zibo City |
| High & New Tech Zone Sub-branch of QISHANG BANK | Tower C, Jinda Mansion, 115 Liuquan Road, Zhangdian District, Zibo City |
| Development Sub-branch of QISHANG BANK | 97 Liuquan Road, Zhangdian District, Zibo City |
| Huaguang Road Sub-branch of QISHANG BANK | Middle Section of Huaguang Road, Zhangdian District, Zibo City |
| Huaqiaocheng Sub-branch of QISHANG BANK | Northeast corner of intersection between Zhongrun Avenue and West 5th Road, Hi-tech Development Zone, Zibo |
| Yiwu City Sub-branch of QISHANG BANK | 28-29 Guangchang Street, Huaguang Road Plaza, Zhangdian District, Zibo City |
| Hi-Tech Innovation Park Sub-branch of QISHANG BANK | Building No.7, Chuangye Shangfu Famous City, Liuquan Road, Zhangdian District, Zibo City |
| Zibo Sub-branch of QISHANG BANK | A1, 8 Renmin Street, Zhangdian District, Zibo City |
| Zhangdian Sub-branch of QISHANG BANK | 130 Jinjing Avenue, Zhangdian District, Zibo City |
| Luzhong Sub-branch of QISHANG BANK | 3 West Gongqingyuan Road, Zhangdian District, Zibo |
| Qisheng Sub-branch of QISHANG BANK | 60 Beijing Road, Zhangdian District, Zibo City |
| Zhangbei Sub-branch of QISHANG BANK | 199 Jinjing Avenue, Zhangdian District, Zibo City |
| Lijingyuan Sub-branch of QISHANG BANK | Multi-functional Building 2, Lijingyuan Quarter, West 5th Road, Zhangdian District, Zibo City |
| Zhongxin Road Sub-branch of QISHANG BANK | 39 Jinjing Avenue, Zhangdian District, Zibo City |
| Kairuiyuan Sub-branch of QISHANG BANK | 166 West Renmin Road, Zhangdian District, Zibo City |
| East Gongqingyuan Road Sub-branch of QISHANG BANK | 50 East 1st Road, Zhangdian District, Zibo City |
| Lianchi Sub-branch of QISHANG BANK | Northeast of West 6th Road and Liantong Road, Zhangdian District, Zibo City |
| Shanlv Sub-branch of QISHANG BANK | 1 Shanlv Xishan 5th Street, Nanding Town, Zhangdian District, Zibo City |
| Gongqingyuan Sub-branch of QISHANG BANK | 142 West Xincun Road, Zhangdian District, Zibo City |
| Heping Sub-branch of QISHANG BANK | 18A-89/90, 18 South Shiji Road, Zhangdian District, Zibo City |
| Huangjin International Sub-branch of QISHANG BANK | A15, 150 Shiji Road, Zhangdian District, Zibo City |

| Bank Name | Address |
|--|--|
| Shiji Road Sub-branch of QISHANG BANK | 78 Shiji Road, Zhangdian District, Zibo City |
| Technology Sub-branch of QISHANG BANK | 8 North of West 6th Road, Zhangdian District, Zibo City |
| Garden Sub-branch of QISHANG BANK | 84 West Gongqingyuan Road, Zhangdian District, Zibo |
| Gongyuan Xincun Sub-branch of QISHANG BANK | Store No.8, Building No.1, Shangmeidisancheng, West 5th Road, Zhangdian District, Zibo |
| Liuquan Road Sub-branch of QISHANG BANK | 45 Liuquan Road, Zhangdian District, Zibo City |
| Tianqi Sub-branch of QISHANG BANK | 13-A, Food Street, Zhangdian District, Zibo City |
| Xiangruiyuan Sub-branch of QISHANG BANK | 288 Huaguang Road, Zhangdian District, Zibo City |
| New Urban District Sub-branch of QISHANG BANK | 7 Zhangzhou Road, Zhangdian District, Zibo (1/F Huimei Building) |
| Tongji Sub-branch of QISHANG BANK | 44 Shiji Road, Zhangdian District, Zibo City |
| Chengxi Sub-branch of QISHANG BANK | Public Office Building 1, Zone C, Qianyuyuan, Zhangdian District, Zibo City |
| Titan Sub-branch of QISHANG BANK | 13 Liuquan Road, Zhangdian District, Zibo City |
| Xingxue Street Sub-branch of QISHANG BANK | A1, 58 Xingxue Street, Zhangdian District, Zibo |
| Century Garden Sub-branch of QISHANG BANK | 100m East of Northeast Corner of the intersection between Liantong Road and West 8th Road, Zhangdian District, Zibo City |
| Keyuan Sub-branch of QISHANG BANK | 218 Liuquan Road, Zhangdian District, Zibo City |
| Chengzhong Sub-branch of QISHANG BANK | 48 Huaguang Road, Zhangdian District, Zibo City |
| Renmin Road Sub-branch of QISHANG BANK | 23 West Renmin Road, Zhangdian District, Zibo City |
| Boshan Sub-branch of QISHANG BANK | 10 Zhongxin Road, Boshan District, Zibo City |
| Yanshan Sub-branch of QISHANG BANK | Suits 1-2 (from north to east), 1/F, Wenjiang Building, Wenjianghuayuan, Shentou Village, North of Boshan, Zibo City |
| Xinjian 4th Road Sub-branch of QISHANG BANK | 35 Xinjian 4th Road, Boshan District, Zibo City |
| Baihuashan Sub-branch of QISHANG BANK | Middle Section of Business Street, Baihuashan Road, Boshan District, Zibo City (South of Boshan District Hospital) |
| Xiye Street Sub-branch of QISHANG BANK | Xiye Street, West Office of Boshan District, Zibo City |
| Liuhan Sub-branch of QISHANG BANK | 12 Yanbei Road, Boshan District, Zibo City |
| Zichuan Sub-branch of QISHANG BANK | 209 East Songling Road, Zichuan District, Zibo |
| Xinxing Sub-branch of QISHANG BANK | 341 Zicheng Road, Zichuan District, Zibo City |
| Kunlun Sub-branch of QISHANG BANK | 29 Kunlun Road, Kunlun Town, Zichuan District, Zibo City |
| Songling Sub-branch of QISHANG BANK | 139 Banyang Road, Zichuan District, Zibo City |
| Garment City Sub-branch of QISHANG BANK | 1075 Tongqian Garment Plaza, Zichuan, Zibo City |
| Building Materials City Sub-branch of QISHANG BANK | East of Yangzhai Section, Zhangbo Road, Zichuan District, Zibo City |
| Zhoucun Sub-branch of QISHANG BANK | 70 Sichou Road, Zhoucun District, Zibo |
| Mianhuashi Sub-branch of QISHANG BANK | 71 Mianhuashi Street, Zhoucun District, Zibo City |
| East Xinjian Road Sub-branch of QISHANG BANK | 228 East Xinjian Road, Zhoucun District, Zibo |
| Middle Xinjian Road Sub-branch of QISHANG BANK | 37 Middle Xinjian Road, Zhoucun District, Zibo City |
| Linzi Sub-branch of QISHANG BANK | 218 Huangong Road, Linzi District, Zibo City |
| Yanying Road Sub-branch of QISHANG BANK | 193 Yanying Road, Linzi District, Zibo City |
| Fenghuang Sub-branch of QISHANG BANK | Office Building of Beijing Group, Fenghuang Town, Linzi District, Zibo City |
| Wenshao Sub-branch of QISHANG BANK | 1 West Remin Road, Linzi District, Zibo City |
| Xindian Sub-branch of QISHANG BANK | A2, No. 63, Qiyuan Road, Linzi District, Zibo City |

| Bank Name | Address |
|--|---|
| Qidu Sub-branch of QISHANG BANK | North of Western end of Renmin Avenue, Linzi District, Zibo City (Linzi Hengsheng International Star City) |
| Niushan Road Sub-branch of QISHANG BANK | 214 Niushan Road, Linzi District, Zibo City |
| Qicheng Sub-branch of QISHANG BANK | 17 Wenshao Road, Linzi District, Zibo City |
| Huangong Road Sub-branch of QISHANG BANK | West of Southern Gate of Zhangjia New Village, Huangong Road, Linzi District, Zibo City |
| Jinyin Sub-branch of QISHANG BANK | Eastern End of Comprehensive Building of Xiaoxujia Village Committee, Jinyin Residential Community, Linzi District, Zibo City |
| Huantai Sub-branch of QISHANG BANK | Southern End of Dongyue Road, Huantai County, Zibo City |
| Xinghuan Road Sub-branch of QISHANG BANK | Middle Section of Xinghuan Road, Huantai County, Zibo City |
| Guoli Sub-branch of QISHANG BANK | 97 Guozhou Road, Huantai County, Zibo City |
| Yiyuan Sub-branch of QISHANG BANK | North of Xishou Road, Lushan Road, Yiyuan County, Zibo |
| Lishan Sub-branch of QISHANG BANK | 28 Lishan Road, Yiyuan County, Zibo City |
| Gaoqing Sub-branch of QISHANG BANK | 5 Qinghe Road, Gaoqing County, Zibo City |
| Qingcheng Road Sub-branch of QISHANG BANK | 1/F, Building No.38, Luhu Quarter, 6 Qingcheng Road, Gaoqing County, Zibo City |
| Luhu Sub-branch of QISHANG BANK | A5, No. 26, Qingcheng Road, Gaoqing County, Zibo City |
| Zichuan Development Zone Small & Micro Sub-branch | 1/F, East of Venture Building, Zichuan Economic & Technical Development Zone, Zibo |
| Huantai Tangshan Small & Micro Sub-branch | West of Tangshan Town Government, Huantai County, Zibo |
| Linzi Zijiang Garden Small & Micro Sub-branch | Room 101, 1/F, Zone C, Zijiang Community Service Center, Linzi District, Zibo |
| Zibo Huaqiaocheng Small & Micro Sub-branch | Room 8, North Commercial Building, Zhongrun Huaqiaocheng, Zhangdian District, Zibo City |
| Zhoucun East Xinjian Road Small & Micro Sub-branch | 155 East Xinjian Road, Zhoucun District, Zibo |
| Zichuan Hanlinshijia Small & Micro Sub-branch | 70-A4, Hanlinshijia, Banyang Road, Zichuan District, Zibo City |

ANNUAL REPORT 2017

公司治理信息 Corporate Governance Information

第三部分 公司治理信息

一、股本变动及股东情况

（一）股本变动情况

报告期内，本行实施了2016年度利润分配方案，在经山东银监局批准同意，收到《山东银监局关于同意齐商银行股份有限公司变更注册资本的批复》（鲁银监准〔2017〕177号）后，本行股本总额由3,213,160,000股变更为3,534,475,375股。

报告期末，本行注册资本3,534,475,375元，股本总额3,534,475,375股。

（二）股东情况

1、报告期末，本行共有股东12,293户，其中法人股东328户，自然人股东11,965户。

2、前10大股东股权明细表。（单位：万股）

| 序号 | 股东名称 | 股数 | 占比 | 是否质押 | 质押率 |
|----|---------------|-----------|--------|------|------|
| 1 | 淄博市城市资产运营有限公司 | 70,512.80 | 19.95% | 否 | 0% |
| 2 | 淄博市引黄供水有限公司 | 17,637.04 | 4.99% | 否 | 0% |
| 3 | 淄博市自来水公司 | 17,637.04 | 4.99% | 否 | 0% |
| 4 | 淄博市金融控股有限公司 | 16,576.69 | 4.69% | 否 | 0% |
| 5 | 青州市宏利水务有限公司 | 16,060.00 | 4.54% | 否 | 0% |
| 6 | 青岛融海金融控股有限公司 | 15,551.62 | 4.40% | 是 | 100% |
| 7 | 济南市财金科技投资有限公司 | 11,280.00 | 3.19% | 否 | 0% |
| 8 | 任兴集团有限公司 | 11,000.00 | 3.11% | 否 | 0% |
| 9 | 山东普丰进出口有限公司 | 8,910.00 | 2.52% | 否 | 0% |
| 10 | 山东方正建工有限公司 | 8,145.55 | 2.30% | 否 | 0% |

3、股权变更情况

报告期内，本行收到山东银监局《山东银监局关于同意淄博市城市资产运营有限公司受让齐商银行股份的批复》（鲁银监准〔2017〕435号），同意淄博市城市资产运营有限公司受让山东城联一卡通支付有限责任公司持有的本行352,387,257股股权，受让后，淄博市城市资产运营有限公司持有本行705,127,962股股权，持股比例为19.95%。

二、年内召开股东大会情况

2017年4月28日，齐商银行股份有限公司2016年度股东大会在齐商银行总行二楼群英厅召开，出席本次会议的股东和股东代表54名，代表有表决权股份数264,296.86万股，占总股本的82.25%，符合《中华人民共和国公司法》和公司章程的有关规定。董事长杲传勇先生主持了会议。会议经山东鲁杰律师事务所律师现场见证。会议经过有效表决，一致通过如下决议：

一、审议通过了《第六届董事会2016年度工作报告》；

二、审议通过了《第六届监事会2016年度工作报告》；

三、审议通过了《关于2016年度财务计划执行情况和2017年度财务预算草案的报告》；

四、审议通过了《关于2016年度利润分配方案的议案》，一致同意按总股本12.5%的比例派发红利，其中：向全体股东每10股派送股票股利1股，每10股派送现金股利0.25元，并决定将注册资本由32.13亿元变更为35.34亿元；

五、审议通过了《关于变更注册资本的议案》；

六、审议通过了《关于发行二级资本债券的议案》；

七、审议通过了《关于选举外部监事的议案》。

会议还通报了《2016年度前十大股东持股情况》、《2016年度关联方交易情况》、《2016年度前十大授信集团客户情况》、《关于淄博银监局审慎监管意见及本行贯彻落实情况的报告》、《监事会关于2016年度董事及高管层履职评价情况的报告》、《监事会关于2016年度监事履职评价情况的报告》。

2017年9月30日，齐商银行股份有限公司2017年第一次临时股东大会在齐商银行总行二楼群英厅召开，出席本次会议的股东和股东代表47名，代表有表决权股份数294,870.67万股，占总股本的83.43%，符合《中华人民共和国公司法》和公司章程的有关规定。董事长杲传勇先生主持了会议。会议经山东鲁杰律师事务所律师现场见证。会议经过有效表决，一致通过如下决议：

一、审议通过了《关于修订〈齐商银行股份有限公司章程〉的议案》；

二、审议通过了《关于修订〈齐商银行股份有限公司股东大会议事规则〉的议案》；

三、审议通过了《关于修订〈齐商银行股份有限公司董事会议事规则〉的议案》；

四、审议通过了《关于修订〈齐商银行股份有限公司监事会议事规则〉的议案》；

五、审议通过了《关于实施股权托管的议案》。

三、董事会的构成及工作情况

（一）董事会成员

本行董事会由12名董事组成，其中董事长1人，执行董事3人，独立董事2人，非执行董事5人，职工董事1人。

| 姓 名 | 董事会职务 | 工作单位及职务 | 学历学位 |
|-----|-------|------------------------------------|-----------|
| 臧传勇 | 董事长 | 齐商银行党委书记、董事长 | 本科、工商管理硕士 |
| 赵晓东 | 执行董事 | 齐商银行党委副书记、行长 | 工商管理硕士 |
| 鞠 杰 | 执行董事 | 齐商银行党委委员、副行长 | 本科 |
| 王 强 | 执行董事 | 齐商银行党委委员、副行长 | 本科 |
| 胡元木 | 独立董事 | 山东财经大学教授 | 研究生、博士 |
| 李 全 | 独立董事 | 南开大学金融学院教授 | 研究生、博士 |
| 王德洋 | 非执行董事 | 山东北金集团党委书记、董事长 | 本科 |
| 孙守年 | 非执行董事 | 张店城东村党支部书记 | 本科 |
| 张 涛 | 非执行董事 | 淄博金阳新能源科技有限公司党委书记、董事长、总经理 | 本科、工商管理硕士 |
| 徐书栋 | 非执行董事 | 山东贵和纸业集团有限公司党委书记 | 研究生、硕士 |
| 马乃孝 | 非执行董事 | 山东崇正控股有限公司党委书记、董事长，淄博盛达创业玻璃有限公司董事长 | 研究生 |
| 刘锦程 | 职工董事 | 齐商银行信贷资产管理总监 | 本科 |

（二）董事会下设专门委员会

董事会下设战略规划委员会、关联交易控制委员会、风险管理委员会、薪酬考核及提名委员会、审计委员会、执行委员会、消费者权益保护委员会，各委员会议事规则健全，报告期内共召开29次会议，各位委员出席率符合监管要求，充分有效地支持了董事会发挥决策职能。

（三）董事会工作情况

报告期内，董事会认真研究执行国家宏观经济政策，严格贯彻落实监管部门要求，不断加强董事会履职能力建设，全行经营管理和创新发展跃上了新台阶。一是充分保障股东权益，股东大会职能得到有效发挥。本行董事会始终高度重视股东利益的保障，通过召开股东大会等多种形式建立与股东沟通的有效渠道，确保所有股东享有平等地位，依法履行对本行重大事项的知情权、参与权和表决权。二是不断增强履职能力建设，公司治理机制得到持续优化。将党的领导写入《公司章程》，修订完善有关议事规则和规章制度，公司治理主体的职责边界和决策程序更加清晰，治理体系更加协调完善；依法合规召开董事会例会及临时会议，各位董事积极发表专业意见，谨慎、认真、勤勉地履行了决策职责，忠实严谨，勤勉尽职，董事会决策效率和议事水平进一步提升。三是扎实推进战略转型和结构调整，创新发展亮点纷呈，经营业

绩实现稳步增长。本行持续发展普惠金融业务，小微贷款全面完成“三个不低于”监管指标，余额占比达到69.51%；零售金融实现新突破，个人消费贷款规模与效益再上新台阶，富有齐银特色的消费金融品牌逐步建立；坚持合规、审慎、效益优先的原则，实施科学有效的公司金融及同业金融发展战略，内部杠杆率持续降低、结构逐步优化、风险有效管控、效益日益显著。制定印发了《创新工作管理办法》，持续推进年度创新项目计划，年内直销银行三期、黄金定投业务、内部资金转移定价系统等相继投入运行，赢得客户好评。四是积极开展全面风险管理体系建设，内控机制进一步完善。报告期内，董事会修订完善了《操作风险管理政策》《市场风险管理政策》等内部管理制度，有效防范各项经营风险，确保各项业务安全稳健运行；在省市监管部门的指导督促下，本行与齐鲁股权交易中心签署协议，率先完成了股权托管登记工作，截至2017年末，已完成86.14%股权的确权工作，进一步提升了股权管理的规范性和透明度。五是深化资本管理水平，制定实施年度资本管理计划，突出效益导向，有效提升资本使用效率及效益；二级资本债券发行申请获批，为本行稳健发展打下坚实资本保障。六是持续加强企业文化建设，深入贯彻“以人为本”的经营理念，企业文化建设、人才队伍建设、精神文明建设成效显著。

（四）独立董事工作情况

| 独立董事姓名 | 本年应参加董事会数 | 出席次数 |
|--------|-----------|------|
| 胡元木 | 5 | 5 |
| 李 全 | 5 | 5 |

报告期内，两位独立董事依法按时参加了董事会会议。能够充分发挥从事金融专业研究的特长，及时分析研读财务报表，关注公司经营管理状况，适时针对经营风险控制、薪酬分配政策、跨区域经营、计划财务管理、董事会决议执行等法定关注事项，发表独立性意见，提出改进建议，履行独立监督职责。

四、监事会的构成及工作情况

（一）监事会成员

本行监事会由7名监事组成，其中监事长1人，外部监事2人，股东监事2人，职工监事2人。

| 姓 名 | 监事会职务 | 工作单位及职务 | 学历学位 |
|-----|-------|--------------------|-----------|
| 韩兴柱 | 监事长 | 党委副书记、齐商银行监事长 | 本科 |
| 段福兴 | 外部监事 | 山东理工大学教授 | 研究生、硕士 |
| 孟 红 | 外部监事 | 山东大学（威海）商学院会计系副教授 | 研究生、博士 |
| 王 林 | 股东监事 | 淄博新宇集团有限公司党委书记、董事长 | 研究生 |
| 宫传洋 | 股东监事 | 山东传洋集团有限公司董事长 | 本科 |
| 刘丽珍 | 职工监事 | 齐商银行稽核审计部总经理 | 本科 |
| 刘庆国 | 职工监事 | 齐商银行风险管理部总经理 | 本科、工商管理硕士 |

（二）监事会下设专门委员会

监事会下设监督委员会、提名委员会，各委员会议事规则健全，报告期内共召开8次会议，各位委员出席率符合监管要求，充分有效地发挥了监事会综合监督的功能。

（三）监事会工作情况

报告期内，监事会认真落实监管法规和公司章程，围绕战略规划目标和年度工作会议精神，积极贯彻监管要求，突出监督重点，切实发挥监事会的监督职能，努力维护本行及全体股东的根本权利，实现稳健高质发展。一是组织召开监事会例会，突出会议监督职能。2017年度，本行监事会组织召开了四次监事会例会，审议通过了《第六届监事会2016年度工作报告》《关于2016年度董事会及董事履职评价情况的报告》等24项报告和议案。按时召开监事会监督委员会、提名委员会例会，研究审议有关应议事项。列席四次董事会例会和两次股东大会，能够客观、公正地对本行重点业务推进、风险防范、内控管理、财务状况等提出监督意见和建议。二是完善措施，突出重点，全面履行监事会职责。本行监事会全面落实监管要求，依法履行各项监督职能，审慎提出对董事会、高级管理层及其成员的监督评价意见，积极开展对监事的履职评价工作，促进各方有效履职；围绕本行重要财务决策的制定和执行情况，审阅财务报告和利润分配方案，有针对性地开展财务监督；通过听取报告、巡视调研等方式，进一步加强对风险管理、内部控制、战略管理和薪酬管理的监督，促进本行依法合规、稳健经营。三是全面履职，客观发表独立意见。本行监事会评估2017年度发展决策、经营管理、董事和高管的履职情况，对依法决策与合规经营情况、财务报告真实情况、募集资金、大额资金使用情况、收购、出售资产情况、关联交易情况、股东大会、董事会决议的执行情况、高级管理人员的合规履职情况、董事会和高管层流动性风险管理职责情况发表独立意见。

（四）外部监事工作情况

| 外部监事姓名 | 本年应参加监事会数 | 出席次数 |
|--------|-----------|------|
| 段福兴 | 4 | 4 |
| 孟 红 | 3 | 3 |

报告期内，两位外部监事依法按时参加了监事会会议。能够充分发挥从事金融专业研究的特长，及时分析研读财务报表，关注本行经营管理状况，适时针对经营风险控制、计划财务管理、监事会决议执行等法定关注事项，发表独立性意见，提出改进建议，履行独立监督职责。

五、高级管理层人员构成及基本情况

（一）本行总行高级管理层人员共有14人。其中董事长1人，行长1人，副行长4人，行长助理4人。董事会秘书1人，内审负责人1人，财务负责人1人，首席信息官1人。

（二）分支行主要管理人员共有150人，其中：分行行长8人，分行副行长、行长助理25人；管辖支行行长40人，管辖支行副行长、行长助理77人。

上述人员均符合监管部门规定的任职资格条件，并按要求参加了任职资格考试或备案。

六、部门和分支机构设置情况

本行董事会下设战略规划委员会、关联交易控制委员会、风险管理委员会、薪酬考核及提名委员会、审计委员会、执行委员会、消费者权益保护委员会。监事会下设提名委员会、监督委员会。经营管理层总行下设24个部室及西安分行等133家分支行。

七、年度薪酬情况

2017年度本行董事会、监事会及高级管理人员履职情况良好，较好完成全年任务目标。本行董事、监事和高级管理人员在本行领取薪酬的共28人，税前总计884万元。其中：本行高级管理人员2017年度发放薪酬税前共计666万元，包括年度风险基金99万元，根据本行风险基金管理办法，该风险基金延后三年考核发放。

行内高级管理人员的薪酬依据考核办法，按照季度考核结果核算兑现，其中市委管辖干部薪酬自2017年7月起按照市政府有关政策实行预发制。独立董事、非执行董事、外部监事、股东监事的津贴根据尽职考核情况兑现。

Part III Corporate Governance Information

I. Changes in Equity and Shareholder Information

(I) Changes in Equity

During the reporting period, the Bank implemented the 2016 annual profit distribution plan, and the total capital stock of the Bank changed from 3,213,160,000 to 3,534,475,375 after being approved by the CBRC Shandong Office and receiving the Reply from the CBRC Shandong Office on Agreeing the Change of the Registered Capital of QISHANG BANK CO., LTD (LYJZ [2017] No. 177).

At the end of the reporting period, the registered capital of the Bank is RMB 3,534,475,375, with a total of 3,534,475,375 shares.

(II) Shareholder Information

1. The Bank had a total of 12,293 shareholders, including 328 legal-person shareholders and 11,965 natural-person shareholders.

2. Schedule of equity of top ten shareholders (Unit: 10,000 shares)

| S/N | Shareholder | Percentage | Percentage | Pledged or not | Pledge Rate |
|-----|---|------------|------------|----------------|-------------|
| 1 | Zibo City Investment Co., Ltd. | 70,512.80 | 19.95% | No | 0% |
| 2 | Zibo Yinhuang Water Supply Co., Ltd. | 17,637.04 | 4.99% | No | 0% |
| 3 | Zibo Water Supply Company | 17,637.04 | 4.99% | No | 0% |
| 4 | Zibo Financial Holdings Co., Ltd. | 16,576.69 | 4.69% | No | 0% |
| 5 | Qingzhou Hongli Water Supply Co., Ltd. | 16,060.00 | 4.54% | No | 0% |
| 6 | Qingdao Ronghai Financial Holdings Co., Ltd. | 15,551.62 | 4.40% | Yes | 100% |
| 7 | Jinan Financial Technology Investment Co., Ltd. | 11,280.00 | 3.19% | No | 0% |
| 8 | Renxing Group Co., Ltd. | 11,000.00 | 3.11% | No | 0% |
| 9 | Shandong Pufeng Imp. & Exp. Co. Ltd. | 8,910.00 | 2.52% | No | 0% |
| 10 | Shandong Fangzheng Construction Co., Ltd. | 8,145.55 | 2.30% | No | 0% |

3. Changes in Equity

During the reporting period, the Bank received the Reply from the CBRC Shandong Office on Agreeing Zibo City Asset Operation Co., Ltd.'s Transferring the Shares of QISHANG BANK CO., LTD. (LYJZ [2017] No. 435), in which Zibo City Asset Operation Co., Ltd. is allowed to transfer its 352,387,257 shares of equity to Shandong Chenglian Card Payment Co., Ltd. After transfer, Zibo City Asset Operation Co., Ltd. holds 705,127,962 shares of equity, with a shareholding ratio of 19.95%.

II. Situation of shareholders' general meetings held in the year

2016 Annual General Meeting of Shareholders of QISHANG BANK CO., LTD. was held in Qunying Hall, 2/F, QISHANG BANK Head Office, on Friday, April 28, 2017. A total of 54 shareholders and their representatives attended the meeting, representing 264,296.86 shares with the voting right and accounting for 82.25% of the Bank's shares. This meeting was convened in conformity with the relevant provisions of the Company Law of the People's Republic of China and relevant provisions of the Company's Articles of Association. The Chairman Gao Chuanyong presided over the meeting. The lawyers of Shandong Lujie Law Office conducted the spot witness as to the meeting. The meeting unanimously adopted the following resolutions after effective voting:

- I. Deliberated and adopted 2016 Annual Work Report of the Sixth Board of Directors;
- II. Deliberated and adopted 2016 Annual Work Report of the Sixth Board of Supervisors;
- III. Deliberated and adopted the Report on the Implementation of 2016 Annual Financial Plan and 2017 Annual Financial Budget Draft;
- IV. Deliberated and adopted the Proposal on 2016 Profit Distribution Plan and unanimously agree on the distribution of dividends according to 12.5% of total shares, specifically: distributing each stock dividend per 10 shares to all shareholders; distributing a cash dividend of RMB 0.25 per 10 shares to all shareholders; and decide to change the registered capital from RMB 3.213 billion to RMB 3.534 billion.
- V. Deliberated and adopted the Proposal on Changing the Registered Capital;
- VI. Deliberated and adopted the Proposal on Issuing Tier 2 Capital Bonds;
- VII. Deliberated and adopted the Proposal on External Supervisor Election.

The meeting also notified the Shareholdings of Top 10 Shareholders in 2016, Transactions of Related Parties in 2016, Top 10 Credit Group Customers in 2016, the Report on Prudential Regulatory Opinions of Zibo Banking Regulatory Bureau and the Implementation by the Bank, the Duty Performance Evaluation Report of the Board of Supervisors for the Directors and Senior Executives in 2016, and the Duty Performance Evaluation Report of the Board of Supervisors for Directors in 2016.

The First Extraordinary Meeting of Shareholders of QISHANG BANK CO., LTD. in 2017 was held in Qunying Hall, 2/F, QISHANG BANK Head Office, on Saturday, September 30, 2017. A total of 47 shareholders and their representatives attended the meeting, representing 294,870.67 shares with the voting right and accounting for 83.43% of the Bank's shares. This meeting was convened in conformity with the relevant provisions of the Company Law of the People's Republic of China and the Company's Articles of Association. The Chairman Gao Chuanyong presided over the meeting. The lawyers of Shandong Lujie Law Office conducted the spot witness as to the meeting. The meeting unanimously adopted the following resolutions after effective voting:

- I. Deliberated and adopted the Proposal on Amending the Articles of Association of QISHANG BANK CO., LTD.;
- II. Deliberated and adopted the Proposal on Amending the Rule of Procedure of Shareholders' Meeting of QISHANG BANK CO., LTD.;
- III. Deliberated and adopted the Proposal on Amending the Rule of Procedure of the Board of Directors of QISHANG BANK CO., LTD.;
- IV. Deliberated and adopted the Proposal on Amending the Rule of Procedure of the Board of Supervisors of QISHANG BANK CO., LTD.;
- V. Deliberated and adopted the Proposal on Equity Trust.

III. Composition and Work of the Board of Directors

(I) Members of the Board of Directors

The Board of Directors of the Bank consists of 12 directors, including one Board Chairman, three Managing Directors, two Independent Directors, five Non-executive Directors and one Staff Director.

| Name | Position in the Board of Directors | Department & position | Educational qualification |
|---------------|------------------------------------|---|---------------------------|
| Gao Chuanyong | Chairman | Secretary of CPC Committee and Chairman of the Board of QISHANG BANK | Bachelor's degree, MBA |
| Zhao Xiaodong | Managing Director | Deputy Secretary of CPC Committee and President of QISHANG BANK | MBA |
| Ju Jie | Managing Director | Member of CPC Committee and Vice President of QISHANG BANK | Bachelor's degree |
| Wang Qiang | Managing Director | Member of CPC Committee and Vice President of QISHANG BANK | Bachelor's degree |
| Hu Yuanmu | Independent Director | Professor of Shandong University of Finance and Economics | Master's degree, doctor |
| Li Quan | Independent Director | Professor, School of Finance, Nankai University | Master's degree, doctor |
| Wang Deyang | Non-executive Director | Secretary of CPC Committee and Chairman of Shandong Beijin Group | Bachelor's degree |
| Sun Shounian | Non-executive Director | Secretary of CPC Branch of Chengdong Village, Zhangdian | Bachelor's degree |
| Zhang Tao | Non-executive Director | Secretary of CPC Committee, Chairman and General Manager of Zibo Jinyang New Energy Technology Co., Ltd. | Bachelor's degree, MBA |
| Xu Shudong | Non-executive Director | Secretary of CPC Committee of Shandong Guihe Paper Group Co., Ltd. | Master's degree |
| Ma Naixiao | Non-executive Director | Secretary of CPC Committee & Chairman of Shandong Chongzheng Holding Co., Ltd. and Chairman of Zibo Shengda Coating Glass Co., Ltd. | Master's degree |
| Liu Jincheng | Employee Director | Director of Credit Asset Management of QISHANG BANK | Bachelor's degree |

(II) Special committees under the Board of Directors

The Board of Directors has set up the Strategic Planning Committee, Related Transaction Control Committee, Risk Management Committee, Remuneration Assessment & Nomination Committee, Auditing Committee, Executive Committee and Consumer Rights Protection Committee with the sound rules of procedure. A total of 29 meetings have been convened during the reporting period. The attendance rate of various committee members met the regulatory requirements, which supported the Board of Directors to play its role of decision-making fully and effectively.

(III) Work of the Board of Directors

During the reporting period, the Board of Directors researched and implemented the national macroeconomic policy earnestly, carried out the regulatory requirements of supervision departments strictly, and strengthened the performance capacity building of the Board of Directors constantly. The whole Bank reached a new stage in business management and innovative development. Firstly, fully ensured the shareholders' equity and enabled the functions of the shareholders' meetings to play an effective role. The Bank's Board of Directors always paid high attention to securing the interests of shareholders, and established effective channels with shareholders via a variety of forms, e.g. shareholders' meeting, and ensured that all the shareholders equally enjoy and legally exercised the right to be informed of, participate in and vote important issues of the Bank. Secondly, constantly strengthened the performance capacity building and optimized the Bank's governance mechanism. Our Bank included the Party building in the Company's articles of association and relevant rules of procedure, revised and perfected the relevant rules of procedure and rules and regulations, made clearer the responsibility boundaries and decision-making procedures of the corporate governance subject, and the management system more harmonious and perfect; and held regular and interim meetings of the Board of Directors in accordance with the laws and regulations. All the directors actively expressed their professional opinions, and performed their decision-making responsibilities carefully, earnestly, and diligently. As a result, the decision-making efficiency and resolution discussing level of the Board of Directors were further improved. Thirdly, our Bank has made solid progress in strategic transformation and structural adjustment, created many highlights in innovative development, and achieved steady growth in business performance. Our Bank

continued to develop the inclusive finance, achieved new breakthroughs in supply chain finance and rural finance, and comprehensively completed the regulatory indicators of "Three not- lower-than items", with a balance ratio of 69.51%; vigorously developed the retail finance, actively explored the new models of consumer finance, carried out targeted precise marketing and product innovation, opened up new channels to acquire customers, promoted new experience of customers, raised the scale and benefit of personal consumption loan to a new level, and created the consumption credit brand with rich characteristics of Qishang Bank; optimized the development of corporate finance, adhered to the financial development strategies of prudent development, differential treatment, and both maintaining and compacting some aspects, took the initiative to adjust and exit from the liabilities business with high cost, continuously decreased the internal leverage ratio, and gradually optimized the internal structure; and developed inter-bank finance in the compliant way, strengthened the research and implementation of the regulatory policies, followed the principle of liquidity first, well reserved high-quality liquid assets, and strictly controlled the compliance risks of inter-bank investment. Our Bank formulated, printed and distributed the Management Measures for Innovation Work, continued to promote the annual innovation project plan, put direct selling banking business #3, regular gold investment business, and internal fund transferring & pricing system into operation in succession within this year, which won the high praise from customers. Fourthly, actively built the comprehensive risk management system and further improved the internal control mechanism. During the reporting period, the Board of Directors revised the internal management systems including the Operational Risk Management Policy and Market Risk Management Policy, to effectively prevent various operating risks and ensure the safe and stable operation of various businesses; under the guidance and with the help of the provincial and municipal regulatory departments, the Bank signed an agreement with Qilu Equity Trading Center so as to firstly complete the registration of equity trusteeship. By the end of 2017, the Bank had realized the right affirmation of 86.14% of the total equity so as to further improve the standardization and transparency of the equity management. Fifthly, our Bank deepened the level of capital management, formulated and implemented the annual capital management plan, highlighted the benefit orientation, and effectively improved the efficiency and benefit of capital use; was approved for issuance of secondary capital bonds, laying a solid capital guarantee for the steady development of the bank. Sixthly, our Bank continued to strengthen the construction of corporate culture, deeply implemented the management concept of "people orientation", and achieved remarkable results in the construction of corporate culture, talent pool and spiritual civilization.

(IV) Work of Independent Directors Independent director

| Name of Independent Director | Number of Times of the Meeting of Board of Directors in This Year | Number of actual attendance |
|------------------------------|---|-----------------------------|
| Hu Yuanmu | 5 | 5 |
| Li Quan | 5 | 5 |

During the reporting period, those two independent directors attended the Board Meetings according to law and in due time. They gave full play to their specialty of financial research, analyzed and studied the financial statements, focused on the operation and management of the Bank, and gave their independent opinions, made suggestions and performed their independent supervision duties appropriately specific to such statutory concerns as operational risk control, remuneration distribution policy, cross-regional business, planned financial management, execution of Board Resolutions, and so forth.

IV. Composition and Work of the Board of Supervisors

(I) Members of the Board of Supervisors

The Board of Supervisors of the Bank consists of seven supervisors, including one Chief Supervisor, two External Supervisor, two Shareholder Supervisors and two Staff Supervisors.

| Name | Position in the Board of Supervisors | Department & position | Educational qualification |
|----------------|--------------------------------------|--|---------------------------|
| Han Xingzhu | Chief Supervisor | Deputy Secretary of CPC Committee and Chief Supervisor of QISHANG BANK | Bachelor's degree |
| Duan Fuxing | External Supervisor | Professor of Shandong University of Technology | Master's degree |
| Meng Hong | External Supervisor | Associate Professor of Department of Accounting of Shandong University (Weihai) Business College | Master's degree, doctor |
| Wang Lin | Shareholder Supervisor | Secretary of CPC Committee and Chairman of Zibo XinYu Group | Master's degree |
| Gong Chuanyang | Shareholder Supervisor | Board Chairman of Shandong Chuanyang Group | Bachelor's degree |
| Liu Lizhen | Staff Supervisor | General Manager of Audit Department of QISHANG BANK | Bachelor's degree |
| Liu Qingguo | Staff Supervisor | General Manager of Risk Management Department of QISHANG BANK | Bachelor's degree, MBA |

(II) Special committees under the Board of Supervisors

The Board of Supervisors set up the Supervision Committee and the Nomination Committee with sound rules of procedure. Meetings were convened for 8 times during the reporting period. The attendance rate of the members was in line with the regulatory requirements, and the functions of the Board of Supervisors were fully and effectively developed.

(III) Work of the Board of Supervisors

During the reporting period, the Board of Supervisors seriously implemented the regulatory laws and regulations and also the articles of association, actively carried out the supervisory requirements around the strategic planning objectives and spirit of the annual work conference, highlighted the key points of supervision, earnestly exercised the supervisory functions of the Board of Supervisors, tried to maintain the fundamental rights of the Bank and all the shareholders, and realized the steady high-quality development. Firstly, organized and convened the regular meetings of the Board of Supervisors and highlighted the supervision functions of meetings. In 2017, the Board of Supervisors of the Bank convened the regular meetings for 4 times, deliberated and adopted 24 reports and proposals, including the 2016 Annual Report of the Sixth Board of Supervisors and the Duty Performance Evaluation Report of the Board of Directors and Directors in 2016, etc. The Board of Supervisors held the regular meetings of the Supervision Committee and Nomination Committee in due time to research and deliberate the relevant matters. The Board of Supervisors attended four regular meetings of the Board of Directors and two general meetings of shareholders, providing supervisory opinions and suggestions on the bank's promotion of key business, risk prevention, internal control management and financial status objectively and justly. Secondly, improved measures, highlighted main focus and performed the duties of the Board of Supervisors in an all-round manner. The Board of Supervisors fully implemented the Bank's regulatory requirements, fulfilled the supervisory functions in accordance with law, prudently proposed the supervision and evaluation opinions on the Board of Directors, senior management and their members, actively carried out the evaluation on the duty performance of the supervisors, and promoted the effective duty performance of all parties; reviewed the Bank's financial reports and profit distribution plan and conducted financial supervision around the formulation and implementation of important financial decisions of the Bank; further strengthened the supervision over risk management, internal control, strategic management and compensation management through listening to reports, conducting inspection and investigation, and other ways, and promoted the compliance and prudent operation of the Bank in accordance with the law. Thirdly, performed duties comprehensively and expressed the independent opinions objectively. the Board of Supervisors of the Bank assessed the development decision-making, operation and management of the Bank as well as the duty performance of directors and senior executives in 2017, and expressed the independent opinions on the following aspects: decision-making according to the law and compliant operation, actuality of financial reports, fund-raising, application of large-amount fund, acquisition, sales of assets, related transactions, General Meeting of Shareholders, execution of Board Resolutions, compliance & duty performance of senior executives, and the performance of liquidity risk management duties by the Board of Directors and senior management.

(IV) Work of External Supervisor

| Name of External Supervisor | Board of Supervisor meetings due for attendance in current year | Number of actual attendance |
|-----------------------------|---|-----------------------------|
| Duan Fuxing | 4 | 4 |
| Meng Hong | 3 | 3 |

During the reporting period, the two External Supervisor attended the Meetings of Board of Supervisors according to law and in due time. They gave full play to their specialty of financial research, analyzed and studied the financial statements, focused on the operation and management of the Bank, and gave their independent opinions, made suggestions and performed their independent supervision duties appropriately specific to such statutory concerns as operational risk control, planned financial management, execution of Resolutions of the Board of Supervisors, and so forth.

V. Composition and Basic Information of Senior Management

(I) The Senior Management of the Bank's Head Office had a total of 14 members, including 1 president, 1 vice presidents, 4 assistant presidents, 1 secretary to the Board of Directors, 1 internal control manager, 1 financial manager and 1 chief information officer.

(II) There were 150 employees as the main management staff in the branches, including 8 Branch Presidents, 25 Vice Presidents and assistants to president; 40 Presidents of the jurisdiction branches; 77 Vice Presidents of the jurisdiction branches and assistants to president.

The above personnel were all in line with the qualifications of the regulatory requirements, and participated in the qualification examination or filing as required.

VI. Setup of Departments and Branch Organizations

The Board of Directors of the Bank has set up the Strategic Planning Committee, Related Transaction Control Committee, Risk Management Committee, Remuneration Assessment & Nomination Committee, Auditing Committee, Executive Committee and Consumer Rights Protection Committee. The Board of Supervisors has set up the Nomination Committee and Supervision Committee. The management of the Head Office consists of 24 departments or offices, and 133 branches and sub-branches, i.e., Xi'an Branch, and so forth.

VII. Annual Remunerations

In 2017, the Board of Directors, the Board of Supervisor and senior executives well performed their duties and overfulfilled the full-year targets. A total of 28 directors, supervisors and senior executives received remunerations amounting to pre-tax RMB 8.84 million from the Bank. Among them, a total of RMB 6,660,000 Yuan was paid as the pre-tax remuneration of the senior executives in 2017, including RMB 990,000 Yuan for the annual risk fund, which will be paid based on appraisal results by three-year delay according to the Management Measures for Risk Fund.

The remuneration of the senior executives of the Bank will be calculated and paid based on the quarterly assessment results according to the assessment methods, and that of the city-level cadres shall be prepaid according to the relevant policies of the municipal government from July 2017. The allowances for the independent directors, non-executive directors, external supervisors, and shareholder supervisors shall be paid in accordance with the appraisal results in the due diligence.

ANNUAL REPORT 2017

各类风险和风险管理策略
Various Risks and Risk Management Strategy

第四部分 各类风险和风险管理策略

一、风险种类及形式

本行在经营中主要面临以下风险：信用风险、市场风险、操作风险、流动性风险、信息科技风险、合规风险、声誉风险等。本行积极采取各种行之有效的措施，努力防范和化解上述风险。

二、风险管理策略

本行董事会下设风险管理委员会，高级管理层下设风险管理委员会，负责全行风险管理及控制。通过持续统筹推进全面风险管理体系项目建设，在各类风险管理和内部控制方面建立了符合现代银行监管要求的框架体系。各部门根据职责分工具体负责全行信用风险、市场风险、流动性风险、操作风险、信息科技风险、声誉风险等的管理和控制。

（一）信用风险管理对策

2017年，为积极应对经济结构调整、金融业态加速变化等多重因素带来的影响，增强信用风险管控能力，本行坚持以服务实体经济发展为基础，以提高发展质量和经营效益为中心，以有效防范授信风险为底线，不断完善授信体制机制建设，多措并举强化授信风险管控，全行授信业务实现了新常态下的科学稳健、可持续发展。

（二）流动性风险管理对策

2017年，本行继续坚持稳健的流动性风险管理策略，不断强化资产负债管理，建立健全了各项制度流程，合理运用人民银行宏观审慎管理政策、山东省城商行流动性互助机制，实施多元化和稳定的负债和融资管理等多项内容，合理匹配资产负债结构，增强应对流动性压力冲击的能力。持续加强日常资金头寸管理，实时通过邮件、微信、公告等形式加强对各分支行日常资金调度的沟通管理，做好流动性压力测试工作，开展流动性应急演练，以桌面和实战相结合形式，取得良好效果。

（三）市场风险管理对策

2017年，本行持续提升市场风险管理水平，修订印发了市场风险管理制度，进一步明确组织架构及职责职能。建立市场风险监测报告机制，加强市场风险中台控制，发挥派驻风险经理管理优势，持续加强对金融市场等相关业务的风险监测。制定实施了市场风险限额指标，定期监测指标使用情况，及时报告超限情况。完善了债券投资利率风险压力测试模型，优化市场风险计量方法，市场风险计量水平得到有效提高。

（四）操作风险管理对策

2017年，本行着力加强操作风险管理，修订印发了《操作风险管理政策》，明确了各层级管理者对操作风险管理的职能定位和职责边界。通过积极推进内控合规与操作风险管理系统建设进程，提升本行操作风险管理水平。加强培训传导，分别组织编写了包括授信业务、存款柜台业务、资金业务、计财业务以及信息系统5个条线试题库，并组织全员测试，有力提升了全员综合素质和防范操作风险能力。

（五）信息科技风险管理对策

2017年，本行持续健全信息科技管理架构，定期审议信息科技各项工作报告，制定《十三五信息科技中长期发展规划》，不断完善信息科技治理架构和政策制度，增强对信息科技风险的总体把控。业务连续性体系不断完善，对本行业务连续性计划、业务影响分析进行持续修订，定期收集信息科技关键风险指标并进行分析，定期对数据中心安全运行情况进行风险评估，全年未发生重大信息安全事件。

（六）声誉风险管理对策

2017年，本行未发生任何重大声誉风险事件，继续保持安全运营；负面舆情方面，监测到的涉及本行的有价值负面舆情信息极少，多数是提出合理化建议和沟通不畅导致误解，负面舆情围观人数很少，关注度极低，并均在第一时间得到了妥善解决；本行整体声誉风险继续处于低风险可控状态。

（七）合规风险管理对策

2017年，本行深入开展了“合规制度建设年”活动，围绕监管重点，以问题为导向，以解决制度执行力为突破口。对全行541项规章制度集中进行了全面梳理，全年修订规章制度157项，新增规章制度50项，废止了509项规章制度和规范性文件，有效评价暂行或试行制度80件，逐步建成了有本行特色、内容齐全、更新及时、方便好用的制度体系。

Part IV Various Risks and Risk Management Strategy

I. Types and Forms of Risk

The Bank was mainly faced with the following risks in its business: credit risk, market risk, operational risk, liquidity risk, IT risk, compliance risk and reputation risk and so on. The Bank positively took various effective measures to strive for preventing and dissolving the above risks.

II. Risk Management Strategy

The Board of Directors of the Bank has set up the Risk Management Committee, and the Senior Management has set up the Risk Management Committee in charge of risk management and control of the whole bank. A framework system in line with the supervisory requirements of modern banks has been established in various risk management and internal control through continuous coordination and promotion of the project construction of the comprehensive risk management system. According to the division of responsibilities, the relevant departments of the Head Office are specifically responsible for the management and control over credit risk, market risk, liquidity risk, operational risk, IT risk, reputational risk, etc. of the whole bank.

(I) Countermeasures of credit risk management

In 2017, in order to actively cope with the impact of multiple factors such as the economic structural adjustment and accelerated changes in the financial format, the Bank strengthened the credit risk control ability. With serving the entity economic development as the basis, development quality improvement and operation efficiency as the center, and effective credit risk prevention as the baseline, the Bank constantly improved the credit system and mechanism construction, and took multiple measures to strengthen the credit risk control, so that the credit business can achieve a newly scientific and sustainable development.

(II) Countermeasures for liquidity risk management

In 2017, our Bank continued to adhere to sound liquidity risk management strategy, constantly strengthened the assets and liabilities management, established and improved various institutional processes, reasonably utilized the macro-prudential management policy of People's Bank of China and the liquidity-based mutually supporting mechanism for the urban commercial banks in Shandong, implemented the diverse and stable liabilities and financing management and many other contents, reasonably matched the assets and liabilities structure, and enhanced the ability to cope with liquidity pressure impact. Our Bank continued to strengthen the management of daily cash position, enhanced the communication and management for daily cash scheduling of various branches in the manners of real-time mail, WeChat message, public announcement and so on, well completed the liquidity pressure tests, and carried out the emergency drills of liquidity so as to achieve good results by combining desktop and practice.

(III) Countermeasures for market risk management

Our Bank continued to improve the level of market risk management, revised, printed and issued the Market Risk Management System, and further clarified the organizational structure and duties & responsibilities in 2017. Our Bank established the market risk monitoring and reporting mechanism, strengthened the central control of market risks, gave full play to the management advantages of accredited risk managers, and continuously strengthened the risk monitoring of financial markets and other related businesses. Our Bank formulated and implemented the market risk quota indicators, regularly monitored the use of such indicators, and timely reported the over-quota situation. Our Bank improved the pressure test model for interest rate risks of bond investment, optimized the measurement method

of market risks, and effectively raised the measurement level of market risks.

(IV) Countermeasures for operational risk management

Our Bank strived to strengthen the operational risk management, revised, printed and issued the Operational Risk Management Policy of Qishang Bank, and made the functional positioning and responsibility boundaries of managers at all levels in terms of operational risk management in 2017. Our Bank improved the operational risk management level by actively promoting the construction process of the internal control compliance and operational risk management systems. Our Bank strengthened the training and conduction by organizing and compiling the examination libraries of such five lines as credit extension business, saving counter business, fund business, accounting business and information system, respectively, and organized the tests with all employees participating in, so as to effectively improve the comprehensive quality and ability to prevent operational risks of the overall staff.

(V) Countermeasures for IT risk management

Our Bank continued to improve the information technology management structure, periodically reviewed various work reports of information technology, developed the Medium- & Long-term Development Plan of Information Technology of 13th Five Years, constantly improved the governance architecture and policy systems of information technology, and enhanced the overall control over information technology risks in 2017. Our Bank constantly improved the business continuity system, continuously revised the business continuity plan and business impact analysis reports, regularly collected the key risk indicators of information technology and made the analysis, and carried out risk assessment on the running situation of the data center on a regular basis. No significant information safety incident occurred in our Bank throughout the year.

(VI) Countermeasures for reputational risk management

In 2017, our Bank did not encounter any major reputational risk incident and continued to maintain the safe operation; monitored very few valuable negative public opinion information with our Bank involved, in which most were rationalized suggestions or caused by misunderstanding from poor communication, less negative public opinion onlookers were involved, visibility was extremely low, and all have been properly solved in the first time; and the overall reputational risks of the Bank continued to be under a low and controllable state.

(VII) Countermeasures for compliance risk management

In 2017, our Bank launched the activity of "Year of compliance system building" around on the key points of supervision, with taking problems as the orientation, and the enforcement force of the systems as the breakthrough. Our Bank comprehensively combed 541 rules and regulations, revised 157 rules and regulations, added 50 new rules and regulations, abolished 509 rules and regulations and normative documents, and effectively evaluated 80 interim or trial systems throughout the year, gradually building the institutional system with the characteristics of our bank, complete content, timely update, and convenient and applicable systems.

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本年度重要事项 Significant Events of the Year

第五部分 本年度重要事项

一、报告期内，本行未发生对经营活动产生重大影响的诉讼、仲裁事项。

二、报告期内，本行无重大收购及吸收合并事项。

三、大事记

1月3日，齐商银行济宁邹城义乌商贸城小微支行正式开业。

1月22日，齐商银行召开2017年工作会议。

2月3日，齐商银行召开2017年党风廉政建设暨案件防控工作视频会议。

同日，在淄博市委、市政府组织召开的淄博市考核结果兑现大会上，齐商银行获得“2016年度全市经济社会发展综合考核优秀单位”荣誉称号。

2月6日，齐商银行威海望海园小微支行、世昌大道小微支行开业。

2月15日，齐商银行淄博华侨城小微支行开业。

2月18日，齐商银行周村新建东路小微支行开业。

2月28日，齐商银行再次获得2017年人民币金融债券承销团成员资格。

3月3日，齐商银行再次获得2017年度公开市场业务一级交易商资格。

3月8日，人民银行淄博市中心支行召开“2016年度淄博市金融机构综合评价通报会”。齐商银行被评定为最高级别“A级单位”。

3月13日，齐商银行威海文登支行正式开业。

3月25日，齐商银行荣获“2016中国小微金融最佳风险控制奖”、“2016中国小微金融最佳创新贡献奖”。

3月31日，齐商银行东营沂州路支行开业。

4月10日，齐商银行成功接入中国票据交易系统并正式上线运行。

4月11日，齐商银行召开第六届董事会第十一次会议、第六届监事会第十一次会议。

4月14日，齐商银行召开二季度工作会议。

4月28日，齐商银行召开2016年度股东大会。

7月11日，齐商村镇银行九曲支行开业。

7月20日，齐商银行召开第六届董事会第十二次会议、第六届监事会第十二次会议。

7月21日至22日，齐商银行召开2017年半年工作会议。

8月26日，齐商银行在淄博市体育中心举行第十届职工运动会。

8月27日，齐商银行“喜迎党的十九大暨庆祝齐商银行成立二十周年”联欢会在淄博广电大剧院举行。

9月23日，齐商银行数据中心机房搬迁项目圆满结束，新建济南数据中心机房正式全面投入使用。

9月25日，齐商银行召开党的十九大安保维稳暨安全生产工作视频会议。

9月29日，齐商银行召开第六届董事会第十三次会议、第六届监事会第十三次会议。

9月30日，齐商银行召开2017年第一次临时股东大会。

10月26日，齐商银行召开2017年四季度工作会议。

11月8日，齐商银行北郊助农服务中心开业。

11月9日，齐商银行泮水助农服务中心开业。

11月16日，齐商银行青城助农服务中心开业。

11月27日，齐商银行被评为“2017年度全国支持中小企业发展十佳商业银行”。

11月28日，齐商银行获得“2017年度全省信息网络安全保护工作先进集体”荣誉称号。

12月11日，齐商银行组织召开“齐商银行学习贯彻党的十九大精神宣讲报告会”。

12月29日，齐商银行召开第六届董事会第十四次会议、第六届监事会第十四次会议。

Part Five Significant Events of the Year

I. During the reporting period, the Bank has not incurred any litigation and arbitration matters with material effect on its operating activities.

II. During the reporting period, the Bank had no material issues of acquisition and merger by absorption.

III. Chronicle of Events

On January 3, Jining Zoucheng Yiwu Trade City Small & Micro Sub-branch of QISHANG BANK was opened officially.

On January 22, QISHANG BANK convened 2017 Work Conference.

On February 3, QISHANG BANK held the 2017 Video Meeting on Construction of Party Conduct and Clean Government and Case Prevention and Control.

On February 3, QISHANG BANK was awarded the honorary title of "Excellent Unit in 2016 Annual Municipal Comprehensive Assessment of Economic & Social Development" on the assessment result announcement meeting held by Zibo Municipal Party Committee of the CPC and Zibo Municipal People's Government.

On February 6, Wanghaiyuan Mini Sub-branch and Shichang Avenue Mini Sub-branch of QISHANG BANK were opened in Weihai.

On February 15, Zibo Huaqiaocheng Small & Micro Sub-branch of QISHANG BANK was opened.

On February 18, Zhoucun East Xinjian Road Small & Micro Sub-branch of QISHANG BANK was opened.

On February 28, QISHANG BANK was approved for the membership of 2017 RMB financial bond underwriting group once again.

On March 3, QISHANG BANK was approved for the qualifications of 2017 annual first-level dealer for the open market businesses once again.

On March 8, Zibo Municipal Central Sub-branch of the People's Bank of China held the 2016 Annual Zibo Comprehensive Evaluation Briefing Meeting of Financial Institutions". Qishang Bank was rated as "A-level Unit", the highest level.

On March 13, Weihai Wendeng Sub-branch of QISHANG BANK was officially opened.

On March 25, QISHANG BANK won the "2016 China Best Risk Control Award for Micro-finance" and "2016 China Best Innovation Contribution Award for Micro-finance".

On March 31, Dongying Yizhou Road Branch of QISHANG BANK was opened.

On April 10, QISHANG BANK was successfully connected to the Chinese Note Trading System and official put it into operation.

On April 11, QISHANG BANK held the eleventh meeting of the sixth board of directors and the tenth meeting of the sixth board of supervisors.

On April 14, QISHANG BANK held the working meeting of the second quarter.

On April 28, QISHANG BANK convened 2016 General Meeting of Shareholders.

On July 11, Jiuqu Sub-branch of QISHANG Rural Bank was opened.

On July 20, the Bank held the twelfth meeting of the sixth board of directors and the twelfth meeting of the sixth board of supervisors.

On July 21 to 22, QISHANG BANK convened 2017 Semi-annual Work Conference.

On August 26, QISHANG BANK held the 10th Employee Sports Meeting in Zibo Sports Center.

On August 27, QISHANG BANK held the "Welcome Party for the 19th National Congress of the Communist Party of China & Celebration Party of the 20th Anniversary of QISHANG BANK" at Grand Theater of Zibo Radio, Film and Television Bureau.

On September 23, QISHANG BANK successfully closed the relocation project of the machine room of the Data Center, marking that the newly built data center in Jinan was put into full operation.

On September 25, QISHANG BANK held the Video Meeting of Security Guarantee and Stability Maintenance for the 19th National Congress of the Communist Party of China & Safe Production Work Meeting.

On September 29, the Bank held the thirteenth meeting of the sixth board of directors and the thirteenth meeting of the sixth board of supervisors.

On September 30, QISHANG BANK held the first temporary shareholders meeting of 2017.

On October 26, QISHANG BANK convened 2017 Fourth-quarter Work Conference.

On November 8, North Suburban Agriculture-aiding Service Center of QISHANG BANK was opened.

On November 9, Fengshui Agriculture-aiding Service Center of QISHANG BANK was opened.

On November 16, Qingcheng Agriculture-aiding Service Center of QISHANG BANK was opened.

On November 27, QISHANG BANK was awarded the "2017 Annual China Top 10 Commercial Bank for Supporting Development of SMES".

On November 28, QISHANG BANK won the honorary title of "2017 Annual Provincial Advanced Collective for Information Network Security Protection Work".

On December 11, QISHANG BANK organized and held the "Propagating & Reporting Meeting to Learn and Implement the Spirit of the 19th National Congress of the Communist Party of China".

On December 29, the Bank held the fourteenth meeting of the sixth board of directors and the fourteenth meeting of the sixth board of supervisors.

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财务会计报告 Financial Accounting Report

第六部分 财务会计报告

一、审计报告

审 计 报 告

信会师报字[2018]第ZH30039号

齐商银行股份有限公司全体股东：

一、审计意见

我们审计了齐商银行股份有限公司（以下简称齐商银行）财务报表，包括2017年12月31日的合并及母公司资产负债表，2017年度的合并及母公司利润表、合并及母公司现金流量表、合并及母公司股东权益变动表以及相关财务报表附注。

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了齐商银行2017年12月31日的合并及母公司财务状况以及2017年度的合并及母公司经营成果和现金流量。

二、形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中国注册会计师职业道德守则，我们独立于齐商银行，并履行了职业道德方面的其他责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

三、管理层和治理层对财务报表的责任

齐商银行管理层（以下简称管理层）负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

在编制财务报表时，管理层负责评估齐商银行的持续经营能力，披露与持续经营相关的事项（如适用），并运用持续经营假设，除非计划进行清算、终止运营或别无其他现实的选择。

治理层负责监督齐商银行的财务报告过程。

四、注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

（1）识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

(2) 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

(3) 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

(4) 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对齐商银行持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致齐商银行不能持续经营。

(5) 评价财务报表的总体列报、结构和内容（包括披露），并评价财务报表是否公允反映相关交易和事项。

(6) 就齐商银行中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表审计意见。我们负责指导、监督和执行集团审计，并对审计意见承担全部责任。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

立信会计师事务所（特殊普通合伙）

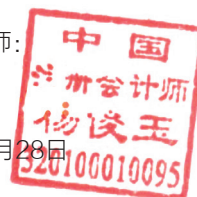


中国注册会计师：



孙晓爽

中国注册会计师：



杨俊玉

2018年4月28日

二、审计报告

合并资产负债表

单位名称：齐商银行股份有限公司

单位：人民币元

| 项目 | 2017年12月31日 | 2016年12月31日 |
|------------------------|---------------------------|---------------------------|
| 资产： | | |
| 现金及存放中央银行款项 | 15,208,546,793.59 | 15,288,984,700.59 |
| 存放同业款项 | 996,295,658.96 | 7,085,432,766.29 |
| 贵金属 | 0.00 | 0.00 |
| 拆出资金 | 424,723,000.00 | 0.00 |
| 以公允价值计量且其变动计入当期损益的金融资产 | 0.00 | 0.00 |
| 衍生金融资产 | 0.00 | 0.00 |
| 买入返售金融资产 | 0.00 | 998,000,000.00 |
| 应收利息 | 753,179,036.91 | 602,896,536.79 |
| 发放贷款和垫款 | 54,913,257,040.36 | 50,560,773,824.32 |
| 可供出售金融资产 | 8,864,621,180.89 | 7,533,273,509.12 |
| 持有至到期投资 | 7,020,781,406.90 | 6,698,418,959.23 |
| 应收款项类投资 | 15,300,101,399.00 | 12,093,025,002.34 |
| 持有待售资产 | 0.00 | 0.00 |
| 长期股权投资 | 663,784,193.10 | 623,904,526.87 |
| 投资性房地产 | 0.00 | 0.00 |
| 固定资产 | 1,300,539,480.43 | 1,140,815,233.46 |
| 在建工程 | 392,687,585.73 | 433,042,860.10 |
| 无形资产 | 93,918,496.26 | 86,305,754.11 |
| 递延所得税资产 | 461,046,284.32 | 334,769,571.60 |
| 其他资产 | 733,192,046.30 | 588,206,294.31 |
| 资产总计 | 107,126,673,602.75 | 104,067,849,539.13 |
| 负债及所有者权益 | | |
| 负债： | | |
| 向中央银行借款 | 5,292,496,812.50 | 1,459,310,000.00 |
| 同业及其他金融机构存放款项 | 4,294,446,050.33 | 6,851,153,126.37 |
| 拆入资金 | 242,579,960.00 | 334,363,400.00 |
| 以公允价值计量且其变动计入当期损益的金融负债 | 0.00 | 0.00 |
| 衍生金融负债 | 0.00 | 0.00 |
| 卖出回购金融资产款 | 2,922,000,000.00 | 4,656,376,022.23 |
| 吸收存款 | 79,798,213,444.64 | 76,619,866,759.49 |
| 应付职工薪酬 | 46,147,916.94 | 42,514,302.90 |
| 应交税费 | 143,234,281.11 | 115,703,602.04 |
| 应付利息 | 1,163,647,995.96 | 966,488,841.80 |
| 持有待售负债 | 0.00 | 0.00 |
| 预计负债 | 0.00 | 0.00 |
| 应付债券 | 500,000,000.00 | 500,000,000.00 |
| 递延所得税负债 | 0.00 | 28,791,204.97 |
| 其他负债 | 931,409,446.85 | 872,258,249.00 |
| 负债合计 | 95,334,175,908.33 | 92,446,825,508.80 |
| 所有者权益： | | |
| 股本 | 3,534,475,375.00 | 3,213,160,000.00 |
| 资本公积 | 3,741,580,293.71 | 3,741,580,293.71 |
| 其他综合收益 | -137,905,441.91 | 113,550,832.01 |
| 盈余公积 | 671,760,070.93 | 624,537,260.48 |
| 一般风险准备 | 1,396,980,000.00 | 1,246,980,000.00 |
| 未分配利润 | 2,419,923,259.15 | 2,530,735,802.50 |
| 归属于母公司所有者权益合计 | 11,626,813,556.88 | 11,470,544,188.70 |
| 少数股东权益 | 165,684,137.54 | 150,479,841.63 |
| 所有者权益合计 | 11,792,497,694.42 | 11,621,024,030.33 |
| 负债和所有者权益总计 | 107,126,673,602.75 | 104,067,849,539.13 |

合并利润表

单位名称：齐商银行股份有限公司

单位：人民币元

| 项目 | 2017年度 | 2016年度 |
|-------------------------------------|-------------------------|-------------------------|
| 一、营业收入 | 2,694,585,685.65 | 2,499,474,034.89 |
| 利息净收入 | 2,534,486,023.62 | 2,276,555,243.56 |
| 利息收入 | 4,504,973,483.15 | 4,117,854,592.42 |
| 利息支出 | 1,970,487,459.53 | 1,841,299,348.86 |
| 手续费及佣金净收入 | 99,403,669.85 | 129,094,052.70 |
| 手续费及佣金收入 | 151,313,552.77 | 179,550,196.31 |
| 手续费及佣金支出 | 51,909,882.92 | 50,456,143.61 |
| 投资收益 | 28,096,566.60 | 48,598,463.08 |
| 其中：对联营企业和合营企业的投资收益 | 59,524,434.23 | 61,264,179.33 |
| 资产处置收益 | 1,895,042.41 | 188,051.94 |
| 公允价值变动收益 | 0.00 | 0.00 |
| 汇兑收益 | 15,621,078.52 | 35,811,706.72 |
| 其他收益 | 1,883,900.00 | 0.00 |
| 其他业务收入 | 13,199,404.65 | 9,226,516.89 |
| 二、营业支出 | 2,003,671,211.79 | 1,914,120,444.03 |
| 税金及附加 | 36,635,897.62 | 75,297,789.58 |
| 业务及管理费 | 1,149,739,899.91 | 1,139,887,267.60 |
| 资产减值损失 | 817,295,414.26 | 698,935,386.85 |
| 其他业务成本 | 0.00 | 0.00 |
| 三、营业利润 | 690,914,473.86 | 585,353,590.86 |
| 加：营业外收入 | 16,219,286.40 | 10,671,111.06 |
| 减：营业外支出 | 13,709,491.06 | 9,255,623.95 |
| 四、利润总额 | 693,424,269.20 | 586,769,077.97 |
| 减：所得税费用 | 178,405,146.95 | 85,487,131.43 |
| 五、净利润 | 515,019,122.25 | 501,281,946.54 |
| (一) 按持续经营分类 | | |
| 1. 持续经营净利润 | | |
| 2. 终止经营净利润 | | |
| (二) 按所有权归属分类 | | |
| 1. 少数股东损益 | 26,964,295.91 | 22,592,540.63 |
| 2. 归属于母公司股东的净利润 | 488,054,826.34 | 478,689,405.91 |
| 六、其他综合收益 | -251,456,273.92 | -144,100,202.69 |
| 归属母公司所有者的其他综合收益的税后净额 | -251,456,273.92 | -144,100,202.69 |
| (一) 以后不能重分类进损益的其他综合收益 | 0.00 | 0.00 |
| 1. 重新计量设定受益计划净负债净资产的变动 | 0.00 | 0.00 |
| 2. 权益法下在被投资单位不能重分类进损益的其他综合收益中享有的份额 | 0.00 | 0.00 |
| (二) 以后将重分类进损益的其他综合收益 | -251,456,273.92 | -144,100,202.69 |
| 1. 权益法下在被投资单位以后将重分类进损益的其他综合收益中享有的份额 | 0.00 | 0.00 |
| 2. 可供出售金融资产公允价值变动损益 | -251,456,273.92 | -144,100,202.69 |
| 3. 持有至到期投资重分类为可供出售金融资产损益 | 0.00 | 0.00 |
| 4. 现金流量套期损益的有效部分 | 0.00 | 0.00 |
| 5. 外币财务报表折算差额 | 0.00 | 0.00 |
| 6. 其他 | 0.00 | 0.00 |
| 归属少数股东的其他综合收益的税后净额 | 0.00 | 0.00 |
| 七、综合收益总额 | 263,562,848.33 | 357,181,743.85 |
| 归属于母公司所有者的综合收益总额 | 236,598,552.42 | 334,589,203.22 |
| 归属于少数股东的综合收益总额 | 26,964,295.91 | 22,592,540.63 |
| 八、每股收益： | | |
| (一) 基本每股收益（元/股） | 0.14 | 0.21 |
| (二) 稀释每股收益（元/股） | 0.14 | 0.21 |

合并现金流量表

单位名称：齐商银行股份有限公司

单位：人民币元

| 项目 | 2017年度 | 2016年度 |
|---------------------------|--------------------------|---------------------------|
| 一、经营活动产生的现金流量 | | |
| 客户存款和同业存放款项净增加额 | 570,896,270.37 | 15,730,208,869.27 |
| 向中央银行借款净增加额 | 3,833,186,812.50 | 785,000.00 |
| 向其他金融机构拆入资金净增加额 | -2,250,882,462.23 | 277,944,942.23 |
| 收取利息、手续费及佣金的现金 | 4,752,252,850.94 | 4,302,147,365.17 |
| 收到其他与经营活动有关的现金 | 264,108,719.65 | 329,326,472.56 |
| 经营活动现金流入小计 | 7,169,562,191.23 | 20,640,412,649.23 |
| 客户贷款及垫款净增加额 | 5,139,156,558.48 | 8,541,931,126.45 |
| 存放中央银行和同业款项净增加额 | -757,270,271.22 | 152,106,395.47 |
| 支付利息支出、手续费及佣金的现金 | 1,857,844,351.09 | 1,800,965,071.94 |
| 支付给职工以及为职工支付的现金 | 653,175,823.70 | 618,491,585.80 |
| 支付的各项税费 | 476,025,008.85 | 311,502,222.08 |
| 支付的其他与经营活动有关的现金 | 652,436,904.73 | 919,597,083.57 |
| 经营活动现金流出小计 | 8,021,368,375.63 | 12,344,593,485.31 |
| 经营活动产生的现金流量净额 | -851,806,184.40 | 8,295,819,163.92 |
| 二、投资活动产生的现金流量： | | |
| 收回投资收到的现金 | 183,841,727,991.62 | 184,795,116,435.48 |
| 取得投资收益收到的现金 | 22,384,768.00 | 32,054,573.51 |
| 收到其他与投资活动有关的现金 | 2,891,879.31 | 1,920,228.02 |
| 投资活动现金流入小计 | 183,867,004,638.93 | 184,829,091,237.01 |
| 投资支付的现金 | 189,095,169,250.76 | 194,433,431,319.38 |
| 购建固定资产、无形资产和其他长期资产支付的现金 | 248,989,654.14 | 413,460,119.23 |
| 支付其他与投资活动有关的现金 | 0.00 | 0.00 |
| 投资活动现金流出小计 | 189,344,158,904.90 | 194,846,891,438.61 |
| 投资活动产生的现金流量净额 | -5,477,154,265.97 | -10,017,800,201.60 |
| 三、筹资活动产生的现金流量： | | |
| 吸收投资收到的现金 | 0.00 | 4,243,596,000.00 |
| 其中：子公司吸收少数股东投资收到的现金 | 0.00 | 67,620,000.00 |
| 发行债券收到的现金 | 0.00 | 0.00 |
| 收到其他与筹资活动有关的现金 | 0.00 | 0.00 |
| 筹资活动现金流入小计 | 0.00 | 4,243,596,000.00 |
| 偿还债务支付的现金 | 0.00 | 0.00 |
| 分配股利、利润或偿付利息支付的现金 | 77,406,343.98 | 54,806,201.95 |
| 其中：子公司支付给少数股东的股利、利润 | 10,464,000.00 | 7,873,200.00 |
| 支付其他与筹资活动有关的现金 | 0.00 | 0.00 |
| 筹资活动现金流出小计 | 77,406,343.98 | 54,806,201.95 |
| 筹资活动产生的现金流量净额 | -77,406,343.98 | 4,188,789,798.05 |
| 四、汇率变动对现金及现金等价物的影响 | -3,937,948.76 | 5,610,995.94 |
| 五、现金及现金等价物净增加额 | -6,410,304,743.11 | 2,472,419,756.31 |
| 加：期初现金及现金等价物余额 | 11,536,293,919.48 | 9,063,874,163.17 |
| 六、期末现金及现金等价物余额 | 5,125,989,176.37 | 11,536,293,919.48 |



合并所有者权益变动表

单位名称：齐商银行股份有限公司

| 项 目 | | | | |
|-----------------------|------------------|--------|-----|------------------|
| | 股本 | 其他权益工具 | | 资本公积 |
| | | 优先股 | 永续债 | |
| 一、上年年末余额 | 3,213,160,000.00 | | | 3,741,580,293.71 |
| 加：会计政策变更 | | | | |
| 前期差错更正 | | | | |
| 同一控制下企业合并 | | | | |
| 其他 | | | | |
| 二、本年年年初余额 | 3,213,160,000.00 | | | 3,741,580,293.71 |
| 三、本年增减变动金额（减少以“-”号填列） | 321,315,375.00 | | | |
| （一）综合收益总额 | | | | |
| （二）所有者投入和减少资本 | | | | |
| 1、股东投入的普通股 | | | | |
| 2、其他权益工具持有者投入资本 | | | | |
| 3、股份支付计入所有者权益的金额 | | | | |
| 4、其他 | | | | |
| （三）利润分配 | 321,315,375.00 | | | |
| 1、提取盈余公积 | | | | |
| 2、提取一般风险准备 | | | | |
| 3、对股东的分配 | 321,315,375.00 | | | |
| 4、其他 | | | | |
| （四）所有者权益内部结转 | | | | |
| 1、资本公积转增股本 | | | | |
| 2、盈余公积转增股本 | | | | |
| 3、盈余公积弥补亏损 | | | | |
| 4、其他 | | | | |
| （五）专项储备 | | | | |
| 1、本期提取 | | | | |
| 2、本期使用 | | | | |
| （六）其他 | | | | |
| 四、本年年末余额 | 3,534,475,375.00 | | | 3,741,580,293.71 |

单位名称：齐商银行股份有限公司

| 项 目 | | | | |
|-----------------------|------------------|--------|-----|------------------|
| | 股本 | 其他权益工具 | | 资本公积 |
| | | 优先股 | 永续债 | |
| 一、上年年末余额 | 1,874,400,000.00 | | | 691,204,293.71 |
| 加：会计政策变更 | | | | |
| 前期差错更正 | | | | |
| 同一控制下企业合并 | | | | |
| 其他 | | | | |
| 二、本年年年初余额 | 1,874,400,000.00 | | | 691,204,293.71 |
| 三、本年增减变动金额（减少以“-”号填列） | 1,338,760,000.00 | | | 3,050,376,000.00 |
| （一）综合收益总额 | | | | |
| （二）所有者投入和减少资本 | 1,125,600,000.00 | | | 3,050,376,000.00 |
| 1、股东投入的普通股 | 1,125,600,000.00 | | | 3,050,376,000.00 |
| 2、其他权益工具持有者投入资本 | | | | |
| 3、股份支付计入所有者权益的金额 | | | | |
| 4、其他 | | | | |
| （三）利润分配 | 213,160,000.00 | | | |
| 1、提取盈余公积 | | | | |
| 2、提取一般风险准备 | | | | |
| 3、对股东的分配 | 213,160,000.00 | | | |
| 4、其他 | | | | |
| （四）所有者权益内部结转 | | | | |
| 1、资本公积转增股本 | | | | |
| 2、盈余公积转增股本 | | | | |
| 3、盈余公积弥补亏损 | | | | |
| 4、其他 | | | | |
| （五）专项储备 | | | | |
| 1、本期提取 | | | | |
| 2、本期使用 | | | | |
| （六）其他 | | | | |
| 四、本年年末余额 | 3,213,160,000.00 | | | 3,741,580,293.71 |

单位：人民币元

| 本 年 金 额 | | | | | 少数股东权益 | 所有者权益合计 |
|-------------|-----------------|----------------|------------------|------------------|----------------|-------------------|
| 归属于母公司所有者权益 | | | | | | |
| 减：库存股 | 其他综合收益 | 盈余公积 | 一般风险准备 | 未分配利润 | | |
| | 113,550,832.01 | 624,537,260.48 | 1,246,980,000.00 | 2,530,735,802.50 | 150,479,841.63 | 11,621,024,030.33 |
| | | | | | | |
| | | | | | | |
| | 113,550,832.01 | 624,537,260.48 | 1,246,980,000.00 | 2,530,735,802.50 | 150,479,841.63 | 11,621,024,030.33 |
| | -251,456,273.92 | 47,222,810.45 | 150,000,000.00 | -110,812,543.35 | 15,204,295.91 | 171,473,664.09 |
| | -251,456,273.92 | | | 488,054,826.34 | 26,964,295.91 | 263,562,848.33 |
| | | | | | | |
| | | | | | | |
| | | 47,222,810.45 | 150,000,000.00 | -598,867,369.69 | -11,760,000.00 | -92,089,184.24 |
| | | 47,222,994.69 | | -47,222,994.69 | | |
| | | | 150,000,000.00 | -150,000,000.00 | | |
| | | | | -401,644,375.00 | -11,760,000.00 | -92,089,000.00 |
| | | -184.24 | | | | -184.24 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | -137,905,441.91 | 671,760,070.93 | 1,396,980,000.00 | 2,419,923,259.15 | 165,684,137.54 | 11,792,497,694.42 |

单位：人民币元

| 上 年 金 额 | | | | | 少数股东权益 | 所有者权益合计 |
|-------------|-----------------|----------------|------------------|------------------|----------------|-------------------|
| 归属于母公司所有者权益 | | | | | | |
| 减：库存股 | 其他综合收益 | 盈余公积 | 一般风险准备 | 未分配利润 | | |
| | 257,651,034.70 | 578,193,620.40 | 1,016,980,000.00 | 2,594,840,068.67 | 68,205,301.00 | 7,081,474,318.48 |
| | | | | | | |
| | | | | | | |
| | 257,651,034.70 | 578,193,620.40 | 1,016,980,000.00 | 2,594,840,068.67 | 68,205,301.00 | 7,081,474,318.48 |
| | -144,100,202.69 | 46,343,640.08 | 230,000,000.00 | -64,104,266.17 | 82,274,540.63 | 4,539,549,711.85 |
| | -144,100,202.69 | | | 478,689,405.91 | 22,592,540.63 | 357,181,743.85 |
| | | | | | 67,620,000.00 | 4,243,596,000.00 |
| | | | | | 67,620,000.00 | 4,243,596,000.00 |
| | | | | | | |
| | | 46,343,640.08 | 230,000,000.00 | -542,793,672.08 | -7,938,000.00 | -61,228,032.00 |
| | | 46,343,672.08 | | -46,343,672.08 | | |
| | | | 230,000,000.00 | -230,000,000.00 | | |
| | | | | -266,450,000.00 | -7,938,000.00 | -61,228,000.00 |
| | | -32.00 | | | | -32.00 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | 113,550,832.01 | 624,537,260.48 | 1,246,980,000.00 | 2,530,735,802.50 | 150,479,841.63 | 11,621,024,030.33 |

三、财务报表附注

一、公司基本情况

(一) 公司概况

齐商银行股份有限公司（以下简称“本公司”或“齐商银行”）是1997年8月在城市信用合作社基础上成立并在山东省工商局注册的股份制金融企业。本公司原名淄博市商业银行股份有限公司，于2009年2月13日，经中国银监会批准更名为齐商银行股份有限公司。

本公司法定代表人：杲传勇；注册地址：淄博市张店区中心路105号；金融许可证号：B0171H237030001号；企业统一社会信用代码：913700001641139094。

经营范围主要包括：吸收公众存款；发放短期、中期和长期贷款；办理国内结算；办理票据承兑与贴现；发行金融债券；从事同业拆借；提供担保、代理保险、房屋租赁等；外汇存款；外汇贷款；外汇汇款；外币兑换；国际结算；同业外汇拆借；外汇票据的承兑和贴现；外汇借款；外汇担保；结汇、售汇；资信调查、咨询、鉴证业务。以及其他经中国银行业监督管理委员会依照有关法律、行政法规和其他规定批准的业务。

(二) 合并财务报表范围

截至2017年12月31日，本公司合并财务报表范围内子公司如下：

| 子公司名称 |
|------------------|
| 临沂河东齐商村镇银行股份有限公司 |

本期合并财务报表范围及其变化情况详见本附注“六、合并范围的变更”和“七、在其他主体中的权益”。

二、财务报表的编制基础

(一) 编制基础

公司以持续经营为基础，根据实际发生的交易和事项，按照财政部颁布的《企业会计准则——基本准则》和具体会计准则、企业会计准则应用指南、企业会计准则解释及其他相关规定(以下合称“企业会计准则”)编制财务报表。

(二) 持续经营

公司自本报告期末至少12个月内具备持续经营能力，无影响持续经营能力的重大事项。

三、重要会计政策及会计估计

(一) 遵循企业会计准则的声明

公司所编制的财务报表符合企业会计准则的要求，真实、完整地反映了报告期公司的财务状况、经营

成果、现金流量等有关信息。

(二) 会计期间

自公历1月1日起至12月31日止为一个会计年度。

(三) 营业周期

本公司营业周期为12个月。

(四) 记账本位币

本公司采用人民币为记账本位币。

(五) 合并财务报表的编制方法

1、合并范围

本公司合并财务报表的合并范围以控制为基础确定，所有子公司（包括本公司所控制的单独主体）均纳入合并财务报表。

2、合并程序

本公司以自身和各子公司的财务报表为基础，根据其他有关资料，编制合并财务报表。本公司编制合并财务报表，将整个企业集团视为一个会计主体，依据相关企业会计准则的确认、计量和列报要求，按照统一的会计政策，反映本公司集团整体财务状况、经营成果和现金流量。

所有纳入合并财务报表合并范围的子公司所采用的会计政策、会计期间与本公司一致。

(六) 现金及现金等价物

在编制现金流量表时，将本公司库存现金以及可以随时用于支付的存款确认为现金。

将同时具备期限短（从购买日起三个月内到期）、流动性强、易于转换为已知现金、价值变动风险很小四个条件的投资，确定为现金等价物。包括存放中央银行款项（扣除法定存款准备金）、存放同业款项、拆出资金、买入返售金融资产。

(七) 外币业务和外币报表折算

1、外币业务

外币业务采用交易发生日的即期汇率作为折算汇率将外币金额折合成人民币记账。

资产负债表日外币货币性项目余额按资产负债表日即期汇率折算，由此产生的汇兑差额，除属于与购建符合资本化条件的资产相关的外币专门借款产生的汇兑差额按照借款费用资本化的原则处理外，均计入当期损益。

2、外币财务报表的折算

资产负债表中的资产和负债项目，采用资产负债表日的即期汇率折算；所有者权益项目除“未分配利润”项目外，其他项目采用发生时的即期汇率折算。利润表中的收入和费用项目，采用交易发生日的即期汇率折算。

(八) 买入返售金融资产和卖出回购金融资产款

买入返售是指按合同或协议规定，以一定的价格向交易对手买入相关资产（包括债券、票据及贷款等），到合同规定日期，再以规定价格返售给对方的合同。买入返售金融资产按买入相关资产时实际支付的金额入账。

卖出回购是指按合同或协议规定，以一定的价格将相关资产（包括债券、票据及贷款等）出售给交易对手，到合同规定日期，再以规定价格回购的合同。卖出回购金融资产款按卖出相关资产时实际收到的金额入账。

(九) 长期股权投资

1、共同控制、重大影响的判断标准

共同控制，是指按照相关约定对某项安排所共有的控制，并且该安排的相关活动必须经过分享控制权的参与方一致同意后才能决策。本公司与其他合营方一同对被投资单位实施共同控制且对被投资单位净资产享有权利的，被投资单位为本公司的合营企业。

重大影响，是指对一个企业的财务和经营决策有参与决策的权力，但并不能够控制或者与其他方一起共同控制这些政策的制定。本能够对被投资单位施加重大影响的，被投资单位为本公司联营企业。

2、初始投资成本的确定

(1) 企业合并形成的长期股权投资

同一控制下的企业合并：公司以支付现金、转让非现金资产或承担债务方式以及以发行权益性证券作为合并对价的，在合并日按照取得被合并方所有者权益在最终控制方合并财务报表中的账面价值的份额作为长期股权投资的初始投资成本。

(2) 其他方式取得的长期股权投资

以支付现金方式取得的长期股权投资，按照实际支付的购买价款作为初始投资成本。

以发行权益性证券取得的长期股权投资，按照发行权益性证券的公允价值作为初始投资成本。

3、后续计量及损益确认方法

(1) 成本法核算的长期股权投资

公司对子公司的长期股权投资，采用成本法核算。除取得投资时实际支付的价款或对价中包含的已宣告但尚未发放的现金股利或利润外，公司按照享有被投资单位宣告发放的现金股利或利润确认当期投资收益。

(2) 权益法核算的长期股权投资

对联营企业和合营企业的长期股权投资，采用权益法核算。初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的差额，不调整长期股权投资的初始投资成本；初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的差额，计入当期损益。

(十) 固定资产

1、固定资产确认条件

固定资产指为生产商品、提供劳务、出租或经营管理而持有，并且使用寿命超过一个会计年度的有形资产。固定资产在同时满足下列条件时予以确认：

- (1) 与该固定资产有关的经济利益很可能流入企业；
- (2) 该固定资产的成本能够可靠地计量。

2、各类固定资产的折旧方法

固定资产折旧采用年限平均法分类计提，根据固定资产类别、预计使用寿命和预计净残值率确定折旧率。如固定资产各组成部分的使用寿命不同或者以不同方式为企业提供经济利益，则选择不同折旧率或折旧方法，分别计提折旧。

融资租赁方式租入的固定资产，能合理确定租赁期届满时将会取得租赁资产所有权的，在租赁资产尚可使用年限内计提折旧；无法合理确定租赁期届满时能够取得租赁资产所有权的，在租赁期与租赁资产尚可使用年限两者中较短的期间内计提折旧。

主要固定资产类别的折旧年限如下：

| 资产类别 | 折旧年限 |
|---------|------|
| 房屋及建筑物 | 30年 |
| 电子设备 | 3年 |
| 机器设备 | 5年 |
| 运输工具及其他 | 5年 |

(十一) 在建工程

在建工程项目按建造该项资产达到预定可使用状态前所发生的必要支出，作为固定资产的入账价值。所建造的固定资产在建工程已达到预定可使用状态，但尚未办理竣工决算的，自达到预定可使用状态之日起，根据工程预算、造价或者工程实际成本等，按估计的价值转入固定资产，并按本公司固定资产折旧政策计提固定资产的折旧，待办理竣工决算后，再按实际成本调整原来的暂估价值，但不调整原已计提的折旧额。

(十二) 无形资产

1、无形资产的计价方法

- (1) 公司取得无形资产时按成本进行初始计量；
- (2) 后续计量

在取得无形资产时分析判断其使用寿命。

对于使用寿命有限的无形资产，在为企业带来经济利益的期限内按直线法摊销；无法预见无形资产为企业带来经济利益期限的，视为使用寿命不确定的无形资产，不予摊销。

2、无形资产的使用寿命估计情况

每期末，对无形资产的使用寿命及摊销方法进行复核。

3、无形资产减值准备的计提

对于使用寿命确定的无形资产，如有明显减值迹象的，期末进行减值测试。

对于使用寿命不确定的无形资产，每期末进行减值测试。

对无形资产进行减值测试，估计其可收回金额。

无形资产的减值损失一经确认，在以后会计期间不再转回。

(十三) 长期资产减值

长期股权投资、采用成本模式计量的投资性房地产、固定资产、在建工程、无形资产等长期资产，于资产负债表日存在减值迹象的，进行减值测试。减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

(十四) 其他资产

1、长期待摊费用

长期待摊费用是指已经支出但应由本期和以后各期负担的分摊期限在一年以上(不含一年)的各项费用。

2、抵债资产

抵债资产按取得时的公允价值入账，公允价值与相关资产账面价值及支付的税费之间的差额计入当期损益。

抵债资产处置时，如果取得的处置收入大于抵债资产账面价值，其差额计入营业外收入；如果取得的处置收入小于抵债资产账面价值，其差额计入营业外支出；保管过程中发生的费用直接计入其他业务支出。处置过程中发生的费用，从处置收入中抵减。

3、其他应收款项

本公司按照其他应收款的项目和对方单位（个人）进行明细核算。本公司定期分析各项其他应收款项的可收回性，当应收款项的可收回金额低于其账面价值时，计提资产减值准备，并计入当期损益。

(十五) 职工薪酬

1、短期薪酬的会计处理方法

本公司在职工为本公司提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。

本公司为职工缴纳的社会保险费和住房公积金，以及按规定提取的工会经费和职工教育经费，在职工为本公司提供服务的会计期间，根据规定的计提基础和计提比例计算确定相应的职工薪酬金额。

职工福利费为非货币性福利的，如能够可靠计量的，按照公允价值计量。

2、离职后福利的会计处理方法

(1) 设定提存计划

本公司按当地政府的相关规定为职工缴纳基本养老保险和失业保险，在职工为本公司提供服务的会计期间，按以当地规定的缴纳基数和比例计算应缴纳金额，确认为负债，并计入当期损益或相关资产成本。

除基本养老保险外，本公司还依据国家企业年金制度的相关政策建立了企业年金计划。本公司按职工工资总额的一定比例向年金计划缴费，相应支出计入当期损益或相关资产成本。

(2) 设定受益计划

本公司根据预期累计福利单位法确定的公式将设定受益计划产生的福利义务归属于职工提供服务的期间，并计入当期损益或相关资产成本。

3、辞退福利的会计处理方法

本公司在不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时，或确认与涉及支付辞退福利的重组相关的成本或费用时（两者孰早），确认辞退福利产生的职工薪酬负债，并计入当期损益。

(十六) 收入确认

收入在相关的经济利益很可能流入本公司且金额能够可靠计量，同时满足以下不同类型收入的其他确认条件时，予以确认。

1、利息收入

金融资产的利息收入根据让渡资金使用权的时间和实际利率在计入当期损益。利息收入包括折价或溢价的摊销，当实际利率与合同利率差异不大时，采用合同利率。

当一项金融资产或一组类似的金融资产确认减值损失后，确认利息收入所使用的利率为计量减值损失时对未来现金流进行贴现时使用的利率。

2、手续费和佣金收入

手续费和佣金收入在提供相关服务时，根据权责发生制的原则确认。

资产买卖、或参与第三方进行资产买卖交易（如购买客户贷款、证券，或出售业务）时产生的手续费于相关交易完成时确认。

3、股利收入

非上市权益工具投资的股利收入于本公司收取股利权力时确认计入当期损益，计入投资收益。

(十七) 递延所得税资产和递延所得税负债

对于可抵扣暂时性差异确认递延所得税资产，以未来期间很可能取得的用来抵扣可抵扣暂时性差异的应纳税所得额为限。对于能够结转以后年度的可抵扣亏损和税款抵减，以很可能获得用来抵扣可抵扣亏损和税款抵减的未来应纳税所得额为限，确认相应的递延所得税资产。

对于应纳税暂时性差异，除特殊情况外，确认递延所得税负债。

不确认递延所得税资产或递延所得税负债的特殊情况包括：商誉的初始确认；除企业合并以外的发生时既不影响会计利润也不影响应纳税所得额（或可抵扣亏损）的其他交易或事项。

当拥有以净额结算的法定权利，且意图以净额结算或取得资产、清偿负债同时进行，当期所得税资产及当期所得税负债以抵销后的净额列报。

当拥有以净额结算当期所得税资产及当期所得税负债的法定权利，且递延所得税资产及递延所得税负债是与同一税收征管部门对同一纳税主体征收的所得税相关或者是对不同的纳税主体相关，但在未来每一具有重要性的递延所得税资产及负债转回的期间内，涉及的纳税主体意图以净额结算当期所得税资产和负债或是同时取得资产、清偿负债时，递延所得税资产及递延所得税负债以抵销后的净额列报。

(十八) 委托业务

本公司通常作为受托人在受托业务中为信托机构、其他机构和零售客户管理资产。受托业务中所涉及的资产不属于本公司，因此不包括在本公司财务报表中。

委托贷款是指本公司接受委托，由客户（作为委托人）提供资金，由本公司（作为受托人）按照委托人确定的贷款对象、用途、金额、期限、利率而代理发放和监督使用并由本公司协助收回的贷款，风险由委托人承担。本公司进行委托贷款业务只收取手续费，不代垫资金，不承担信用风险。

(十九) 债务重组

债务重组，是指在债务人发生财务困难的情况下，本公司作为债权人按照其与债务人达成的协议或者法院的裁定作出让步的事项。债务重组的方式主要包括：（一）以资产清偿债务；（二）将债务转为资本；（三）修改其他债务条件；（四）以上三种方式的组合等。

以现金清偿债务的，本公司将重组债权的账面余额与收到的现金之间的差额，计入当期损益。本公司已对债权计提减值准备的，先将该差额冲减减值准备，减值准备不足以冲减的部分，计入当期损益。

以非现金资产清偿债务的，本公司对受让的非现金资产按其公允价值入账，重组债权的账面余额与受让的非现金资产的公允价值之间的差额，比照以现金清偿债务的规定处理。

将债务转为资本的，本公司将享有股份的公允价值确认为对债务人的投资，重组债权的账面余额与股份的公允价值之间的差额，比照以现金清偿债务的规定处理。

修改其他债务条件的，本公司将修改其他债务条件后的债权的公允价值作为重组后债权的账面价值，重组债权的账面余额与重组后债权的账面价值之间的差额，比照以现金清偿债务的规定处理。修改后的债务条款中涉及或有应收金额的，本公司不确认或有应收金额，不将其计入重组后债权的账面价值。

债务重组采用以现金清偿债务、非现金资产清偿债务、债务转为资本、修改其他债务条件等方式的组合进行的，本公司依次以收到的现金、接受的非现金资产公允价值、债权人享有股份的公允价值冲减重组债权的账面余额，再按照修改其他债务条件的规定处理。

四、税项

本公司适用的主要税种及税率如下：

| 税种 | 税基 | 2017年度 |
|---------|----------|--------|
| 企业所得税 | 应纳税所得额 | 25% |
| 增值税 | 应税收入 | 5%/6% |
| 城市维护建设税 | 实际缴纳的流转税 | 5%/7% |
| 教育费附加 | 实际缴纳的流转税 | 3% |
| 地方教育费附加 | 实际缴纳的流转税 | 2% |

五、合并财务报表主要项目注释

(一) 现金及存放中央银行款项

| 项目 | 2017-12-31 | 2016-12-31 |
|---------------|-------------------|-------------------|
| 库存现金 | 376,855,298.41 | 355,214,636.29 |
| 存放中央银行法定准备金 | 10,524,407,313.58 | 9,991,502,622.40 |
| 存放中央银行超额存款准备金 | 3,825,414,181.60 | 4,593,537,441.90 |
| 存放中央银行财政性存款 | 481,870,000.00 | 348,730,000.00 |
| 合计 | 15,208,546,793.59 | 15,288,984,700.59 |

缴存的法定存款准备金为按规定向中国人民银行缴存的存款准备金，此存款不能用于日常业务。2017年12月31日、2016年12月31日本公司人民币存款准备金缴存比率分别为13.5%、13.5%，2017年12月31日、2016年12月31日外币存款准备金缴存比率分别为5%、5%。存款范围包括机关团体存款、财政预算外存款、个人存款、单位存款、委托业务负债项目轧减资产项目后的贷方余额及其它各项存款。

子公司人民币存款准备金缴存比率列示如下：

| 被投资单位 | 2017-12-31 | 2016-12-31 |
|------------------|------------|------------|
| 临沂河东齐商村镇银行股份有限公司 | 9% | 9% |

存放于中央银行超额存款准备金用于日常资金清算。

存放中央银行财政性存款是对国家金库款，地方财政预算内、外存款，部队、机关团体存款，财政部发行的国库券及各项债券款项等，按100%缴存中央银行的款项。

(二) 存放同业款项

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|----------------|------------------|
| 存放境内同业款项 | 968,804,563.81 | 6,944,168,533.06 |
| 存放境外同业款项 | 27,491,095.15 | 141,264,233.23 |
| 减：资产减值准备 | | |
| 合计 | 996,295,658.96 | 7,085,432,766.29 |

截至2017年12月31日，无持有5%及5%以上股份的股东的存放同业款项余额。

(三) 拆出资金

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|----------------|------------|
| 银行 | 424,723,000.00 | |
| 非银行金融机构 | | |
| 减：资产减值准备 | | |
| 合计 | 424,723,000.00 | |

截至2017年12月31日，无持有5%及5%以上股份的股东的拆出资金余额。

(四) 买入返售金融资产

| 项目 | 2017-12-31 | 2016-12-31 |
|---------|------------|----------------|
| 买入返售债券： | | |
| 政府债券 | | 590,000,000.00 |
| 金融债券 | | 408,000,000.00 |
| 企业债券 | | |
| 合计 | | 998,000,000.00 |

截至2017年12月31日，无持有5%及5%以上股份的股东的买入返售金融资产余额。

(五) 应收利息

| 项目 | 2017-12-31 | 2016-12-31 |
|---------------|----------------|----------------|
| 应收贷款利息 | 337,881,535.38 | 263,587,535.31 |
| 应收存放央行利息 | 5,631,129.59 | 5,299,428.09 |
| 应收存放同业及拆出款项利息 | 2,311,623.05 | 28,954,002.37 |
| 应收买入返售金融资产利息 | | 133,718.36 |
| 应收可供出售投资利息 | 205,528,946.76 | 158,073,250.76 |
| 应收持有至到期投资利息 | 97,332,700.82 | 94,273,296.37 |
| 应收应收款项类投资利息 | 104,493,101.31 | 52,575,305.53 |
| 合计 | 753,179,036.91 | 602,896,536.79 |

(六) 发放贷款和垫款

1、贷款和垫款按个人和企业分布情况列示如下：

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|-------------------|-------------------|
| 个人贷款和垫款： | | |
| 信用卡 | 49,563,050.69 | 36,772,339.79 |
| 住房抵押 | 4,239,369,792.08 | 1,539,112,982.33 |
| 其他 | 4,284,620,477.93 | 3,600,097,608.11 |
| 企业贷款和垫款： | | |
| 贷款 | 44,009,423,921.39 | 42,475,306,847.50 |
| 贴现 | 3,644,114,059.99 | 3,744,298,369.62 |
| 贸易融资 | 809,215,574.46 | 736,499,349.80 |
| 贷款和垫款总额 | 57,036,306,876.54 | 52,132,087,497.15 |
| 减： | | |
| 贷款损失准备 | 2,123,049,836.18 | 1,571,313,672.83 |
| 贷款和垫款净额 | 54,913,257,040.36 | 50,560,773,824.32 |



2、贷款损失准备:

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|------------------|------------------|
| 公司贷款损失准备 | 1,868,078,655.32 | 1,423,964,707.35 |
| 个人贷款损失准备 | 254,971,180.86 | 147,348,965.48 |
| 合计 | 2,123,049,836.18 | 1,571,313,672.83 |

3、贷款和垫款按行业划分:

| 项目 | 2017-12-31 | 比例(%) | 2016-12-31 | 比例(%) |
|----------------|-------------------|--------|-------------------|--------|
| 制造业 | 16,595,691,322.68 | 29.10 | 17,143,819,057.78 | 32.88 |
| 水利、环境和公共设施管理业 | 1,834,851,478.86 | 3.22 | 1,399,511,404.09 | 2.68 |
| 批发和零售业 | 10,132,646,036.55 | 17.76 | 10,409,339,031.31 | 19.97 |
| 房地产业 | 2,828,910,000.00 | 4.96 | 2,885,993,000.00 | 5.54 |
| 教育 | 148,900,000.00 | 0.26 | 179,000,000.00 | 0.34 |
| 电力、燃气及水的生产和供应业 | 1,241,368,232.11 | 2.18 | 1,109,125,000.00 | 2.13 |
| 建筑和租赁服务业 | 7,006,135,572.60 | 12.28 | 4,664,227,119.57 | 8.95 |
| 其他 | 4,220,921,278.59 | 7.40 | 4,684,292,234.75 | 8.99 |
| 贸易融资 | 809,215,574.46 | 1.42 | 736,499,349.80 | 1.41 |
| 贴现 | 3,644,114,059.99 | 6.39 | 3,744,298,369.62 | 7.18 |
| 个人 | 8,573,553,320.70 | 15.03 | 5,175,982,930.23 | 9.93 |
| 合计 | 57,036,306,876.54 | 100.00 | 52,132,087,497.15 | 100.00 |
| 减：贷款损失准备 | 2,123,049,836.18 | | 1,571,313,672.83 | |
| 贷款和垫款账面价值 | 54,913,257,040.36 | | 50,560,773,824.32 | |

4、贷款及垫款按地区分布情况列示如下:

| 项目 | 2017-12-31 | 2016-12-31 |
|------|-------------------|-------------------|
| 山东地区 | 53,169,507,389.80 | 48,255,579,290.78 |
| 陕西地区 | 3,866,799,486.74 | 3,876,508,206.37 |
| 合计 | 57,036,306,876.54 | 52,132,087,497.15 |

5、贷款和垫款按担保方式分布情况列示如下:

| 项目 | 2017-12-31 | 2016-12-31 |
|---------|-------------------|-------------------|
| 信用贷款 | 5,446,233,888.89 | 4,731,989,739.98 |
| 保证贷款 | 29,799,873,402.92 | 29,509,565,347.22 |
| 抵押贷款 | 19,019,720,255.90 | 15,568,268,311.86 |
| 质押贷款 | 2,770,479,328.83 | 2,322,264,098.09 |
| 贷款和垫款总额 | 57,036,306,876.54 | 52,132,087,497.15 |
| 减: | | |
| 贷款损失准备 | 2,123,049,836.18 | 1,571,313,672.83 |
| 贷款和垫款净额 | 54,913,257,040.36 | 50,560,773,824.32 |

6、贷款损失准备变动情况如下:

| 项目 | 2017年度 | 2016年度 |
|------------|------------------|------------------|
| 期初余额 | 1,571,313,672.83 | 1,469,022,109.37 |
| 本期计提/转出 | 785,072,513.97 | 682,983,048.84 |
| 本期核销 | 260,810,227.13 | 590,247,599.79 |
| 本期收回以前年度核销 | 27,023,876.51 | 6,011,914.41 |
| 本期其他转回 | 450,000.00 | 3,544,200.00 |
| 期末余额 | 2,123,049,836.18 | 1,571,313,672.83 |

(七) 可供出售金融资产

1、可供出售金融资产按项目列示：

| 项目 | 2017-12-31 | 2016-12-31 |
|-------------|------------------|------------------|
| 债券投资-公允价值计量 | | |
| 政府债券 | 1,991,390,831.80 | 1,894,878,541.09 |
| 金融债券 | 6,683,113,361.54 | 5,068,969,771.25 |
| 企业债券 | 81,895,155.90 | 105,841,838.03 |
| 同业存单 | 39,830,992.65 | 395,192,519.75 |
| 减：减值准备 | | |
| 小计 | 8,796,230,341.89 | 7,464,882,670.12 |
| 权益投资-成本计量 | | |
| 股权投资 | 38,390,839.00 | 38,390,839.00 |
| 减：减值准备 | | |
| 小计 | 38,390,839.00 | 38,390,839.00 |
| 权益投资-公允价值计量 | | |
| 银行间联合投资计划 | 30,000,000.00 | 30,000,000.00 |
| 减：减值准备 | | |
| 小计 | 30,000,000.00 | 30,000,000.00 |
| 合计 | 8,864,621,180.89 | 7,533,273,509.12 |

2、可供出售金融资产相关信息分析：

| 项目 | 2017-12-31 | 2016-12-31 |
|-------------|------------------|------------------|
| 债券投资-公允价值计量 | | |
| 摊余成本 | 9,016,340,553.90 | 7,349,717,850.24 |
| 公允价值 | 8,796,230,341.89 | 7,464,882,670.12 |
| 累计计入其他综合收益 | -220,110,212.01 | 115,164,819.88 |
| 累计计提减值金额 | | |
| 权益投资-成本计量 | | |

可供出售金融资产相关信息分析（续表）

| 项目 | 2017-12-31 | 2016-12-31 |
|-------------|---------------|---------------|
| 投资成本 | 38,390,839.00 | 38,390,839.00 |
| 累计计提减值金额 | | |
| 权益投资-公允价值计量 | | |
| 公允价值 | 30,000,000.00 | 30,000,000.00 |
| 累计计提减值金额 | | |

截至2017年12月31日，本公司持有的可供出售债券中有面值1,770,000,000.00元的债券用于办理卖出回购证券业务；面值2,235,319,200.00元的债券用于办理向央行借款业务；面值40,000,000.00元的债券用于办理国库定期存款业务。

3、可供出售金融资产中公允价值不能可靠计量的权益投资：

| 被投资单位 | 投资成本 | 2016 12-31 | 增减 变动 | 2017 12-31 |
|-------------------|---------------|---------------|----------|---------------|
| 中国银联股份有限公司 | 8,134,839.00 | 8,134,839.00 | | 8,134,839.00 |
| 城市商业银行资金清算中心 | 250,000.00 | 250,000.00 | | 250,000.00 |
| 山东省城市商业银行合作联盟有限公司 | 30,000,000.00 | 30,000,000.00 | | 30,000,000.00 |
| 淄博市银行协会 | 6,000.00 | 6,000.00 | | 6,000.00 |
| 合计 | 38,390,839.00 | 38,390,839.00 | | 38,390,839.00 |

可供出售金融资产中公允价值不能可靠计量的权益投资（续表）

| 被投资单位 | 持股比例(%) | 表决权比例(%) | 减值准备 | 本期计提减值准备 | 本期收到现金红利 |
|-------------------|---------|----------|------|----------|--------------|
| 中国银联股份有限公司 | 0.28 | 0.28 | | | 640,000.00 |
| 城市商业银行资金清算中心 | 0.83 | 0.83 | | | 2,100,000.00 |
| 山东省城市商业银行合作联盟有限公司 | 4.60 | 4.60 | | | |
| 淄博市银行协会 | 20.00 | 20.00 | | | |
| 合计 | | | | | 2,740,000.00 |

对于上述可供出售权益工具，因其在活跃市场中没有报价且其公允价值不能可靠计量且未对被投资公司产生重大影响，本公司对其按成本计量。

截至2017年12月31日，本公司可供出售金融资产不存在减值情况，不需计提可供出售金融资产减值准备。

(八) 持有至到期投资

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|------------------|------------------|
| 政府债券 | 4,075,763,326.56 | 3,680,090,567.06 |
| 金融债券 | 2,795,070,489.51 | 2,918,384,613.52 |
| 企业债券 | 99,947,590.83 | 99,943,778.65 |
| 资产证券化 | 50,000,000.00 | |
| 减：资产减值准备 | | |
| 合计 | 7,020,781,406.90 | 6,698,418,959.23 |

截至2017年12月31日，本公司持有到期债券中有面值1,235,000,000.00元的债券用于办理卖出回购证券业务；面值195,140,000.00元的债券用于办理中国邮政储蓄银行协议存款业务；面值2,161,026,900.00元的债券用于办理向央行借款业务；面值467,818,500.00元的债券用于办理国库定期存款业务。

(九) 应收款项类投资

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|-------------------|-------------------|
| 资产管理计划 | 10,154,960,000.00 | 7,896,745,454.71 |
| 信托收益权 | 4,939,640,914.72 | 3,388,767,219.83 |
| 同业理财 | 250,000,000.00 | 830,000,000.00 |
| 减：资产减值准备 | 44,499,515.72 | 22,487,672.20 |
| 合计 | 15,300,101,399.00 | 12,093,025,002.34 |

应收款项类投资减值准备变动情况：

| 项目 | 2017-12-31 | 2016-12-31 |
|------|---------------|---------------|
| 年初余额 | 22,487,672.20 | 9,742,189.86 |
| 本年计提 | 22,011,843.52 | 12,745,482.34 |
| 本年核销 | | |
| 年末余额 | 44,499,515.72 | 22,487,672.20 |

(十) 长期股权投资

| 被投资单位 | 2016-12-31 | 本期增减变动 | | | | |
|------------|----------------|--------|------|---------------|----------|--------|
| | | 追加投资 | 减少投资 | 权益法下确认的投资损益 | 其他综合收益调整 | 其他权益变动 |
| 联营企业 | | | | | | |
| 长安银行股份有限公司 | 623,904,526.87 | | | 59,524,434.23 | | |
| 合计 | 623,904,526.87 | | | 59,524,434.23 | | |

| 被投资单位 | 本期增减变动 | | 2017-12-31 | 本期计提减值准备 | 减值准备期末余额 |
|------------|---------------|----|----------------|----------|----------|
| | 宣告发放现金股利 | 其他 | | | |
| 联营企业 | | | | | |
| 长安银行股份有限公司 | 19,644,768.00 | | 663,784,193.10 | | |
| 合计 | 19,644,768.00 | | 663,784,193.10 | | |

本行的子公司

| 被投资单位 | 核算方法 | 初始投资成本 | 2016 12-31 | 增减变动 | 2017 12-31 |
|------------------|------|----------------|----------------|------|----------------|
| 临沂河东齐商村镇银行股份有限公司 | 成本法 | 121,380,000.00 | 121,380,000.00 | | 121,380,000.00 |
| 合计 | | 121,380,000.00 | 121,380,000.00 | | 121,380,000.00 |

| 被投资单位 | 持股比例(%) | 表决权比例(%) | 减值准备 | 本期计提减值准备 | 现金红利 |
|------------------|---------|----------|------|----------|---------------|
| 临沂河东齐商村镇银行股份有限公司 | 51.00% | 51.00% | | | 12,240,000.00 |
| 合计 | 51.00% | 51.00% | | | 12,240,000.00 |

注：1、2009年，长安银行股份有限公司经中国银行业监督管理委员会银监复（2009）212号《中国人民银监会关于筹建长安银行股份有限公司的批复》批准，由宝鸡市商业银行股份有限公司等五家地方性银行金融机构通过新设合并，并由发起人共同发起设立，本公司作为发起人之一，于2009年4月在陕西省西安市签署发起人协议，以货币资金出资1.95亿元，认购长安银行股份1.95亿股，占股本总额的6.5%。

本公司向长安银行股份有限公司派驻高级管理人员，参与其日常业务经营，对其产生重大影响，因此采用权益法核算。

截至2017年12月31日，本公司持有长安银行股份有限公司245,559,600股，占股本总额的4.3528%。

2、根据中国银行业监督管理委员会临沂监管分局《临沂银监分局关于同意临沂河东齐商村镇银行股份有限公司开业的批复》（银监临准[2010]123号），本公司向临沂河东齐商村镇银行股份有限公司出资1,200万元，持股比例为60%；2012年，临沂河东齐商村镇银行股份有限公司注册资本增至5,000万元，本公司出资增至2,550万元，持股比例变更为51%。2014年，临沂河东齐商村镇银行股份有限公司注册资本增至10,000万元，本公司出资增至5,100万元，持股比例为51%。2016年，临沂河东齐商村镇银行股份有限公司注册资本增至20,000万元，本公司出资增至10,200万元，持股比例为51%。本公司作为临沂河东齐商村镇银行股份有限公司的第一大股东，按成本法核算。鉴于本行能够控制临沂河东齐商村镇银行股份有限公司的经营和财务决策，本行将其纳入合并财务报表范围。

(十一) 固定资产

1、固定资产情况:

| 项目 | 房屋建筑物 | 电子设备 | 运输设备 | 其他 | 合计 |
|-----------------|------------------|----------------|---------------|----------------|------------------|
| 1、账面原值 | | | | | |
| (1) 2016年12月31日 | 1,292,371,692.71 | 178,874,500.59 | 52,933,413.28 | 139,201,212.08 | 1,663,380,818.66 |
| (2) 本期增加金额 | 191,270,251.33 | 30,335,845.67 | 2,404,091.69 | 34,026,251.41 | 258,036,440.10 |
| 购置 | 9,636,179.92 | 30,087,936.67 | 2,404,091.69 | 6,257,888.30 | 48,386,096.58 |
| 在建工程转入 | 181,634,071.41 | 247,909.00 | | 27,768,363.11 | 209,650,343.52 |
| (3) 本期减少金额 | | 20,550,012.61 | 2,906,580.09 | 1,253,120.35 | 24,709,713.05 |
| 处置或报废 | | 20,550,012.61 | 2,906,580.09 | 1,253,120.35 | 24,709,713.05 |
| (4) 2017年12月31日 | 1,483,641,944.04 | 188,660,333.65 | 52,430,924.88 | 171,974,343.14 | 1,896,707,545.71 |
| 2、累计折旧 | | | | | |
| (1) 2016年12月31日 | 292,779,435.01 | 124,562,823.95 | 33,515,209.23 | 71,708,117.01 | 522,565,585.20 |
| (2) 本期增加金额 | 38,862,496.70 | 28,213,681.45 | 7,333,773.20 | 22,597,973.33 | 97,007,924.68 |
| 计提 | 38,862,496.70 | 28,213,681.45 | 7,333,773.20 | 22,597,973.33 | 97,007,924.68 |
| (3) 本期减少金额 | | 19,458,832.19 | 2,825,609.32 | 1,121,003.09 | 23,405,444.60 |
| 处置或报废 | | 19,458,832.19 | 2,825,609.32 | 1,121,003.09 | 23,405,444.60 |
| (4) 2017年12月31日 | 331,641,931.71 | 133,317,673.21 | 38,023,373.11 | 93,185,087.25 | 596,168,065.28 |
| 3、减值准备 | | | | | |
| (1) 2016年12月31日 | | | | | |
| (2) 本期增加金额 | | | | | |
| 计提 | | | | | |
| (3) 本期减少金额 | | | | | |
| 处置或报废 | | | | | |
| (4) 2017年12月31日 | | | | | |
| 4、账面价值 | | | | | |
| (1) 2017年12月31日 | 1,152,000,012.33 | 55,342,660.44 | 14,407,551.77 | 78,789,255.89 | 1,300,539,480.43 |
| (2) 2016年12月31日 | 999,592,257.70 | 54,311,676.64 | 19,418,204.05 | 67,493,095.07 | 1,140,815,233.46 |

2、本期无暂时闲置的固定资产

3、暂时经营租赁租出的固定资产情况：

| 项目 | 账面价值 |
|-------|---------------|
| 房屋建筑物 | 67,588,719.29 |
| 合计 | 67,588,719.29 |

4、未办妥产权证书的固定资产情况：

| 项目 | 金 额 | 未办妥产权证书原因 |
|-----------|----------------|-----------|
| 沂源支行办公楼 | 34,137,106.25 | 正在办理中 |
| 高青支行办公楼 | 48,398,361.88 | 正在办理中 |
| 缤纷南郡 | 9,128,268.56 | 正在办理中 |
| 广饶支行办公楼 | 16,644,757.60 | 正在办理中 |
| 安丘支行办公楼 | 12,399,558.00 | 正在办理中 |
| 闻韶支行房屋 | 21,965,093.74 | 正在办理中 |
| 滨州办公大楼 | 108,568,431.69 | 正在办理中 |
| 威通办公楼 | 96,512,202.50 | 正在办理中 |
| 芦湖支行办公楼 | 9,781,266.35 | 正在办理中 |
| 临沂分行办公楼 | 67,397,031.67 | 正在办理中 |
| 高创园支行房产 | 69,697,675.50 | 正在办理中 |
| 华侨城小微支行房产 | 4,981,241.22 | 正在办理中 |
| 合计 | 499,610,994.96 | |

截至2017年12月31日，本公司固定资产不存在减值情况，不需计提固定资产减值准备。

(十二) 在建工程

1、在建工程按项目列示：

| 项目 | 2017-12-31 | 2016-12-31 |
|--------|----------------|----------------|
| 账面余额 | 392,687,585.73 | 433,042,860.10 |
| 减：减值准备 | | |
| 账面净值 | 392,687,585.73 | 433,042,860.10 |

2、在建工程项目变动情况：

| 项目 | 2016-12-31 | 本期增加 | 转入固定资产 | 转入无形资产 |
|---------|----------------|----------------|----------------|--------------|
| 办公用房及装修 | 425,028,710.91 | 179,779,105.51 | 205,522,898.60 | |
| 软件系统 | 4,392,521.37 | 1,398,335.85 | | 2,601,341.49 |
| 其他 | 3,621,627.82 | 3,574,569.01 | 4,127,444.92 | |
| 合计 | 433,042,860.10 | 184,752,010.37 | 209,650,343.52 | 2,601,341.49 |

在建工程项目变动情况（续表）

| 项目 | 其他减少 | 资金来源 | 2017-12-31 |
|---------|---------------|------|----------------|
| 办公用房及装修 | 12,855,599.73 | 自有资金 | 386,429,318.09 |
| 软件系统 | | 自有资金 | 3,189,515.73 |
| 其他 | | 自有资金 | 3,068,751.91 |
| 合计 | 12,855,599.73 | | 392,687,585.73 |

(十三) 无形资产

| 项目 | 土地使用权 | 软件 | 合计 |
|-----------------|---------------|----------------|----------------|
| 1、账面原值 | | | |
| (1) 2016年12月31日 | 25,640,484.62 | 85,700,951.85 | 111,341,436.47 |
| (2) 本期增加金额 | | 19,550,755.12 | 19,550,755.12 |
| 购置 | | 16,949,413.63 | 16,949,413.63 |
| 在建工程转入 | | 2,601,341.49 | 2,601,341.49 |
| (3) 本期减少金额 | | | |
| 处置 | | | |
| (4) 2017年12月31日 | 25,640,484.62 | 105,251,706.97 | 130,892,191.59 |
| 2、累计摊销 | | | |
| (1) 2016年12月31日 | 3,227,313.73 | 21,808,368.63 | 25,035,682.36 |
| (2) 本期增加金额 | 2,090,993.27 | 9,847,019.70 | 11,938,012.97 |
| 计提 | 2,090,993.27 | 9,847,019.70 | 11,938,012.97 |
| (3) 本期减少金额 | | | |
| 处置 | | | |

无形资产（续表）

| 项目 | 土地使用权 | 软件 | 合计 |
|-----------------|---------------|---------------|---------------|
| (4) 2017年12月31日 | 5,318,307.00 | 31,655,388.33 | 36,973,695.33 |
| 3、减值准备 | | | |
| (1) 2016年12月31日 | | | |
| (2) 本期增加金额 | | | |
| 计提 | | | |
| (3) 本期减少金额 | | | |
| 处置 | | | |
| (4) 2017年12月31日 | | | |
| 4、账面价值 | | | |
| (1) 2017年12月31日 | 20,322,177.62 | 73,596,318.64 | 93,918,496.26 |
| (2) 2016年12月31日 | 22,413,170.89 | 63,892,583.22 | 86,305,754.11 |

(十四) 递延所得税资产和递延所得税负债

1、递延所得税资产

| 项目 | 2017-12-31 | | 2016-12-31 | |
|--------------|------------------|----------------|------------------|----------------|
| | 可抵扣暂时性差异 | 递延所得税资产 | 可抵扣暂时性差异 | 递延所得税资产 |
| 贷款减值准备 | 1,568,928,210.63 | 392,232,052.66 | 1,300,738,706.28 | 325,184,676.57 |
| 抵债资产减值准备 | | | 10,684,996.00 | 2,671,249.00 |
| 其他应收款坏账准备 | 10,647,198.92 | 2,661,799.73 | 5,166,911.91 | 1,291,727.98 |
| 可供出售金融资产公允价值 | 220,110,212.00 | 55,027,553.00 | | |
| 应收款项类投资坏账准备 | 44,499,515.72 | 11,124,878.93 | 22,487,672.20 | 5,621,918.05 |
| 合计 | 1,844,185,137.27 | 461,046,284.32 | 1,339,078,286.39 | 334,769,571.60 |

2、递延所得税负债

| 项目 | 2017-12-31 | | 2016-12-31 | |
|--------------|------------|---------|----------------|---------------|
| | 应纳税暂时性差异 | 递延所得税负债 | 应纳税暂时性差异 | 递延所得税负债 |
| 可供出售金融资产公允价值 | | | 115,164,819.88 | 28,791,204.97 |
| 小计 | | | 115,164,819.88 | 28,791,204.97 |

(十五) 其他资产

1、其他资产按项目列示如下：

| 项目 | 2017-12-31 | 2016-12-31 |
|--------|----------------|----------------|
| 抵债资产 | 77,000,000.00 | 77,000,000.00 |
| 其他应收款 | 547,421,558.61 | 419,139,019.49 |
| 待摊费用 | 102,435,468.08 | 91,899,949.82 |
| 其他业务资产 | 6,335,019.61 | 167,325.00 |
| 合计 | 733,192,046.30 | 588,206,294.31 |

2、抵债资产按项目列示如下：

| 项目 | 2017-12-31 | 2016-12-31 |
|------------|---------------|---------------|
| 房产 | | 10,684,996.00 |
| 土地使用权 | 77,000,000.00 | 77,000,000.00 |
| 抵债资产合计 | 77,000,000.00 | 87,684,996.00 |
| 减：抵债资产减值准备 | | 10,684,996.00 |
| 抵债资产净值 | 77,000,000.00 | 77,000,000.00 |

截至2017年12月31日的抵债资产为山东恒丰房地产开发有限公司土地使用权，本行预计处置价格不低于账面价值，故本期未计提减值准备。

3、抵债资产减值准备变动列示如下：

| 项目 | 2017年度 | 2016年度 |
|------|---------------|---------------|
| 期初余额 | 10,684,996.00 | 10,684,996.00 |
| 本期计提 | | |
| 本期转出 | 10,684,996.00 | |
| 期末余额 | | 10,684,996.00 |

4、其他应收款按项目列示：

| 项目 | 2017-12-31 | 2016-12-31 |
|--------|----------------|----------------|
| 结算暂挂款 | 486,662,231.34 | 396,145,059.67 |
| 诉讼费 | 40,120,591.07 | 26,616,072.86 |
| 预缴税金 | 23,106,072.74 | |
| 其他 | 8,179,862.38 | 1,544,798.87 |
| 减：坏账准备 | 10,647,198.92 | 5,166,911.91 |
| 合计 | 547,421,558.61 | 419,139,019.49 |

5、坏账准备变动列示如下：

| 项目 | 2017年度 | 2016年度 |
|------|---------------|--------------|
| 期初余额 | 5,166,911.91 | 1,960,056.24 |
| 本期计提 | 10,211,056.77 | 3,206,855.67 |
| 本期转出 | | |
| 本期核销 | 4,730,769.76 | |
| 期末余额 | 10,647,198.92 | 5,166,911.91 |

(十六) 向中央银行借款

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|------------------|------------------|
| 向中央银行再贷款 | 4,500,000,000.00 | 1,100,000,000.00 |
| 向中央银行再贴现 | 792,496,812.50 | 359,310,000.00 |
| 合计 | 5,292,496,812.50 | 1,459,310,000.00 |

(十七) 同业及其他金融机构存放款项

| 项目 | 2017-12-31 | 2016-12-31 |
|---------|------------------|------------------|
| 银行 | 4,294,345,903.58 | 6,724,687,480.51 |
| 非银行金融机构 | 100,146.75 | 126,465,645.86 |
| 合计 | 4,294,446,050.33 | 6,851,153,126.37 |

(十八) 拆入资金

| 项目 | 2017-12-31 | 2016-12-31 |
|---------|----------------|----------------|
| 银行 | 242,579,960.00 | 334,363,400.00 |
| 非银行金融机构 | | |
| 合计 | 242,579,960.00 | 334,363,400.00 |

(十九) 卖出回购金融资产款

| 项目 | 2017-12-31 | 2016-12-31 |
|-----------|------------------|------------------|
| 卖出回购证券 | 2,922,000,000.00 | 4,510,900,000.00 |
| 其中：政府债券 | 300,000,000.00 | 1,010,900,000.00 |
| 金融债券 | 2,622,000,000.00 | 3,500,000,000.00 |
| 卖出回购票据 | | 145,476,022.23 |
| 其中：银行承兑汇票 | | 145,476,022.23 |
| 商业承兑汇票 | | |
| 合计 | 2,922,000,000.00 | 4,656,376,022.23 |

(二十) 吸收存款

| 项目 | 2017-12-31 | 2016-12-31 |
|-------|-------------------|-------------------|
| 活期存款 | 31,459,820,230.40 | 27,093,768,739.53 |
| 其中：公司 | 23,743,983,550.30 | 19,333,398,870.27 |
| 个人 | 7,715,836,680.10 | 7,760,369,869.26 |
| 定期存款 | 23,267,486,219.91 | 23,841,271,272.49 |
| 其中：公司 | 6,922,376,759.05 | 7,151,072,876.38 |
| 个人 | 16,345,109,460.86 | 16,690,198,396.11 |
| 其他存款 | 25,070,906,994.33 | 25,684,826,747.47 |
| 合计 | 79,798,213,444.64 | 76,619,866,759.49 |

截至2017年12月31日，公司存款中包含1,657,000,000.00元保本理财，个人存款中包含1,322,960,000.00元保本理财。

客户存款按地区分布情况列示如下：

| 项目 | 2017-12-31 | 2016-12-31 |
|------|-------------------|-------------------|
| 山东地区 | 72,875,096,890.07 | 69,684,964,034.27 |
| 陕西地区 | 6,923,116,554.57 | 6,934,902,725.22 |
| 合计 | 79,798,213,444.64 | 76,619,866,759.49 |

(二十一) 应付职工薪酬

1、应付职工薪酬分类：

| 项目 | 2016-12-31 | 本期增加 | 本期减少 | 2017-12-31 |
|--------|---------------|----------------|----------------|---------------|
| 短期薪酬 | 11,694,833.42 | 558,439,568.43 | 555,621,427.40 | 14,512,974.45 |
| 设定提存计划 | 6,620,433.94 | 94,300,197.15 | 93,691,486.14 | 7,229,144.95 |
| 辞退福利 | 24,199,035.54 | 8,773,433.62 | 8,566,671.62 | 24,405,797.54 |
| 合计 | 42,514,302.90 | 661,513,199.20 | 657,879,585.16 | 46,147,916.94 |

辞退福利为本公司的一项福利计划，退休人员按照确定基数的一定比例从本公司领取住房补贴直至死亡，本公司将员工退休后领的住房补贴按照一定的假设条件折现计算后在员工服务期间摊销计入负债及当期损益。

2、短期薪酬：

| 项目 | 2016-12-31 | 本期增加 | 本期减少 | 2017-12-31 |
|-------------|---------------|----------------|----------------|---------------|
| 工资、奖金、津贴和补贴 | 11,000,000.00 | 445,470,976.45 | 442,970,976.45 | 13,500,000.00 |
| 职工福利费 | | 17,764,951.79 | 17,764,951.79 | |
| 社会保险费 | 36,518.40 | 29,449,759.18 | 29,449,519.42 | 36,758.16 |
| 其中：医疗保险 | 36,518.40 | 25,220,029.78 | 25,219,922.50 | 36,625.68 |
| 工伤保险费 | | 1,082,001.06 | 1,081,868.58 | 132.48 |
| 生育保险费 | | 3,147,728.34 | 3,147,728.34 | |
| 住房公积金 | 1,689.00 | 52,953,376.19 | 52,955,065.19 | |
| 工会经费和职工教育经费 | 656,626.02 | 12,800,504.82 | 12,480,914.55 | 976,216.29 |
| 合计 | 11,694,833.42 | 558,439,568.43 | 555,621,427.40 | 14,512,974.45 |

3、设定提存计划

| 项目 | 2016-12-31 | 本期增加 | 本期减少 | 2017-12-31 |
|---------|--------------|---------------|---------------|--------------|
| 基本养老保险费 | | 66,780,931.38 | 66,780,502.26 | 429.12 |
| 失业保险 | | 2,486,785.76 | 2,486,785.76 | |
| 企业年金缴费 | 6,620,433.94 | 25,032,480.01 | 24,424,198.12 | 7,228,715.83 |
| 合计 | 6,620,433.94 | 94,300,197.15 | 93,691,486.14 | 7,229,144.95 |

(二十二) 应交税费

| 项目 | 2017-12-31 | 2016-12-31 |
|---------|----------------|----------------|
| 应交所得税 | 93,914,969.83 | 72,260,280.28 |
| 应交增值税 | 35,880,941.65 | 29,806,772.56 |
| 应交城建税 | 2,360,064.23 | 2,596,400.69 |
| 应交教育费附加 | 1,794,047.09 | 1,933,467.55 |
| 应交其他税金 | 9,284,258.31 | 9,106,680.96 |
| 合计 | 143,234,281.11 | 115,703,602.04 |

(二十三) 应付利息

| 项目 | 2017-12-31 | 2016-12-31 |
|--------------|------------------|----------------|
| 应付存款利息 | 1,041,172,829.53 | 893,500,266.29 |
| 卖出回购金融资产应付利息 | 3,965,056.15 | 4,051,701.47 |
| 同业存放及拆入应付利息 | 101,137,888.06 | 51,564,651.82 |
| 应付债券应付利息 | 17,372,222.22 | 17,372,222.22 |
| 合计 | 1,163,647,995.96 | 966,488,841.80 |

(二十四) 应付债券

1、应付债券明细

| 项目 | 2017-12-31 | 2016-12-31 |
|------|----------------|----------------|
| 金融债券 | 500,000,000.00 | 500,000,000.00 |
| 合计 | 500,000,000.00 | 500,000,000.00 |

2、应付债券的增减变动

| 债券名称 | 面值 | 发行日期 | 债券期限 | 发行金额 | 2016-12-31 |
|--------------|----------------|-----------|------|----------------|----------------|
| 2014年第一期金融债券 | 500,000,000.00 | 2014-5-27 | 5年 | 500,000,000.00 | 500,000,000.00 |
| 合计 | 500,000,000.00 | | | 500,000,000.00 | 500,000,000.00 |

应付债券的增减变动（续表）

| 债券名称 | 本期发行 | 按面值计提利息 | 溢折价摊销 | 本期偿还 | 2017-12-31 |
|--------------|------|---------|-------|------|----------------|
| 2014年第一期金融债券 | | | | | 500,000,000.00 |
| 合计 | | | | | 500,000,000.00 |

2013年10月28日，经中国银监会下发《中国银监会关于齐商银行发行金融债券的批复》[银监复(2013)555号]文批准，同意本公司在全国银行间债券市场发行金额不超过20亿元人民币的金融债券；2014年4月9日，中国人民银行下发《中国人民银行准予行政许可决定书》[银市场许准予字(2014)第24号]文依法作出准予行政许可的决定；2014年5月27日，本公司发行2014年第一期金融债券，债券代码1420010，主承销商为南京银行股份有限公司，发行总额人民币5亿元，发行价格100元/百元，票面利率5.9%。

(二十五) 其他负债

| 项目 | 2017-12-31 | 2016-12-31 |
|----------|----------------|----------------|
| 久悬未取客户存款 | 19,400,434.97 | 10,054,349.97 |
| 待划转款项 | 393,131,280.06 | 331,982,396.49 |
| 待付工程款项 | 35,746,109.67 | 3,326,831.49 |
| 委托代理业务 | | 5,090,133.75 |
| 应付股利 | 44,894,869.55 | 30,212,213.53 |
| 职工风险金 | 58,408,324.54 | 60,290,385.19 |
| 应缴代扣税费 | | 4,066,580.35 |
| 财政性存款 | 346,357,366.54 | 406,229,848.77 |
| 应付租赁费 | 4,934,126.77 | 10,686,942.45 |
| 其他 | 28,536,934.75 | 10,318,567.01 |
| 合计 | 931,409,446.85 | 872,258,249.00 |

(二十六) 股本

| 项目 | 2016-12-31 | 本期变动增 (+) 减 (-) | | | 2017-12-31 |
|------|------------------|-----------------|----------------|----|------------------|
| | | 发行新股 | 股票股利 | 小计 | |
| 非流通股 | 3,213,160,000.00 | | 321,315,375.00 | | 3,534,475,375.00 |

本公司2016年度股东大会决议通过了的2016年度利润分配方案，向全体股东每10股派送股票股利1股。本次增资经淄博鲁信会计师事务所有限公司出具的鲁信验字（2017）第3号验资报告验证，转增后注册资本为人民币3,534,475,375.00元。

截至2017年12月31日公司前五大股东列示如下：

| 股东名称 | 持股金额 | 持股比例 |
|---------------|----------------|--------|
| 淄博市城市资产运营有限公司 | 705,127,962.00 | 19.95% |
| 淄博市引黄供水有限公司 | 176,370,352.00 | 4.99% |
| 淄博市自来水公司 | 176,370,352.00 | 4.99% |
| 淄博市金融控股有限公司 | 165,766,924.00 | 4.69% |
| 青州市宏利水务有限公司 | 160,600,000.00 | 4.54% |

(二十七) 资本公积

| 项目 | 2016-12-31 | 本期增加 | 本期减少 | 2017-12-31 |
|------|------------------|------|------|------------------|
| 股本溢价 | 3,740,376,000.00 | | | 3,740,376,000.00 |
| 其他 | 1,204,293.71 | | | 1,204,293.71 |
| 合计 | 3,741,580,293.71 | | | 3,741,580,293.71 |

(二十八) 盈余公积

| 项目 | 法定公积金 | 任意公积金 | 合计 |
|-------------|----------------|-------|----------------|
| 2016年12月31日 | 624,537,260.48 | | 624,537,260.48 |
| 本期增加 | 47,222,994.69 | | 47,222,994.69 |
| 本期减少 | 184.24 | | 184.24 |
| 2017年12月31日 | 671,760,070.93 | | 671,760,070.93 |

根据《中华人民共和国公司法》及本公司章程的规定，本公司按净利润的10%提取法定盈余公积。

2018年4月28日，本公司第六届第十五次董事会议通过2017年度利润分配方案，按税后利润的10%提取法定盈余公积47,222,994.69元。

(二十九) 一般风险准备

| 项目 | 2017年度 | 2016年度 |
|------|------------------|------------------|
| 期初余额 | 1,246,980,000.00 | 1,016,980,000.00 |
| 本期计提 | 150,000,000.00 | 230,000,000.00 |
| 本期减少 | | |
| 期末余额 | 1,396,980,000.00 | 1,246,980,000.00 |

2018年4月28日，本公司第六届第十五次董事会议通过2017年度利润分配方案，根据《金融企业准备金计提管理办法》[财金（2012）20号]的要求，提取一般风险准备150,000,000.00元。

(三十) 未分配利润

| 项目 | 2017年度 | 2016年度 |
|--------------|------------------|------------------|
| 归属于母公司股东的净利润 | 488,054,826.34 | 478,689,405.91 |
| 加：期初未分配利润 | 2,530,735,802.50 | 2,594,840,068.67 |
| 可供分配利润 | 3,018,790,628.84 | 3,073,529,474.58 |
| 减：提取盈余公积金 | 47,222,994.69 | 46,343,672.08 |
| 减：提取一般风险准备 | 150,000,000.00 | 230,000,000.00 |
| 可供股东分配的利润 | 2,821,567,634.15 | 2,797,185,802.50 |
| 减：应付普通股股利 | 401,644,375.00 | 266,450,000.00 |
| 期末未分配利润 | 2,419,923,259.15 | 2,530,735,802.50 |

2018年4月28日，本公司第六届第十五次董事会议通过2017年度利润分配方案，按税后利润的10%提取法定盈余公积47,222,994.69元，提取一般风险准备150,000,000.00元，以2017年12月31日总股本3,534,475,375股为基数，向全体股东每10股送现金股利0.7元，共送现金股利247,413,276.25元（含税）。上述分配方案尚待股东大会批准。

(三十一) 利息净收入

| 项目 | 2017年度 | 2016年度 |
|----------------|------------------|------------------|
| 利息收入 | | |
| 发放贷款及垫款利息收入 | 2,910,501,655.07 | 2,930,010,188.46 |
| —— 公司贷款和垫款利息收入 | 2,266,867,117.08 | 2,257,483,523.12 |
| —— 个人贷款及垫款利息收入 | 354,793,221.25 | 235,958,523.98 |
| —— 票据贴现利息收入 | 288,841,316.74 | 436,568,141.36 |
| 债券投资利息收入 | 637,621,239.21 | 543,880,911.36 |
| 应收款项类投资利息收入 | 533,920,278.89 | 296,796,161.88 |
| 存放同业款项利息收入 | 145,280,009.31 | 124,423,001.45 |
| 存放中央银行款项利息收入 | 178,767,680.22 | 171,587,078.19 |
| 拆出资金利息收入 | 5,426,801.95 | 2,955,690.12 |
| 买入返售金融资产利息收入 | 92,585,148.63 | 48,116,398.85 |
| 转贴现利息收入 | 293,337.80 | 34,426.00 |
| 其他 | 577,332.07 | 50,736.11 |
| 小计 | 4,504,973,483.15 | 4,117,854,592.42 |
| 利息支出 | | |
| 吸收存款利息支出 | 1,335,881,125.48 | 1,090,321,319.53 |
| 向中央银行借款利息支出 | 85,119,324.30 | 35,714,180.57 |
| 同业存放利息支出 | 241,266,011.42 | 337,883,854.10 |
| 拆入资金利息支出 | 48,171,264.03 | 102,336,597.14 |
| 卖出回购金融资产利息支出 | 150,385,675.76 | 113,757,209.72 |
| 发行债券利息支出 | 29,500,000.00 | 29,500,000.00 |
| 转贴现利息支出 | 80,160,234.69 | 131,785,928.00 |
| 其他利息支出 | 3,823.85 | 259.80 |
| 小计 | 1,970,487,459.53 | 1,841,299,348.86 |
| 利息净收入 | 2,534,486,023.62 | 2,276,555,243.56 |

(三十二) 手续费及佣金净收入

| 项目 | 2017年度 | 2016年度 |
|-----------|----------------|----------------|
| 手续费及佣金收入 | | |
| 代理业务手续费收入 | 82,249,242.53 | 120,130,077.79 |
| 结算业务手续费收入 | 69,064,310.24 | 59,420,118.52 |
| 小计 | 151,313,552.77 | 179,550,196.31 |
| 手续费及佣金支出 | | |
| 代理业务手续费支出 | 9,138,576.72 | 15,540,756.29 |
| 结算业务手续费支出 | 42,771,306.20 | 34,915,387.32 |
| 小计 | 51,909,882.92 | 50,456,143.61 |
| 手续费及佣金净收入 | 99,403,669.85 | 129,094,052.70 |

(三十三) 投资收益

1、投资收益按项目列示如下：

| 项目 | 2017年度 | 2016年度 |
|--------------------|----------------|----------------|
| 处置可供出售金融资产取得的投资收益 | -34,167,867.63 | -13,887,540.77 |
| 可供出售金融资产在持有期间的投资收益 | 2,740,000.00 | 895,000.00 |
| 权益法核算的长期股权投资收益 | 59,524,434.23 | 61,264,179.33 |
| 其他 | | 326,824.52 |
| 合计 | 28,096,566.60 | 48,598,463.08 |

2、可供出售金融资产在持有期间的投资收益列示如下：

| 项目 | 2017年度 | 2016年度 |
|-------------------|--------------|------------|
| 中国银联股份有限公司 | 640,000.00 | 520,000.00 |
| 山东省城市商业银行合作联盟有限公司 | 2,100,000.00 | 375,000.00 |
| 合计 | 2,740,000.00 | 895,000.00 |

3、按权益法核算的长期股权投资收益列示如下：

| 项目 | 2017年度 | 2016年度 |
|------------|---------------|---------------|
| 长安银行股份有限公司 | 59,524,434.23 | 61,264,179.33 |
| 合计 | 59,524,434.23 | 61,264,179.33 |

(三十四) 税金及附加

| 项目 | 2017年度 | 2016年度 |
|-------|---------------|---------------|
| 营业税 | | 55,109,874.43 |
| 城建税 | 10,948,724.88 | 10,552,279.00 |
| 教育费附加 | 8,392,814.66 | 8,101,996.99 |
| 其他 | 17,294,358.08 | 1,533,639.16 |
| 合计 | 36,635,897.62 | 75,297,789.58 |

(三十五) 业务及管理费

| 项目 | 2017年度 | 2016年度 |
|---------|------------------|------------------|
| 员工费用 | 656,755,151.05 | 636,840,481.93 |
| 折旧 | 97,007,924.68 | 107,824,612.49 |
| 无形资产摊销 | 11,938,012.97 | 8,969,099.74 |
| 监管费 | 2,517,646.95 | 3,735,141.61 |
| 税金 | | 15,618,221.22 |
| 咨询费 | 11,893,291.18 | 7,149,611.83 |
| 业务宣传费 | 29,716,250.85 | 24,270,803.72 |
| 广告费 | 14,214,602.97 | 19,927,799.53 |
| 业务招待费 | 10,278,199.77 | 12,715,000.04 |
| 公杂费 | 31,925,853.75 | 30,152,150.84 |
| 邮电费 | 21,427,662.33 | 19,100,002.95 |
| 印刷费 | 16,811,997.63 | 12,757,982.00 |
| 租赁费 | 71,388,913.87 | 63,789,296.95 |
| 钞币运送费 | 23,644,540.46 | 19,304,887.86 |
| 电子设备运转费 | 23,920,861.32 | 15,169,045.65 |
| 修理费 | 30,090,618.76 | 36,521,468.30 |
| 劳动保护费 | 2,588,664.13 | 1,145,676.24 |
| 其他 | 93,619,707.24 | 104,895,984.70 |
| 合计 | 1,149,739,899.91 | 1,139,887,267.60 |



(三十六) 资产减值损失

| 项目 | 2017年度 | 2016年度 |
|-------------|----------------|----------------|
| 贷款减值损失 | 785,072,513.97 | 682,983,048.84 |
| 应收款项类投资减值损失 | 22,011,843.52 | 12,745,482.34 |
| 其他应收款坏账损失 | 10,211,056.77 | 3,206,855.67 |
| 合计 | 817,295,414.26 | 698,935,386.85 |

(三十七) 营业外收入

1、营业外收入按项目列示：

| 项目 | 2017年度 | 2016年度 |
|----------|---------------|---------------|
| 清理久悬账户收入 | 1,003,686.48 | 2,615,756.81 |
| 政府补助 | 11,223,300.00 | 2,650,000.00 |
| 其他 | 3,992,299.92 | 5,405,354.25 |
| 合计 | 16,219,286.40 | 10,671,111.06 |

2、政府补助详细列示：

| 项目 | 2017年度 | 与资产/损益相关 |
|--------------|---------------|----------|
| 济南历下区招商引资奖励金 | 10,000,000.00 | 损益 |
| 东营分行金融奖励金 | 1,223,300.00 | 损益 |
| 合计 | 11,223,300.00 | 损益 |

(三十八) 营业外支出

| 项目 | 2017年度 | 2016年度 |
|----------|---------------|--------------|
| 捐赠、赞助支出 | 997,800.00 | 264,790.00 |
| 固定资产报废损失 | 323,729.94 | 1,025,280.19 |
| 罚款支出 | 2,450,006.05 | 60,631.47 |
| 其他 | 9,937,955.07 | 7,904,922.29 |
| 合计 | 13,709,491.06 | 9,255,623.95 |

(三十九) 所得税费用

| 项目 | 2017年度 | 2016年度 |
|---------|----------------|-----------------|
| 当期所得税费用 | 249,654,306.67 | 196,146,803.21 |
| 递延所得税费用 | -71,249,159.72 | -110,659,671.78 |
| 合计 | 178,405,146.95 | 85,487,131.43 |

六、合并范围的变更

本报告期内合并范围无变更。

七、在其他主体中的权益

(一) 在子公司中的权益

1、企业集团的构成

| 子公司名称 | 主要经营地 | 注册地 | 业务性质 | 持股比例(%) | | 取得方式 |
|------------------|-------|------|------|---------|----|------|
| | | | | 直接 | 间接 | |
| 临沂河东齐商村镇银行股份有限公司 | 山东临沂 | 山东临沂 | 金融业 | 51.00 | | 发起设立 |

2、重要的非全资子公司

| 子公司名称 | 少数股东持股比例 | 本期归属于少数股东的损益 | 本期向少数股东宣告分派的股利 | 期末少数股东权益余额 |
|------------------|----------|---------------|----------------|----------------|
| 临沂河东齐商村镇银行股份有限公司 | 49% | 26,964,295.91 | 11,760,000.00 | 165,684,137.54 |

3、重要非全资子公司的主要财务信息

| 子公司名称 | 2017-12-31 | | | |
|------------------|------------------|------------------|------------------|------------------|
| | 贷款余额 | 资产合计 | 存款余额 | 负债合计 |
| 临沂河东齐商村镇银行股份有限公司 | 2,403,388,424.81 | 4,107,261,503.18 | 3,673,822,309.63 | 3,769,130,610.24 |

重要非全资子公司的主要财务信息（续表）

| 子公司名称 | 2017年度 | | | |
|------------------|----------------|---------------|---------------|----------------|
| | 营业收入 | 净利润 | 综合收益总额 | 经营活动现金流量 |
| 临沂河东齐商村镇银行股份有限公司 | 146,518,312.40 | 55,029,175.33 | 55,029,175.33 | 338,754,916.79 |

重要非全资子公司的主要财务信息（续表）

| 子公司名称 | 2016-12-31 | | | |
|------------------|------------------|------------------|------------------|------------------|
| | 贷款余额 | 资产合计 | 存款余额 | 负债合计 |
| 临沂河东齐商村镇银行股份有限公司 | 2,083,419,982.01 | 3,586,078,635.59 | 3,088,539,077.19 | 3,278,976,917.98 |

重要非全资子公司的主要财务信息（续表）

| 子公司名称 | 2016年度 | | | |
|------------------|----------------|---------------|---------------|-----------------|
| | 营业收入 | 净利润 | 综合收益总额 | 经营活动现金流量 |
| 临沂河东齐商村镇银行股份有限公司 | 130,983,461.06 | 47,628,951.12 | 47,628,951.12 | -147,645,338.17 |

(二) 在合营安排或联营企业中的权益

1、重要的联营企业

| 联营企业名称 | 主要经营地 | 注册地 | 业务性质 | 持股比例(%) | | 对联营企业投资的会计处理方法 |
|------------|-------|------|------|---------|----|----------------|
| | | | | 直接 | 间接 | |
| 长安银行股份有限公司 | 陕西西安 | 陕西西安 | 金融业 | 4.3528 | | 权益法 |

2、重要联营企业的主要财务信息

单位：人民币千元

| 项目 | 2017-12-31 | 2016-12-31 |
|------------------|-------------|-------------|
| 长安银行股份有限公司 | | |
| 资产总额 | 207,782,799 | 181,983,348 |
| 负债总额 | 194,511,375 | 168,822,835 |
| 净资产 | 13,271,424 | 13,160,513 |
| 净利润 | 1,395,129 | 1,248,646 |
| 其他综合收益 | | |
| 综合收益总额 | 1,395,129 | 1,248,646 |
| 企业本期收到的来自合营企业的股利 | 19,645 | 19,645 |

八、主要表外项目

(一) 表外业务是指所有不在资产负债表中反映的业务，包括两部分：

或有风险的表外业务，即为客户债务清偿能力提供担保、承担客户违约风险的业务，如贷款承诺等；无风险的表外业务主要包括结算、代理业务。

(二) 或有风险

1、银行承兑汇票是由承兑申请人向本公司申请，经本公司审查同意承兑的商业汇票。

2、信用证指本公司根据申请人的要求和指示，向收益人开立的载有一定金额，在一定期限内凭规定的单据在指定地点付款的书面保证文件。

3、银行保函指本公司应申请人或委托人的要求，以出具保函的形式向收益人承诺，当申请人不履行合同约定的义务或承诺的事项时，由本公司按保函约定履行债务或承担责任的信贷业务。

| 项目 | 2017-12-31 | 2016-12-31 |
|-------|-------------------|-------------------|
| 开出信用证 | 3,844,438,232.64 | 6,080,543,680.12 |
| 承兑汇票 | 37,593,166,068.75 | 34,339,785,415.43 |
| 开出保函 | 577,096,843.71 | 269,775,602.79 |
| 合计 | 42,014,701,145.10 | 40,690,104,698.34 |

九、代理业务

(一) 受托贷款及受托存款

本公司替第三方贷款人发放委托贷款。本公司作为中介人根据提供资金的第三方贷款人的意愿向借款人发放贷款，并与第三方贷款人签订合同约定负责替其管理和回收贷款。第三方贷款人自行决定委托贷款的要求和条款，包括贷款用途、金额、利率及还款安排。本公司收取委托贷款的手续费一般为一次性收费，但贷款发生损失的风险由第三方贷款人承担。

| 项目 | 2017-12-31 | 2016-12-31 |
|------|------------------|------------------|
| 受托贷款 | 1,858,452,297.56 | 2,611,279,064.79 |
| 受托存款 | 1,858,453,297.56 | 2,611,344,855.51 |

(二) 理财业务

本公司将金达创富人民币理财产品销售给个人和机构投资者，募集的资金主要运用于银行间市场债券投资、定向资产管理计划等，本公司从该业务中获取手续费、理财顾问服务费等收入。

| 项目 | 2017-12-31 | 2016-12-31 |
|--------|-------------------|-------------------|
| 委托理财资产 | 12,073,300,000.00 | 10,858,600,000.00 |
| 委托理财资金 | 12,073,300,000.00 | 10,858,600,000.00 |

十、承诺及或有事项

(一) 资本性支出承诺

| 项目 | 合同金额 | 2017年12月31日 已付款金额 | 2017年12月31日 尚未支付金额 |
|-----------|----------------|----------------------|-----------------------|
| 办公系统及营业用房 | 521,553,960.88 | 427,759,554.01 | 93,794,406.87 |
| 合计 | 521,553,960.88 | 427,759,554.01 | 93,794,406.87 |

| 项目 | 合同金额 | 2016年12月31日 已付款金额 | 2016年12月31日 尚未支付金额 |
|-----------|----------------|----------------------|-----------------------|
| 办公系统及营业用房 | 536,521,458.86 | 432,842,860.10 | 103,678,598.76 |
| 合计 | 536,521,458.86 | 432,842,860.10 | 103,678,598.76 |

(二) 租赁承诺

房屋租赁承诺主要反映本公司根据需要租赁的营业场所及办公楼应支付的租金。作为承租方，本公司未来最低之经营性房屋租赁承诺如下：

| 项目 | 2017-12-31 | 2016-12-31 |
|-----------|----------------|----------------|
| 1年以内（含1年） | 59,733,865.35 | 56,699,837.17 |
| 1-2年（含2年） | 47,863,935.75 | 45,262,506.65 |
| 2-3年（含3年） | 45,363,238.47 | 41,533,309.02 |
| 3年以上 | 185,526,681.35 | 192,781,252.16 |
| 合计 | 338,487,720.92 | 336,276,905.00 |

(三) 使用受限资产

| 项目 | 2017-12-31 | 2016-12-31 |
|----|------------------|------------------|
| 债券 | 8,104,304,600.00 | 5,790,370,000.00 |
| 票据 | 794,000,000.00 | 506,000,000.00 |
| 合计 | 8,898,304,600.00 | 6,296,370,000.00 |

注：除上述用于回购业务的资产外，本公司按规定向中国人民银行缴存的法定存款准备金也不能用于本公司的日常经营活动。

十一、资产负债表日后事项

2018年4月28日，本公司第六届第十五次董事会议通过2017年度利润分配预案，按税后利润的10%提取法定盈余公积47,222,994.69元，提取一般风险准备150,000,000.00元，以2017年12月31日总股本3,534,475,375股为基数，向全体股东每10股送现金股利0.7元，共送现金股利247,413,276.25元（含税）。上述分配方案尚待股东大会批准。

除上述事项外，截至2018年4月28日，本公司不存在其他应披露的资产负债表日后重大事项。

四、资本充足状况

本行资本管理以资本充足率和资本回报率为核心，目标是密切结合发展规划，实现规模扩张与盈利能力、资本总量与结构优化、最佳资本规模与资本回报的科学统一。

本行综合考虑监管机构指标、行业平均水平、自身发展速度、资本补充的时间性和保持净资产收益率的稳定增长等因素，确定合理的资本充足率管理的目标区间。该目标区间不低于监管要求。

本行根据中国银行业监督管理委员会2012年6月下发的《商业银行资本管理办法(试行)》计算资本充足率。信用风险加权资产计量采用权重法，市场风险加权资产计量采用标准法，操作风险加权资产计量采用基本指标法。

本行于2017年12月31日根据《商业银行资本管理办法(试行)》计算的监管资本状况如下：

单位：人民币万元

| 项目 | 金额 |
|-----------|--------------|
| 核心一级资本净额 | 1,163,178.36 |
| 一级资本净额 | 1,164,496.87 |
| 总资本净额 | 1,241,742.05 |
| 风险加权资产总额 | 9,424,150.56 |
| 核心一级资本充足率 | 12.34% |
| 一级资本充足率 | 12.36% |
| 资本充足率 | 13.18% |

五、按五级分类不良贷款情况及不良资产管理的主要政策、措施及其效果

(单位：万元)

| 不良贷款余额 | 2017年12月31日 | 2016年12月31日 |
|--------|-------------|-------------|
| 次级 | 134,714.82 | 96,892.62 |
| 可疑 | 2,982.00 | 1,656.00 |
| 损失 | 0 | 0 |
| 合计 | 137,696.82 | 98,548.62 |

本行不断加强不良资产管控力度，做好不良贷款的清收处置工作。一是加强对不良资产的日常清收和调度管理，建立风险企业台账，指定专人每日监测不良及潜在风险贷款的变化和清收进展情况，形成及早识别、提前预警、尽快处置的长效机制；二是重点抓好不良处置工作，早出手、早行动，对分支行不良情况进行摸底掌握，同时重点对压降存在较大困难的分支行进行现场“蹲点”式帮促督办，监控处置进度，提高处置效率；三是加强与政府部门、政法部门及资产管理公司等第三方合作，综合运用经济、行政、法律手段，灵活采取盘活、重组、诉讼等措施，提升重点领域、重点大户和批量资产处置的能力。

六、关联方及关联交易

(一) 关联方

本公司的关联方包括持本公司5%及5%以上股份的股东，持本公司5%及5%以上股份股东的控股股东及其控股子公司，本公司董事、监事、高级管理人员及与其关系密切的家庭成员，因本公司董事、监事、高级管理人员及与其关系密切的家庭成员在本公司以外兼任董事长、总经理职务而与本公司构成关联关系的单位（以下简称“相同关键管理人员的其他企业”），本公司的子公司、合营公司、联营公司。

(二) 本公司的持股5%及5%以上股份的股东情况

| 股东名称 | 注册地 | 业务性质 | 注册资本 (百万) | 持股 比例(%) | 表决权 比例(%) |
|---------------|-----|--------|--------------|-------------|--------------|
| 淄博市城市资产运营有限公司 | 淄博市 | 国有资产运营 | 3030 | 19.95 | 19.95 |



(三) 本公司的子公司情况

| 单位名称 | 注册地 | 主营业务 | 公司类型 | 持股比例 (%) | 与本公司关系 | 法定代表人 |
|------------------|------|--|-------------|----------|--------|-------|
| 临沂河东齐商村镇银行股份有限公司 | 山东临沂 | 吸收公众存款；发放短期、中期和长期贷款；办理国内结算；办理票据承兑与贴现；从事同业拆借；从事银行卡业务；代理发行、代理兑付、承销政府债券；代理收付款项及代理保险业务；经银行业监督管理机构批准的其他业务 | 股份有限公司（非上市） | 51.00 | 子公司 | 葛涛 |

(四) 本公司的合营和联营企业情况

| 单位名称 | 与本公司的关系 |
|------------|----------|
| 长安银行股份有限公司 | 本公司的联营公司 |

(五) 其他关联方

| 单位名称 | 与本公司的关系 |
|--------------|----------|
| 山东北金集团有限公司 | 相同关键管理人员 |
| 淄博城东企业集团有限公司 | 相同关键管理人员 |
| 山东北斗星纺织有限公司 | 相同关键管理人员 |
| 山东贵和纸业集团有限公司 | 相同关键管理人员 |

(六) 关联交易

本公司的关联交易遵守法律、行政法规、国家统一的会计制度和有关的银行业监督管理规定，按照商业原则，以不优于对非关联方同类交易的条件进行。

1、存放同业款项

| 项目 | 2017-12-31 | 2016-12-31 |
|------------|------------|--------------|
| 长安银行股份有限公司 | 2,340.84 | 2,695,697.39 |

2、存放同业款项利息收入

| 项目 | 2017年度 | 2016年度 |
|------------|----------|------------|
| 长安银行股份有限公司 | 6,697.75 | 754,903.08 |

3、贷款余额

| 项目 | 2017-12-31 | 2016-12-31 |
|--------------|------------|---------------|
| 山东贵和纸业集团有限公司 | | 43,000,000.00 |

4、贷款利息收入

| 项目 | 2017年度 | 2016年度 |
|--------------|------------|--------------|
| 山东北金集团有限公司 | | 3,153,875.93 |
| 山东贵和纸业集团有限公司 | 511,149.15 | 1,263,241.65 |

5、存款余额

| 项目 | 2017-12-31 | 2016-12-31 |
|--------|----------------|----------------|
| 关联企业合计 | 470,085,776.06 | 532,330,473.76 |

6、存款利息支出

| 项目 | 2017年度 | 2016年度 |
|--------|--------------|--------------|
| 关联企业合计 | 1,263,657.96 | 2,683,955.73 |

七、重要资产转让及出售

报告期内，本行购置固定资产支出25,069.51万元，其中购置营业场所支出18,549.10万元、购置运输工具支出240.41万元、电子设备支出2,877.37万元、机器设备支出3,269.79万元、办公家具支出132.84万元；处置固定资产2,414.29万元。

Part VI. Financial Accounting Report

I. Audit Report

Audit Report

X.K.S.B.Z. [2018] No. ZH30039

To all the shareholders of QISHANG BANK CO., LTD.:

I. Audit Opinion

We have audited the financial statements of QISHANG BANK CO., LTD. (hereinafter referred to as "QISHANG BANK"), including consolidated balance sheet and parent company's balance sheet as of December 31, 2017, consolidated income statement and parent company's income statement of 2017, consolidated cash flow statement and parent company's cash flow statement, consolidated statement of change in owner's equity and parent company's statement of change in owner's equity as well as notes to relevant financial statements.

In our opinion, the attached financial statements have been prepared in accordance with the Accounting Criteria for Enterprises in all material respects, and have given a true and fair view of consolidated financial position and parent company's financial position of QISHANG BANK as of December 31, 2017 and its consolidated operational performance and cash flow and parent company's operational performance and cash flow of 2017.

II. Basis Forming Audit Opinion

We have conducted audit in accordance with the Standards on Auditing for Certified Public Accountants, The section of "CPA's Responsibility in Auditing Financial Statements" included in the Audit Report further elaborates our responsibility under these standards. In accordance with Chinese Code of Professional Ethics for Certified Public Accountants, we are independent of Qishang Bank and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

III. Responsibility of the Management and Governance to Financial Statements

The management of QISHANG BANK (hereinafter referred to as the management) is responsible for preparing financial statements in accordance with the provisions of Accounting Criteria for Enterprises so as to realize fair presentation, as well as designing, implementing and maintaining necessary internal control to avoid material misstatement of financial statements due to fraud or error.

In the preparation of these financial statements, the management is responsible for assessing Qishang Bank's ability for continuing operation, disclosing the matters related to continuing operation (if applicable), and using the continuing operation assumptions, except where it is planned to carry out liquidation or terminate operations, or there is no other realistic option.

The governance layer is responsible for supervising the financial reporting process of Qishang Bank.

IV. CPA's Responsibility in Auditing Financial Statements

Our objective is to obtain reasonable assurance about whether these financial statements, as a whole, do not contain any material misstatement due to fraud or error, and to issue an audit report containing our audit opinions. Reasonable assurance is at a high level, but it does not guarantee that the audits conducted in accordance with the audit standards can always find any major misstatement as long as it exists. Misstatement is possibly caused by fraud or error. If misstatement, alone or together, is reasonably expected to possibly affect the economic decisions made by the financial statement users on the basis of these financial statements, the misstatement is often deemed to be material.

In the process of auditing these financial statements according to the auditing standards, we used our professional judgment and maintained professional suspicion. At the same time, we also carried out the following work:

(1) identifying and evaluating material misstatement risks of these financial statements caused due to fraud or error, designing and implementing the audit procedures in response to these risks, and obtained sufficient and appropriate audit evidence which serves as the basis to express our audit opinions. Because fraud may involve collusion, forgery, intentional omission, false statement or override the internal control, the risk of failing to find material misstatement due to fraud is higher than that of material misstatement due to error.

(2) understanding the internal control related to audit so as to design appropriate audit procedures, but our purpose is not to comment on the effectiveness of

internal control.

(3) evaluating the appropriateness of the accounting policies adopted by the management and the rationality of making accounting estimates and relevant disclosure.

(4) drawing a conclusion on the appropriateness of the continuing operation assumptions used by the management. At the same time, based on the audit evidence obtained, we drew a conclusion on whether there is significant uncertainty in matters or situations that may cause significant doubts about the continuing operation capacity of Qishang Bank. If we come to the conclusion that there is a significant uncertainty, we are required by the auditing standards to draw attention of the financial statement users to relevant disclosure in the financial statements in the audit reports. If the disclosure is insufficient, we shall make a non-unqualified opinion. Our conclusions are based on the information available as of the audit report date. However, future events or situations may cause Qishang Bank to be unable to continue operating.

(5) evaluating the overall presentation, structure and content of these financial statements (including disclosure), and also whether the financial statements fairly reflect the relevant transactions and events.

(6) obtaining sufficient and appropriate audit evidence on the financial information of the corporate or business activities in Qishang Bank to issue our audit opinions on the financial statements. We are responsible for guiding, supervising and executing the group audit and assume full responsibility for the audit opinions.

We communicated with the governance layer on the planned audit coverage, scheduling, and major audit findings, including the internal control defects that we identified in the audit and deserve attention.

Chinese Certified Public Accountant of BDO (Special general partnership)



Shanghai, China Saturday

Certified Public Accountant of China:



[Signature]

Certified Public Accountant of China:



[Signature]

April 28, 2018

II. Audit Statements

Consolidated balance sheet

Name: QISHANG BANK CO., LTD.

Unit: RMB Yuan

| Item | December 31, 2017 | December 31, 2016 |
|---|---------------------------|---------------------------|
| Assets: | | |
| Cash and balances with central bank | 15,208,546,793.59 | 15,288,984,700.59 |
| Due from banks and other financial institutions | 996,295,658.96 | 7,085,432,766.29 |
| Precious metal | 0.00 | 0.00 |
| Interbank lending | 424,723,000.00 | 0.00 |
| Financial assets measured at fair value and changes are recorded as the current gains and losses | 0.00 | 0.00 |
| Derivative financial assets | 0.00 | 0.00 |
| Financial assets purchased under resale agreements | 0.00 | 998,000,000.00 |
| Interest receivable | 753,179,036.91 | 602,896,536.79 |
| Loans and advances to customers | 54,913,257,040.36 | 50,560,773,824.32 |
| Financial assets available for sale | 8,864,621,180.89 | 7,533,273,509.12 |
| Held-to-maturity investment | 7,020,781,406.90 | 6,698,418,959.23 |
| Receivables investment | 15,300,101,399.00 | 12,093,025,002.34 |
| Assets held for sale | 0.00 | 0.00 |
| Long-term Equity Investment | 663,784,193.10 | 623,904,526.87 |
| Investment real estate | 0.00 | 0.00 |
| Fixed assets | 1,300,539,480.43 | 1,140,815,233.46 |
| Construction in process | 392,687,585.73 | 433,042,860.10 |
| Intangible assets | 93,918,496.26 | 86,305,754.11 |
| Deferred income tax assets | 461,046,284.32 | 334,769,571.60 |
| Other assets | 733,192,046.30 | 588,206,294.31 |
| Total assets | 107,126,673,602.75 | 104,067,849,539.13 |
| Liabilities and owner's equity | | |
| Liabilities: | | |
| Due to Central Bank | 5,292,496,812.50 | 1,459,310,000.00 |
| Due to banks and other financial institutions | 4,294,446,050.33 | 6,851,153,126.37 |
| Interbank borrowing | 242,579,960.00 | 334,363,400.00 |
| Financial liabilities measured at fair value and changes are recorded as the current gains and losses | 0.00 | 0.00 |
| Derivative financial liabilities | 0.00 | 0.00 |
| Financial assets sold under repurchase agreements | 2,922,000,000.00 | 4,656,376,022.23 |
| Deposits from customers | 79,798,213,444.64 | 76,619,866,759.49 |
| Employee benefits payable | 46,147,916.94 | 42,514,302.90 |
| Taxes payable | 143,234,281.11 | 115,703,602.04 |
| Interests payable | 1,163,647,995.96 | 966,488,841.80 |
| Liabilities held for sale | 0.00 | 0.00 |
| Accrued liabilities | 0.00 | 0.00 |
| Bonds payable | 500,000,000.00 | 500,000,000.00 |
| Deferred income tax liabilities | 0.00 | 28,791,204.97 |
| Other liabilities | 931,409,446.85 | 872,258,249.00 |
| Total liabilities | 95,334,175,908.33 | 92,446,825,508.80 |
| Owners' equities: | | |
| Capital capital | 3,534,475,375.00 | 3,213,160,000.00 |
| Capital surplus | 3,741,580,293.71 | 3,741,580,293.71 |
| Other comprehensive income | -137,905,441.91 | 113,550,832.01 |
| Surplus reserve | 671,760,070.93 | 624,537,260.48 |
| General risk reserve | 1,396,980,000.00 | 1,246,980,000.00 |
| Retained profits | 2,419,923,259.15 | 2,530,735,802.50 |
| Total equities attributable to the parent company's owners | 11,626,813,556.88 | 11,470,544,188.70 |
| Minority shareholders' equities | 165,684,137.54 | 150,479,841.63 |
| Total owners' equities | 11,792,497,694.42 | 11,621,024,030.33 |
| Total liabilities and owners' equities | 107,126,673,602.75 | 104,067,849,539.13 |

Consolidated income statement

Name: QISHANG BANK CO., LTD.

Unit: RMB Yuan

| Item | FY 2017 | FY 2016 |
|--|-------------------------|-------------------------|
| I. Operating income | 2,694,585,685.65 | 2,499,474,034.89 |
| Net interest income | 2,534,486,023.62 | 2,276,555,243.56 |
| Interest income | 4,504,973,483.15 | 4,117,854,592.42 |
| Interest expenses | 1,970,487,459.53 | 1,841,299,348.86 |
| Net handling fee and commission income | 99,403,669.85 | 129,094,052.70 |
| Handling fee and commission income | 151,313,552.77 | 179,550,196.31 |
| Handling fee and commission expense | 51,909,882.92 | 50,456,143.61 |
| Investment income | 28,096,566.60 | 48,598,463.08 |
| Wherein: investment income from joint ventures and associates | 59,524,434.23 | 61,264,179.33 |
| Asset disposal proceeds | 1,895,042.41 | 188,051.94 |
| Gains from fair value change | 0.00 | 0.00 |
| Foreign exchange gains | 15,621,078.52 | 35,811,706.72 |
| Other income | 1,883,900.00 | 0.00 |
| Other business income | 13,199,404.65 | 9,226,516.89 |
| II. Operating expense | 2,003,671,211.79 | 1,914,120,444.03 |
| Tax and surcharge | 36,635,897.62 | 75,297,789.58 |
| Operating and administrative expense | 1,149,739,899.91 | 1,139,887,267.60 |
| Asset impairment loss | 817,295,414.26 | 698,935,386.85 |
| Other operating expense | 0.00 | 0.00 |
| III. Operating profit | 690,914,473.86 | 585,353,590.86 |
| Plus: non-operating income | 16,219,286.40 | 10,671,111.06 |
| Less: non-operating expense | 13,709,491.06 | 9,255,623.95 |
| IV. Profit before income tax | 693,424,269.20 | 586,769,077.97 |
| Less: income tax expense | 178,405,146.95 | 85,487,131.43 |
| V. Net profit | 515,019,122.25 | 501,281,946.54 |
| (I) Classification by going concern | | |
| 1. Going concern net profit | | |
| 2. Discontinuing operation net profit | | |
| (II) Classification by ownership attribution | | |
| 1. Minority interests | 26,964,295.91 | 22,592,540.63 |
| 2. Net profit attributed to the parent company's shareholders | 488,054,826.34 | 478,689,405.91 |
| VI. Other comprehensive income | -251,456,273.92 | -144,100,202.69 |
| Net after-tax amount of other comprehensive income attributable to the parent company's owners | -251,456,273.92 | -144,100,202.69 |
| (I) Other comprehensive income not to be reclassified as the gains and losses in the future | 0.00 | 0.00 |
| 1. Changes in net liability or net asset arising from re-measurement of defined benefit plan | 0.00 | 0.00 |
| 2. Shares of other comprehensive income not to be reclassified as the gains and losses in the invested company according to equity law | 0.00 | 0.00 |
| (II) Other comprehensive income to be reclassified as the gains and losses in the future | -251,456,273.92 | -144,100,202.69 |
| 1. Shares of other comprehensive income to be reclassified as the gains and losses in the invested company according to equity law | 0.00 | 0.00 |
| 2. Unrealized gains/(losses) from financial assets available for sale | -251,456,273.92 | -144,100,202.69 |
| 3. Gains and losses of held-to-maturity investment to be classified as financial assets available for sale | 0.00 | 0.00 |
| 4. Effective part of gains and losses in cash flow arbitrage | 0.00 | 0.00 |
| 5. Translation balance of financial statement in foreign currency | 0.00 | 0.00 |
| 6. Other | 0.00 | 0.00 |
| Net after-tax amount of other comprehensive income attributable to the minority shareholders | 0.00 | 0.00 |
| VII. Total comprehensive incomes | 263,562,848.33 | 357,181,743.85 |
| Total comprehensive income attributable to the parent company's owners | 236,598,552.42 | 334,589,203.22 |
| Total comprehensive income attributable to the minority shareholders | 26,964,295.91 | 22,592,540.63 |
| VIII. Earnings per share (EPS) | | |
| (I) Basic earnings per share (Yuan/share) | 0.14 | 0.21 |
| (II) Diluted earnings per share (Yuan/share) | 0.14 | 0.21 |

Consolidated cash flow statement

Name: QISHANG BANK CO., LTD.

Unit: RMB Yuan

| Item | FY 2017 | FY 2016 |
|--|--------------------------|---------------------------|
| I. Cash flow from operating activities | | |
| Net increase in deposits from customers, due to bank and other financial institutions | 570,896,270.37 | 15,730,208,869.27 |
| Net increase in due to Central Bank | 3,833,186,812.50 | 785,000.00 |
| Net increase in borrowing funds from other financial institutions | -2,250,882,462.23 | 277,944,942.23 |
| Cash received from interest, handling fee and commission | 4,752,252,850.94 | 4,302,147,365.17 |
| Cash received from other operating activities | 264,108,719.65 | 329,326,472.56 |
| Sub-total of cash inflow from operating activities | 7,169,562,191.23 | 20,640,412,649.23 |
| Net increase in loans and advances to customers | 5,139,156,558.48 | 8,541,931,126.45 |
| Net increase in balances with the Central Bank, due from banks and other financial institutions | -757,270,271.22 | 152,106,395.47 |
| Cash paid for interest, handling fee and commission | 1,857,844,351.09 | 1,800,965,071.94 |
| Cash paid to and on behalf of employees | 653,175,823.70 | 618,491,585.80 |
| Taxes paid | 476,025,008.85 | 311,502,222.08 |
| Cash paid for other operating activities | 652,436,904.73 | 919,597,083.57 |
| Sub-total of cash outflow from operating activities | 8,021,368,375.63 | 12,344,593,485.31 |
| Net cash flow from operating activities | -851,806,184.40 | 8,295,819,163.92 |
| II. Cash flow from investment activities | | |
| Cash received from redemption of investment securities | 183,841,727,991.62 | 184,795,116,435.48 |
| Cash received from investment income | 22,384,768.00 | 32,054,573.51 |
| Cash received from other investment activities | 2,891,879.31 | 1,920,228.02 |
| Sub-total of cash inflow from investment activities | 183,867,004,638.93 | 184,829,091,237.01 |
| Cash paid for investment | 189,095,169,250.76 | 194,433,431,319.38 |
| Cash paid for purchase and construction of fixed asset, intangible asset and other long-term asset | 248,989,654.14 | 413,460,119.23 |
| Cash paid for other investment activities | 0.00 | 0.00 |
| Sub-total of cash outflow from investment activities | 189,344,158,904.90 | 194,846,891,438.61 |
| Net cash flow from investment activities | -5,477,154,265.97 | -10,017,800,201.60 |
| III. Cash flow from financing activities | | |
| Cash received from capital collection | 0.00 | 4,243,596,000.00 |
| Wherein: cash received from investment of minority shareholders absorbed by the subsidiary | 0.00 | 67,620,000.00 |
| Cash received from bond issuance | 0.00 | 0.00 |
| Cash received from other financing activities | 0.00 | 0.00 |
| Sub-total of cash inflow from financing activities | 0.00 | 4,243,596,000.00 |
| Cash paid for debt repayment | 0.00 | 0.00 |
| Cash paid for dividend, profit distribution or interest repayment | 77,406,343.98 | 54,806,201.95 |
| Wherein: dividend and profit paid to minority shareholders by the subsidiary | 10,464,000.00 | 7,873,200.00 |
| Cash paid for other financing activities | 0.00 | 0.00 |
| Sub-total of cash outflow from financing activities | 77,406,343.98 | 54,806,201.95 |
| Net cash flow from financing activities | -77,406,343.98 | 4,188,789,798.05 |
| IV. Influence of exchange rate change on cash and cash equivalents | -3,937,948.76 | 5,610,995.94 |
| V. Net increase in cash and cash equivalents | -6,410,304,743.11 | 2,472,419,756.31 |
| Plus: balance of cash and cash equivalents at the beginning of the year | 11,536,293,919.48 | 9,063,874,163.17 |
| Plus: balance of cash and cash equivalents at the end of the year | 5,125,989,176.37 | 11,536,293,919.48 |

Consolidated Statement of Change in Shareholders' Equity

Preparing unit: Qishang Bank Co., Ltd.

| Item | | | | |
|---|------------------------------------|-------------------------|-----------------|------------------|
| | Paid-in capital (or share capital) | Other equity instrument | | Capital reserve |
| | | Preferred shares | Perpetual Bonds | |
| I. Closing balance of the previous year | 3,213,160,000.00 | | | 3,741,580,293.71 |
| Add: Changes of accounting policies | | | | |
| Corrections of prior period errors | | | | |
| Business Combination under Common Control | | | | |
| Others | | | | |
| II. Opening balance of this year | 3,213,160,000.00 | | | 3,741,580,293.71 |
| III. Amount of changes in the current year ("-"for decrease) | 321,315,375.00 | | | |
| i. Accumulated Other Comprehensive Income | | | | |
| ii. Owners' input or decrease in capital | | | | |
| 1. Owners' input of capital | | | | |
| 2. Capital from other equity instruments holders | | | | |
| 3. Amount of share payment included into shareholders' equity | | | | |
| 4. Others | | | | |
| iii. Profit appropriation | 321,315,375.00 | | | |
| 1. Extraction of surplus reserves | | | | |
| 2. Extraction of Provisions for general risks | | | | |
| 3. Distribution to owners (or shareholders) | 321,315,375.00 | | | |
| 4. Others | | | | |
| iv. Internal carryover of owners' equity | | | | |
| 1. Capital reserve used for increasing capital (or share capital) | | | | |
| 2. Surplus reserve used for increasing capital (or share capital) | | | | |
| 3. Surplus reserve used to compensate for loss | | | | |
| 4. Others | | | | |
| v. The special reserve | | | | |
| 1. Appropriation of this term | | | | |
| 2. Usage of this term | | | | |
| vi. Others | | | | |
| IV. Closing balance of the current year | 3,534,475,375.00 | | | 3,741,580,293.71 |

Preparing unit: Qishang Bank Co., Ltd.

| Item | | | | |
|---|------------------------------------|-------------------------|-----------------|------------------|
| | Paid-in capital (or share capital) | Other equity instrument | | Capital reserve |
| | | Preferred shares | Perpetual Bonds | |
| I. Closing balance of the previous year | 1,874,400,000.00 | | | 691,204,293.71 |
| Add: Changes of accounting policies | | | | |
| Corrections of prior period errors | | | | |
| Business Combination under Common Control | | | | |
| Others | | | | |
| II. Opening balance of this year | 1,874,400,000.00 | | | 691,204,293.71 |
| III. Amount of changes in the current year ("-"for decrease) | 1,338,760,000.00 | | | 3,050,376,000.00 |
| i. Accumulated Other Comprehensive Income | | | | |
| ii. Owners' input or decrease in capital | 1,125,600,000.00 | | | 3,050,376,000.00 |
| 1. Owners' input of capital | 1,125,600,000.00 | | | 3,050,376,000.00 |
| 2. Capital from other equity instruments holders | | | | |
| 3. Amount of share payment included into shareholders' equity | | | | |
| 4. Others | | | | |
| iii. Profit appropriation | 213,160,000.00 | | | |
| 1. Extraction of surplus reserves | | | | |
| 2. Extraction of Provisions for general risks | | | | |
| 3. Distribution to owners (or shareholders) | 213,160,000.00 | | | |
| 4. Others | | | | |
| iv. Internal carryover of owners' equity | | | | |
| 1. Capital reserve used for increasing capital (or share capital) | | | | |
| 2. Surplus reserve used for increasing capital (or share capital) | | | | |
| 3. Surplus reserve used to compensate for loss | | | | |
| 4. Others | | | | |
| v. The special reserve | | | | |
| 1. Appropriation of this term | | | | |
| 2. Usage of this term | | | | |
| vi. Others | | | | |
| IV. Closing balance of the current year | 3,213,160,000.00 | | | 3,741,580,293.71 |

Unit: RMB Yuan

| Amount of the current year | | | | | Minority interests | Total owners' equity |
|--|----------------------------|-----------------|------------------------------|----------------------|--------------------|----------------------|
| Equity attributable to parent company shareholders | | | | | | |
| Less: Treasury share | Other comprehensive income | Surplus reserve | Provisions for general risks | Undistributed profit | | |
| | 113,550,832.01 | 624,537,260.48 | 1,246,980,000.00 | 2,530,735,802.50 | 150,479,841.63 | 11,621,024,030.33 |
| | | | | | | |
| | | | | | | |
| | 113,550,832.01 | 624,537,260.48 | 1,246,980,000.00 | 2,530,735,802.50 | 150,479,841.63 | 11,621,024,030.33 |
| | -251,456,273.92 | 47,222,810.45 | 150,000,000.00 | -110,812,543.35 | 15,204,295.91 | 171,473,664.09 |
| | -251,456,273.92 | | | 488,054,826.34 | 26,964,295.91 | 263,562,848.33 |
| | | | | | | |
| | | | | | | |
| | | 47,222,810.45 | 150,000,000.00 | -598,867,369.69 | -11,760,000.00 | -92,089,184.24 |
| | | 47,222,994.69 | | -47,222,994.69 | | |
| | | | 150,000,000.00 | -150,000,000.00 | | |
| | | | | -401,644,375.00 | -11,760,000.00 | -92,089,000.00 |
| | | -184.24 | | | | -184.24 |
| | | | | | | |
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| | | | | | | |
| | -137,905,441.91 | 671,760,070.93 | 1,396,980,000.00 | 2,419,923,259.15 | 165,684,137.54 | 11,792,497,694.42 |

Unit: RMB Yuan

| Amount of the previous year | | | | | Minority interests | Total owners' equity |
|--|----------------------------|-----------------|------------------------------|----------------------|--------------------|----------------------|
| Equity attributable to parent company shareholders | | | | | | |
| Less: Treasury share | Other comprehensive income | Surplus reserve | Provisions for general risks | Undistributed profit | | |
| | 257,651,034.70 | 578,193,620.40 | 1,016,980,000.00 | 2,594,840,068.67 | 68,205,301.00 | 7,081,474,318.48 |
| | | | | | | |
| | | | | | | |
| | 257,651,034.70 | 578,193,620.40 | 1,016,980,000.00 | 2,594,840,068.67 | 68,205,301.00 | 7,081,474,318.48 |
| | -144,100,202.69 | 46,343,640.08 | 230,000,000.00 | -64,104,266.17 | 82,274,540.63 | 4,539,549,711.85 |
| | -144,100,202.69 | | | 478,689,405.91 | 22,592,540.63 | 357,181,743.85 |
| | | | | | 67,620,000.00 | 4,243,596,000.00 |
| | | | | | 67,620,000.00 | 4,243,596,000.00 |
| | | | | | | |
| | | 46,343,640.08 | 230,000,000.00 | -542,793,672.08 | -7,938,000.00 | -61,228,032.00 |
| | | 46,343,672.08 | | -46,343,672.08 | | |
| | | | 230,000,000.00 | -230,000,000.00 | | |
| | | | | -266,450,000.00 | -7,938,000.00 | -61,228,000.00 |
| | | -32.00 | | | | -32.00 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | 113,550,832.01 | 624,537,260.48 | 1,246,980,000.00 | 2,530,735,802.50 | 150,479,841.63 | 11,621,024,030.33 |

III. Notes to Financial Statements

I. Basic information on the Company

(1) Company profile

QISHANG BANK CO., LTD (hereinafter referred to as "the Company" or "the Bank") is a joint-stock financial enterprise founded on the basis of the urban credit cooperative in August, 1997 and registered with Shandong Administration for Industry & Commerce. The former name of the Company was Zibo Commercial Bank Co., Ltd, and it was renamed as QISHANG BANK CO., LTD under the approval of the China Banking Regulatory Commission on February 13, 2009.

The corporate legal representative: Gao Chuanyong; registered address: No. 105, Zhongxin Road, Zhangdian District, Zibo; Financial license number: B0171H237030001; Enterprise unified social credit code: 913700001641139094.

Business scope mainly includes: absorbing deposits from public, issuing short-term, medium-term and long-term loans, providing domestic settlement, discounting commercial papers, issuing financial bonds, interbank lending and borrowing, providing guarantee services, providing insurance service and house renting on an agency basis, conducting foreign exchange deposits, foreign exchange loans, foreign exchange remittance, foreign exchange conversion, international settlement, interbank foreign exchange lending and borrowing, discounting commercial papers of foreign exchange, foreign exchange borrowing and guarantee, exchange settlement & sale, investigation, consulting and certification of credit standing, and other businesses approved by the China Banking Regulatory Commission according to relevant laws, administrative laws and regulations and other regulations.

(2) Scope of consolidated financial statements

Up to December 31, 2017, the subsidiaries of Company within the scope of consolidated financial statements are as follows:

| Name of subsidiary |
|---|
| LinYi Hedong Qishang Rural Bank Co., Ltd. |

Scope of consolidated financial statements and its changes of the current period can be seen in the notes "VI. Changes of consolidation scope" and "VII. Interests and rights of other subjects".

II. Accounting Basis of Preparation for Financial Statements

(1) Accounting basis

The Company prepared its financial statements on the basis of continuing operation, according to the transactions and events actually encountered, and in accordance with the Accounting Standards for Business Enterprises – Basic Standards and the specific accounting standards, the Guide to Application of Accounting Standards for Business Enterprises, the Interpretation for Accounting Standards for Business Enterprises, issued by the Ministry of Finance, and other relevant provisions (hereinafter collectively referred to as the "Accounting Standard for Business Enterprises").

(2) Going concern

The Company shall have the going-concern capability for at least 12 months as of the end of the reporting period, without any significant events which affect the Company's going concern.

III. Significant Accounting Policies and Accounting Estimate

(1) Announcement of observing the accounting standards

The financial statements prepared by the Company satisfy the requirements of the Accounting Standards for Enterprises, and have truthfully and completely reflected financial status, operating achievements, cash flow and other information of the Company during the reporting period.

(2) Accounting period:

The fiscal year of the Company is the calendar year from January 1 to December 31.

(3) Operating cycle

The operating cycle of the Company is 12 months.

(4) Recording currency

RMB is adopted as the bookkeeping currency of the Company.

(5) Preparation of consolidated financial statements

1. Scope of consolidation

The scope of consolidation of the consolidated financial statements is determined on the basis of control, and all the subsidiaries (including the individual entities under the Company's control) are included in the scope of consolidation.

2. Process of consolidation

The consolidated financial statements are prepared based on the financial statements of the parent company and its subsidiaries, as well as other related data. The consolidated financial statements take the entire enterprise as one accounting entity, and reflect the entire Company's financial situation, business results and cash flow in accordance with the requirements of recognition, measurement and listing and reporting in Accounting Standards for Business Enterprises, as well as unified accounting policies.

The accounting policies and accounting period adopted by all the subsidiaries included in the scope of consolidated financial statements should be in conformity with that adopted by the Company.

(6) Cash and cash equivalents

In the preparation of Cash Flow Statement by the Company, the Company's cash on hand and the deposits which can be used for payment at any time shall be recognized as cash.

Cash equivalents refer to the investment that has the short term (that mature within three months from the acquisition date) and strong liquidity, is easy to be converted into the cash of a known amount, and involves a very low risk in the value change. It includes the deposits with the Central Bank (excluding the statutory reserve of deposit), due from banks and other financial institutions, interbank lending, and financial assets purchased under resale agreements.

(7) Foreign currency transaction and foreign currency statement translation

1. Foreign currency transaction

During the period of foreign currency transactions, the Company translates its foreign currency amount into the recording currency at the spot exchange rate on the date of transaction.

On the balance sheet date, the Company translates the balance of foreign currency monetary items at the spot exchange rate on the balance sheet date. The balance of exchange arising therefrom, excluding the balance of exchange arising from the special borrowings in foreign currencies relating to the acquisition and construction of assets eligible for capitalization, which will be disposed according to the principle of borrowings capitalization, will be counted in the current gains and losses.

2. Translation of financial statements in foreign currency

The asset and liability items in the balance sheets shall be translated at a spot exchanged rate on the balance sheet date. Among the owner's equity items, except the ones as "retained profits", others items shall be translated at the spot exchange rate at the time when they are incurred. The income and expense items in the profit statements shall be translated at the spot exchange rate of the transaction date.

(8) Amount of financial assets purchased under resale agreements and financial assets sold under repurchase agreements

Reverse purchase transaction means the buy-in of relevant assets (including bonds, bills and loans) from the counterparty at a certain price according to the contract or agreement, and sell the same financial assets back at the agreed price on the maturity date as agreed in the contract or agreement. For the financial assets purchased under resale agreements, the Company makes the accounting treatment according to the amount actually paid for relevant assets.

Repurchase transaction means the sales of relevant assets (including bonds, bills and loans) to the counterparty at a certain price according to the contract or agreement, and buy back the same financial assets at the agreed price on the maturity date as agreed in the contract or agreement. For the financial assets sold under repurchase agreements, the Company makes the accounting treatment according to the amount actually received from relevant assets.

(9) Long-term Equity Investment

1. Judgment standard of joint control and significant influence

Joint control, referring to the joint control on an economic activity as specified in the contract, exists only under the unanimous agreement among the investors when they see the necessity to share the control over important financial and operating strategies related to the economic activity. If the Company and other associates control the invested entity and share the rights of net assets jointly, the invested entity is considered as an associate of the Company.

Significant influence refers to having the right to participate in the decision of the financial and operational policy of an enterprise, but being unable to control the formulation of such policy independently or together with other parties. If the Company and other joint parties exert influence on the invested entity jointly, the invested entity is considered as a joint venture of the Company.

2. Determination of initial investment cost

(1) Long-term equity investment obtained by merging

For the merger of enterprises under the same control: if the consideration of the Company is that it makes payment in cash, transfers non-cash assets, bear its debts or issuing the equity securities, the Company, on the date of merger, regards the share of the book value of the owner's equity of the merged enterprise in the consolidated financial statements of the final controlling part as the initial cost of the long-term equity investment.

(2) Long-term equity investments obtained by other means

The initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid.

The initial cost of a long-term equity investment obtained on the basis of issuing equity securities is the fair value of the equity securities issued.

3. Subsequent measurement and recognition of gains and losses

(1) Long-term equity investment measured by the cost method

The cost method is adopted to account the long-term equity investment over which the Company imposes the control of its subsidiaries. Except for the actual price paid for acquisition of the investment or the declared but not distributed cash dividends and profits contained in the consideration, all other cash dividends or profits are ones that can be declared and distributed by the invested entity.

(2) Long-term equity investment measured by the equity method

The equity method is adopted to account the long-term equity investment of joint ventures and associates. The initial investment cost of the long-term equity investment will not be adjusted if the initial investment cost of the long-term equity is greater than the share in the fair value of the identifiable net assets of the invested entity at the time of investment. If the initial investment cost of the long-term equity is less than the share in the fair value of the identifiable net assets of the

invested entity at the time of investment, the difference between both will be included into the current profit or loss.

(10) Fixed assets

(1) Recognition conditions of fixed assets

The fixed assets refer to the tangible assets held for commodity production, rendering of labor service, rent or operation management, and having a service life of more than one accounting year. The Company shall recognize the fixed assets when the following conditions are met at the same time:

1. The fixed asset can be confirmed only when the economic interest related to a fixed asset is likely to flow into this Company;
2. The cost of such fixed asset can be reliably measured.

(2) Depreciation of various fixed assets

The fixed assets depreciation is accrued by composite life method by straight-line method, and the depreciation rate is subject to the category, estimated service life and estimated net salvage value of the fixed assets. If all components of fixed assets have different service life or they bring economic benefits to the enterprise in different ways, the depreciation is accrued separately by different depreciation ratio or depreciation method.

The depreciation shall be accrued on the fixed assets obtained through financial lease in the remaining service life of such assets if the ownership to such assets may be reasonably expected to be obtained upon the expiration of the leasing term; and the depreciation shall be accrued in the leasing term and the remaining service life of such assets, whichever is shorter, if the ownership to such assets cannot be reasonably expected to be obtained upon the expiration of the leasing term.

The depreciable life of fixed assets to the main categories is as follows:

| Category of Asset | Depreciable life |
|------------------------------------|------------------|
| Houses and buildings | 30 years |
| Electronic equipment | 3 year |
| Machinery equipment | 5 years |
| Means of transportation and others | 5 years |

(11) Construction in process

The cost of a self-constructed fixed asset shall be formed by the necessary expenses incurred for bringing the asset to the expected conditions for use. For the fixed assets which have reach the expected usable state but whose final accounts have not been transacted, the engineering budget, construction cost or actual engineering cost are converted into fixed asset according to their estimated values as from the date when construction in process reaches the expected usable state, and the depreciation of such fixed assets shall be accrued in accordance with the Company's policy for the depreciation of fixed assets. Upon the completion of final project accounts, the estimated values shall be adjusted to actual cost, except for the amount of provision for depreciation.

(12) Intangible Assets

1. Accounting method of intangible assets

- (1) The intangible assets derived by the Company are initially measured at the cost;
- (2) Subsequent measurement

The Company shall analyze and judge the service life of intangible assets upon acquiring it.

The intangible assets with limited service life shall be averagely amortized periodically by the straight-line method within the period when such intangible assets can bring economic benefits to the Company; if it is unable to forecast the period when the intangible asset can bring economic benefits to the Company, it shall be regarded as an intangible asset with an indefinite useful life.

2. Estimates of the service life for intangible assets

At the end of each reporting period, the Company will check the service life and the amortization method of intangible assets with limited service life.

3. Accrual of impairment reserve of intangible assets

The intangible assets that have determined service life shall be put into impairment test at the end of period, if the assets exist depreciation.

The intangible assets that have undetermined service life shall be put into impairment test at the end of each period.

Through the impairment test on the intangible assets, available recoverable amount will be estimated.

Once confirmed, the impairment loss on intangible assets will no longer be reversed in the future accounting periods.

(13) Impairment of long-term assets

For the long-term equity investment, and investment real estate, fixed assets, construction in progress, intangible assets with limited service life and other long-term assets, if there is any sign of possible impairment on the balance sheet date, the Company will put them into impairment test. If the impairment test result shows that the recoverable amount of the said long-term assets is lower than the book value, the assets impairment reserve will be accrued based on the difference and recorded into the current profits or losses. The recoverable amount will be determined according to the fair value of the asset deducted by the disposal expense, or the present value of the expected future cash flow derived by the asset, whichever is higher. The Company calculates and confirms the asset impairment reserve based on each single asset, or the group of assets to which a single asset belongs if it is difficult to estimate the recoverable value of such asset. A group of assets is the smallest group of assets that is able to generate independent cash flow.

(14) Other assets

1. Long-term deferred expenses

A long-term deferred expense refers to an expense that has incurred but has an amortization life of more than one year.

2. Debt assets

The repossessed assets of the Company are stated at fair value of acquisition and the difference between their fair value and book value of related assets and taxes paid is recognized in the current profit or loss.

When a repossessed asset is disposed of, if the income derived from the disposal of such repossessed assets is more than the book value, the difference between both shall be included in the non-business income; if the income derived from the disposal of such repossessed assets is lower than the book value, the difference between both shall be included in the non-operating expenditure; expenses incurred in the course of custody shall be directly included in other business expenditures. Expenses incurred in the course of disposal shall be deducted from the expenses for disposal.

3. Other receivables

The Company will make detailed accounting on other receivable items and the units (individuals) of the counterpart. The Company will regularly analyze the recovery of other receivables. If the recoverable amount of accounts receivables is lower than the book value, a provision for impairment is made based on the difference and charged to the current profit or loss.

(15) Employee Remuneration

1. Accounting treatment method of short-term remuneration

During the accounting period of an employee rendering services to the Company, the Company recognizes the short-term remuneration payable as liability and records it as the current profit or loss or relevant investment cost.

The Company pays social insurance charges and housing provident funds for employees, and appropriates the trade union fee and staff education expense according to provisions. During the accounting period of an employee rendering services to the Company, the employee remuneration is calculated and determined according to the specified basis and proportion of accruals.

If the staff welfare expense involves the non-monetary, such expense shall be measured in terms of fair value if it can be measured reliably.

2. Accounting treatment method of welfares after departure

(1) Defined contribution plan

The Company pays the basic pension insurance and unemployed insurance for employees in accordance with relevant stipulations of local government. During the accounting period of an employee rendering services to the Company, the Company calculates the amount payable according to local regulatory basis and proportion, recognizes it as liability and record as the current profit or loss or relevant investment cost.

Except for the basic pension insurance, the Company also formulates an employer annuity plan in accordance with relevant policies of national employer annuity system. The Company makes payment to the annuity plan in proportion to the staff salaries, and the corresponding expenditures are recorded as the current profit or loss or relevant investment cost.

(2) Defined benefit plan

According to the formula determined by the method of expected cumulative benefit unit, the Company recognizes the benefit obligation under the defined benefit plan as a liability during the period which employees render services, and allocate it into the current profit or loss or relevant asset costs.

(3) Accounting treatment method of dismissal welfare

Dismissal welfare provided to an employ is recognized as the liability of employee remuneration arising from the dismissal welfare on the following dates, whichever is earlier: (1) when the Group cannot cancel the dismissal welfare due to the dissolution of labor relationship plan or layoff proposal; (2) when the Company recognizes the cost or the expense relating to the payment of dismissal welfare, and such amount shall be recorded as the current profit or loss.

(16) Recognition of incomes

The incomes can be recognized only when the relevant economic interest is likely to flow into the Company and the amount can be reliably measured, and on the premise that other conditions of recognition for different types of incomes are met at the same time.

1. Interest income

The interest income on financial assets is recorded as the current profit or loss according to the time and actual interest rate of use right of transferred funds. The interest income includes the amortization of discount or premium; when the difference between actual interest rate and contracted interest rate is not big, the latter shall be adopted.

After an impairment loss of a financial asset or a group of similar financial assets, the interest incomes shall be recognized at the interest rate which is used as the capitalization rate in the capitalization of the future cash flow when the impairment-related losses are determined.

2. Handling fees & commission incomes

The handling fees & commission incomes are recognized on the principle of accrual accounting when the relevant services are rendered.

The handling fees arising out of sales of assets or participation in the sales of assets conducted by third parties (i.e., purchase of loans and securities of customers, or sales of business) are recognized upon the completion of corresponding transactions.

3. Dividend income

The dividend income not derived from equity instrument investment for listing is recognized and recorded as the current profit or loss, and recorded as the return on investment when the Company acquires the dividend rights.

(17) Deferred income tax assets and deferred income tax liabilities

Regarding the deductible temporary difference, the Company recognizes the deferred income tax liabilities arising from a deductible temporary difference to the extent of the amount of the taxable income which is most likely to be obtained and which can be deducted from the deductible temporary difference in the future. The Company confirms the deferred income tax asset derived from the deductible temporary difference, the deductible loss that may be carried forward to future years and the tax deduction to the extent of the income tax payable in future.

The temporary differences in the income tax payable will be used to confirm the deferred income tax liabilities, except the special cases.

The special cases in which the deferred income tax asset or deferred income tax liability will not recognized include: Initial confirmation of the goodwill; except other transactions or matters which do not influence the accounting profit or the income tax payable (or the deductible loss) when an enterprise merger takes place.

When the Company has the legal right of net settlement and intends to carry out net settlement or acquire assets and liquidate liability at the same time, the income tax asset and income tax liability of current period are presented as net amount after the deduction.

The deferred income tax asset and deferred income tax liability are presented as the net amount after the deduction, when the Company has the legal right to settle the income tax asset and income tax liability of current period by net amount, and the income tax asset and income tax liability are related to the income tax levied by the same tax collection administration on the same taxpayers or on different taxpayers, but the taxpayers concerned intend to settle the income tax asset and liability of current period by net amount or acquire the assets and liquidate liabilities at the same time during each period of writeback of important deferred income tax asset and liability in the future.

(18) Entrustment business

The Company, as the trustee, generally provides the asset management services for trust institution, other institution and retail customers in the commission business. The assets involved in the commission business do not pertain to the Company, whereby such assets shall be excluded from the Company's financial statements.

Trust loans refer to the loans that the Company (as the trustee), upon accepting a commission for the funds provided by a customer (as the trustor), disburses the loans on an agency basis according to the borrower, purpose, amount, period and interest rate as confirmed by the trustor, supervise the use of loans and assist in recovering the loans at the risk of the trustor. Except handling fees for commission business, the Company neither advances money nor undertakes credit risk.

(19) Debt restructuring

A debt restructuring refers to an event in which the terms of a debt are modified as a result of a mutual agreement between the Company serving as a debtor and a creditor or a judgment by a court, when the creditor is in financial difficulties. The means of debt reconstructing mainly include: (I) Liquidate a debt by assets; (II) Convert a debt into capital; (III) Modify the conditions of other debts; and (IV) Combination of above three means, etc.

Where a debt is liquidated by cash, the Company records the difference between the book value of reorganized creditor's rights and cash receipts as the current profit or loss. If the Company has accrued impairment reserve of creditor's rights, such difference shall be used to offset the impairment reserve; the part which cannot be offset by the impairment reserve shall be recorded as the current profit or loss.

Where a debt is liquidated by non-cash asset, the non-cash asset accepted by the Company are recorded according to its fair value. The difference between the book value of reorganized creditor's rights and the fair value of non-cash assets shall be handled in conformity with the provisions on the debt liquidation by cash.

Where a debt is converted to capital, the fair value of the Company's shares is recognized as the investment in the debtor. The difference between the book value of reorganized creditor's rights and the fair value of shares shall be handled in conformity with the provisions on the debt liquidation by cash.

Where other debt conditions are modified, the Company recognizes the fair value of creditor's rights thereafter as the book value of creditor's rights after the reorganization, and the difference between the book-entry balance and book value of creditor's rights after the reorganization shall be handled in conformity with the provisions on the debt liquidation by cash. Where the debt provisions involves the contingent amount receivable after the modification, the Company does not recognize it as the contingent amount receivable and record it as the book value of creditor's rights after the reorganization.

Where a debt reorganization is conducted combining such means as debt liquidation by cash, debt liquidation by non-cash assets, conversion of debt into capital, modification of other debt conditions, etc., the Company offsets the book value of reorganized creditor's rights successively by the fair value of received cash and accepted non-cash assets, and the fair value of the shares entitled to creditor's rights, and then handles it according to the provisions on modification of other debt conditions.

IV. Tax

Major tax categories and tax rates applicable to the Company are as follows:

| Tax type | Tax base | FY 2017 |
|--|----------------------------|---------|
| Business income tax | Taxable income | 25% |
| Value-added tax | Taxable earnings | 5%/6% |
| Urban maintenance and construction tax | Turnover tax actually paid | 5%/7% |
| Educational surcharge | Turnover tax actually paid | 3% |
| Local educational surtax | Turnover tax actually paid | 2% |

V. Notes on Main Items in the Consolidated Financial Statements

1. Cash and balances with central bank

| Item | 2017-12-31 | 2016-12-31 |
|---|--------------------------|--------------------------|
| Cash on hand | 376,855,298.41 | 355,214,636.29 |
| Statutory deposit reserve in the Central Bank | 10,524,407,313.58 | 9,991,502,622.40 |
| Excess deposit reserve in the Central Bank | 3,825,414,181.60 | 4,593,537,441.90 |
| Fiscal deposit in the Central Bank | 481,870,000.00 | 348,730,000.00 |
| Total | 15,208,546,793.59 | 15,288,984,700.59 |

The statutory deposit reserve is the deposit reserve in the People's Bank of China by rule, and shall not be used for daily business. Reserve ratios for deposits in RMB of the Company on December 31, 2017 and December 31, 2016 were 13.5% and 13.5%, respectively, and the reserve ratios for deposits in foreign currency of the Company on December 31, 2017 and December 31, 2016 were 5% and 5%, respectively. Deposit range of the legal reserve requirement on deposit includes deposits of non-profit institutions, non-budgetary financial savings, personal savings, the corporate savings, credit balance after reduction of asset column in liability item of commissioning business and other deposits.

The deposit rates of the required reserves of the subsidiary are itemized as follows:

| The invested entity | 2017-12-31 | 2016-12-31 |
|---|------------|------------|
| LinYi Hedong Qishang Rural Bank Co., Ltd. | 9% | 9% |

Excess deposit reserve in the Central Bank is used for liquidation of daily funds.

Fiscal deposits in the Central Bank refer to the deposits paid by 100% to the Central Bank and reserved for national vault, deposits within and beyond the local financial budget, deposits for army and organizations, treasury bonds and various bond funds issued by the Ministry of Finance, and so forth.

2. Due from banks and other financial institutions

| Item | 2017-12-31 | 2016-12-31 |
|--|-----------------------|-------------------------|
| Due from domestic banks and other financial institutions | 968,804,563.81 | 6,944,168,533.06 |
| Due from foreign banks and other financial institutions | 27,491,095.15 | 141,264,233.23 |
| Less: Asset impairment reserve | | |
| Total | 996,295,658.96 | 7,085,432,766.29 |

Up to December 31, 2017, no shareholder with 5% or more of shares incurred the balance with banks and other financial institutions.

3. Interbank lending

| Item | 2017-12-31 | 2016-12-31 |
|-----------------------------------|-----------------------|------------|
| Banks | 424,723,000.00 | |
| Nonbanking financial institutions | | |
| Less: Asset impairment reserve | | |
| Total | 424,723,000.00 | |

Up to December 31, 2017, no shareholder with 5% or more of shares incurred the balance of interbank lending.

4. Financial assets purchased under resale agreements

| Item | 2017-12-31 | 2016-12-31 |
|---|------------|-----------------------|
| Bonds purchased under resale agreements | | |
| Government bonds | | 590,000,000.00 |
| Financial bonds | | 408,000,000.00 |
| Corporate bonds | | |
| Total | | 998,000,000.00 |

Up to December 31, 2017, no shareholder with 5% or more of shares incurred the balance of financial assets purchased under resale agreements.

5. Interest receivable

| Item | 2017-12-31 | 2016-12-31 |
|--|-----------------------|-----------------------|
| Interest receivable on loans | 337,881,535.38 | 263,587,535.31 |
| Interest receivable on balances with the Central Bank | 5,631,129.59 | 5,299,428.09 |
| Interest receivable on due from banks and other financial institutions and interbank lending | 2,311,623.05 | 28,954,002.37 |
| Interest receivable on financial assets purchased under resale agreements | | 133,718.36 |
| Interest receivable on available-for-sale investment | 205,528,946.76 | 158,073,250.76 |
| Interest receivable on held-to-maturity investments | 97,332,700.82 | 94,273,296.37 |
| Interest receivable on investment receivables | 104,493,101.31 | 52,575,305.53 |
| Total | 753,179,036.91 | 602,896,536.79 |

6. Loans and advances to customers

(1) Distribution of loans and advances based on individual and enterprise is as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--|--------------------------|--------------------------|
| Personal loans and advances: | | |
| Credit card | 49,563,050.69 | 36,772,339.79 |
| Housing mortgage | 4,239,369,792.08 | 1,539,112,982.33 |
| Other | 4,284,620,477.93 | 3,600,097,608.11 |
| Corporate loans and advances: | | |
| Loans | 44,009,423,921.39 | 42,475,306,847.50 |
| Discount | 3,644,114,059.99 | 3,744,298,369.62 |
| Trade financing | 809,215,574.46 | 736,499,349.80 |
| Total loans and advances | 57,036,306,876.54 | 52,132,087,497.15 |
| Less: | | |
| Loan loss reserve | 2,123,049,836.18 | 1,571,313,672.83 |
| Net value of loans and advances | 54,913,257,040.36 | 50,560,773,824.32 |



(2) Less: Loan loss provision:

| Item | 2017-12-31 | 2016-12-31 |
|-----------------------------|-------------------------|-------------------------|
| Corporate loan loss reserve | 1,868,078,655.32 | 1,423,964,707.35 |
| Personal loan loss reserve | 254,971,180.86 | 147,348,965.48 |
| Total | 2,123,049,836.18 | 1,571,313,672.83 |

(3) Distribution of loans and advances based on industry:

| Item | 2017-12-31 | Proportion (%) | 2016-12-31 | Proportion (%) |
|--|--------------------------|----------------|--------------------------|----------------|
| Manufacturing | 16,595,691,322.68 | 29.10 | 17,143,819,057.78 | 32.88 |
| Water, environment and public utility management | 1,834,851,478.86 | 3.22 | 1,399,511,404.09 | 2.68 |
| Wholesale and retail | 10,132,646,036.55 | 17.76 | 10,409,339,031.31 | 19.97 |
| Real estate | 2,828,910,000.00 | 4.96 | 2,885,993,000.00 | 5.54 |
| Education | 148,900,000.00 | 0.26 | 179,000,000.00 | 0.34 |
| Production and supply of electric power, gas and water | 1,241,368,232.11 | 2.18 | 1,109,125,000.00 | 2.13 |
| Construction and lease service industry | 7,006,135,572.60 | 12.28 | 4,664,227,119.57 | 8.95 |
| Other | 4,220,921,278.59 | 7.40 | 4,684,292,234.75 | 8.99 |
| Trade financing | 809,215,574.46 | 1.42 | 736,499,349.80 | 1.41 |
| Discount | 3,644,114,059.99 | 6.39 | 3,744,298,369.62 | 7.18 |
| Individuals | 8,573,553,320.70 | 15.03 | 5,175,982,930.23 | 9.93 |
| Total | 57,036,306,876.54 | 100.00 | 52,132,087,497.15 | 100.00 |
| Less: Loan loss provision | 2,123,049,836.18 | | 1,571,313,672.83 | |
| Book value of loans and advances | 54,913,257,040.36 | | 50,560,773,824.32 | |

(4) Distribution of loans and advances based on area is as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--------------|--------------------------|--------------------------|
| Shandong | 53,169,507,389.80 | 48,255,579,290.78 |
| Shanxi | 3,866,799,486.74 | 3,876,508,206.37 |
| Total | 57,036,306,876.54 | 52,132,087,497.15 |

(5) Distribution of loans and advances based on secure methods as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--|--------------------------|--------------------------|
| Fiduciary loan | 5,446,233,888.89 | 4,731,989,739.98 |
| Loans on guarantee | 29,799,873,402.92 | 29,509,565,347.22 |
| Loan on security | 19,019,720,255.90 | 15,568,268,311.86 |
| Pledged loans | 2,770,479,328.83 | 2,322,264,098.09 |
| Total loans and advances | 57,036,306,876.54 | 52,132,087,497.15 |
| Less: | | |
| Loan loss reserve | 2,123,049,836.18 | 1,571,313,672.83 |
| Net value of loans and advances | 54,913,257,040.36 | 50,560,773,824.32 |

(6) Changes of loan loss reserve:

| Item | FY 2017 | FY 2016 |
|---|------------------|------------------|
| Beginning balance | 1,571,313,672.83 | 1,469,022,109.37 |
| Provision/transfer-out in current period | 785,072,513.97 | 682,983,048.84 |
| Write-off amount in current period | 260,810,227.13 | 590,247,599.79 |
| Recovery of loans and advances previously written off | 27,023,876.51 | 6,011,914.41 |
| Other returning in current period | 450,000.00 | 3,544,200.00 |
| Ending balance | 2,123,049,836.18 | 1,571,313,672.83 |

7. Financial assets available for sale

(1) Financial assets available for sales are itemized as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--|-------------------------|-------------------------|
| Bond investment - measured at fair value | | |
| Government bonds | 1,991,390,831.80 | 1,894,878,541.09 |
| Financial bonds | 6,683,113,361.54 | 5,068,969,771.25 |
| Corporate bonds | 81,895,155.90 | 105,841,838.03 |
| Interbank certificate of deposits | 39,830,992.65 | 395,192,519.75 |
| Less: Impairment reserve | | |
| Sub-total | 8,796,230,341.89 | 7,464,882,670.12 |
| Equity investment - measured by costs | | |
| Equity investment | 38,390,839.00 | 38,390,839.00 |
| Less: Impairment reserve | | |
| Sub-total | 38,390,839.00 | 38,390,839.00 |
| Equity investment - measured at fair value | | |
| Inter-bank joint investment plan | 30,000,000.00 | 30,000,000.00 |
| Less: Impairment reserve | | |
| Sub-total | 30,000,000.00 | 30,000,000.00 |
| Total | 8,864,621,180.89 | 7,533,273,509.12 |

(2) Relevant information analysis of financial assets available for sale

| Item | 2017-12-31 | 2016-12-31 |
|---|------------------|------------------|
| Bond investment - measured at fair value | | |
| Amortized cost | 9,016,340,553.90 | 7,349,717,850.24 |
| Fair value | 8,796,230,341.89 | 7,464,882,670.12 |
| Cumulative other comprehensive income | -220,110,212.01 | 115,164,819.88 |
| Amount of cumulatively accrued impairment | | |
| Equity investment - measured by costs | | |

Relevant information analysis of financial assets available for sale (Continued)

| Item | 2017-12-31 | 2016-12-31 |
|--|---------------|---------------|
| Investment costs | 38,390,839.00 | 38,390,839.00 |
| Amount of cumulatively accrued impairment | | |
| Equity investment - measured at fair value | | |
| Fair value | 30,000,000.00 | 30,000,000.00 |
| Amount of cumulatively accrued impairment | | |

As of December 31, 2017, among all the bonds available for sale held by the Company, those with a face value of RMB 1,77,000,000.00 Yuan were used for securities sold for repurchase, those with a face value of RMB 2,235,319,200.00 Yuan for borrowing from the Central Bank, and those with a face value of RMB 40,000,000.00 Yuan for fixed deposits in treasury.

(3) Financial assets available for sales - equity investment whose fair value cannot be reliably measured

| The invested enterprise | Investment costs | 2016-12-31 | Increase or decrease | 2017-12-31 |
|---|----------------------|----------------------|----------------------|----------------------|
| China UnionPay Co., Ltd | 8,134,839.00 | 8,134,839.00 | | 8,134,839.00 |
| Clearing Center for City Commercial Banks | 250,000.00 | 250,000.00 | | 250,000.00 |
| Shandong Provincial City Commercial Bank Alliance Company | 30,000,000.00 | 30,000,000.00 | | 30,000,000.00 |
| Zibo Banking Association | 6,000.00 | 6,000.00 | | 6,000.00 |
| Total | 38,390,839.00 | 38,390,839.00 | | 38,390,839.00 |



Financial assets available for sales - equity investment whose fair value cannot be reliably measured (Continued)

| The invested enterprise | Shareholding proportion (%) | Proportion of voting rights (%) | Impairment reserve | Impairment reserve accrued in current period | Cash dividend received in current period |
|---|-----------------------------|---------------------------------|--------------------|--|--|
| China UnionPay Co., Ltd | 0.28 | 0.28 | | | 640,000.00 |
| Clearing Center for City Commercial Banks | 0.83 | 0.83 | | | 2,100,000.00 |
| Shandong Provincial City Commercial Bank Alliance Company | 4.60 | 4.60 | | | |
| Zibo Banking Association | 20.00 | 20.00 | | | |
| Total | | | | | 2,740,000.00 |

The cost approach is used to account the above-mentioned equity instruments available for sales because there is no quotation in the active market or the fair value cannot be reliably measured and have the material influence on the invested company.

Up to December 31, 2017, there had been no impairment in the financial assets available for sales, whereby the impairment reserve for financial assets available for sale was not accrued.

8. Held-to-maturity investment

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------------|-------------------------|-------------------------|
| Government bonds | 4,075,763,326.56 | 3,680,090,567.06 |
| Financial bonds | 2,795,070,489.51 | 2,918,384,613.52 |
| Corporate bonds | 99,947,590.83 | 99,943,778.65 |
| Asset securitization | 50,000,000.00 | |
| Less: Asset impairment reserve | | |
| Total | 7,020,781,406.90 | 6,698,418,959.23 |

As of December 31, 2017, among all the held-to-maturity bonds held by the Company, those with a face value of RMB 1,235,000,000.00 were used for securities sold for repurchase; those with a face value of RMB 195,140,000.00 for the agreement deposits in Postal Savings Bank of China; those with a face value of RMB 2,161,026,900.00 for borrowing from the Central Bank; and those with a face value of RMB 467,818,500.00 for fixed deposits in treasury.

9. Receivables investment

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------------|--------------------------|--------------------------|
| Assets management plan | 10,154,960,000.00 | 7,896,745,454.71 |
| Right to trust income | 4,939,640,914.72 | 3,388,767,219.83 |
| Trade financing | 250,000,000.00 | 830,000,000.00 |
| Less: Asset impairment reserve | 44,499,515.72 | 22,487,672.20 |
| Total | 15,300,101,399.00 | 12,093,025,002.34 |

Changes in the provision for impairment of investment in receivables:

| Item | 2017-12-31 | 2016-12-31 |
|---------------------------|---------------|---------------|
| Beginning balance | 22,487,672.20 | 9,742,189.86 |
| Accrual in current year | 22,011,843.52 | 12,745,482.34 |
| Write-off in current year | | |
| Year end balance | 44,499,515.72 | 22,487,672.20 |

10. Long-term Equity Investment

| The invested enterprise | 2016-12-31 | Change in current period | | | | |
|-------------------------|-----------------------|--------------------------|---------------------|---|--|------------------------|
| | | Follow-on investment | Negative investment | Gains and losses on investments confirmed under equity approach | Adjustment of other comprehensive income | Other equity variation |
| Joint venture | | | | | | |
| Chang'An Bank Co., Ltd. | 623,904,526.87 | | | 59,524,434.23 | | |
| Total | 623,904,526.87 | | | 59,524,434.23 | | |

| The invested enterprise | Change in current period | | 2017-12-31 | Impairment reserve accrued in current period | Closing balance of impairment provision |
|-------------------------|---|-------|-----------------------|--|---|
| | Announce distribution of cash dividends | Other | | | |
| Joint venture | | | | | |
| Chang'An Bank Co., Ltd. | 19,644,768.00 | | 663,784,193.10 | | |
| Total | 19,644,768.00 | | 663,784,193.10 | | |



Subsidiaries of the bank

| The invested enterprise | Accounting method | Initial investment costs | 2016-12-31 | Increase or decrease | 2017-12-31 |
|--|-------------------|--------------------------|-----------------------|----------------------|-----------------------|
| LinYiHedong Qishang Rural Bank Co., Ltd. | Cost approach | 121,380,000.00 | 121,380,000.00 | | 121,380,000.00 |
| Total | | 121,380,000.00 | 121,380,000.00 | | 121,380,000.00 |

| The invested enterprise | Share holding ratio (%) | Proportion of voting rights (%) | Impairment Provision | Impairment reserve accrued in current period | Cash Dividends |
|--|-------------------------|---------------------------------|----------------------|--|----------------------|
| LinYiHedong Qishang Rural Bank Co., Ltd. | 51.00% | 51.00% | | | 12,240,000.00 |
| Total | 51.00% | 51.00% | | | 12,240,000.00 |

Note: 1. In 2009, in accordance with the Approval of China Banking Regulatory Commission for Establishing Chang'An Bank Co., Ltd.(Y.J.F. No.212 [2009] of China Banking Regulatory Commission), the Chang'An Bank Co., Ltd. was incorporated jointly by sponsors through statutory consolidation of five local banking financial institutions including Baoji City Commercial Bank Co., Ltd. As one of sponsors, the Company entered into the Agreement of Sponsors in Xi'an City, Shaanxi Province in April 2009, to subscribe 195 million shares of Chang'An Bank at the monetary capital of RMB195 million, accounting for 6.5% of shares.

The Company assigned senior executives to Chang'An Bank Co., Ltd. to participate in the operations of its daily business, and such acts had material effect. Therefore, the equity approach was adopted.

Up to December 31, 2017, the Company had held 245,559,600 shares of Chang'An Bank Co., Ltd., accounting for 4.3528% of its shares.

2. According to the Reply of China Banking Regulatory Commission Linyi Branch on the Approval of the Opening of LinYi Hedong Qishang Rural Bank Co., Ltd. of the China Banking Regulatory Commission Linyi Branch (Y.J.L.Z. No.123 [2010]), the company invested RMB 12 million in LinYi Hedong Qishang Rural Bank Co., Ltd., with the shareholding proportion of 60%; in 2012, the registered capital of LinYi Hedong Qishang Rural Bank Co., Ltd. was increased to RMB 50 million, and the investment amount of the company was increased to RMB 25.5 million, with the changed shareholding proportion of 51%. In 2004, the registered capital of LinYi Hedong Qishang Rural Bank Co., Ltd. was increased to RMB 100 million and the investment amount of the company reached to RMB 51 million with a shareholding proportion of 51%. In 2016, the registered capital of LinYi Hedong Qishang Rural Bank Co., Ltd. was increased to RMB 200 million and the investment amount of the company reached to RMB 10.2 million with a shareholding proportion of 51%. As the first majority shareholder of LinYi Hedong Qishang Rural Bank Co., Ltd. the company adjusts accounts by using the cost approach. In view of that the company can control the management and financial decisions of LinYi Hedong Qishang Rural Bank Co., Ltd., the company will integrate it into the scope of combined financial statements.

11. Fixed assets

(1) Information of fixed assets:

| Item | Housing & buildings | Electronic equipment | Transport equipment | Other | Total |
|--|---------------------|----------------------|---------------------|----------------|------------------|
| 1. Original value of fixed assets | | | | | |
| (1) December 31, 2016 | 1,292,371,692.71 | 178,874,500.59 | 52,933,413.28 | 139,201,212.08 | 1,663,380,818.66 |
| (2) Increase in current period | 191,270,251.33 | 30,335,845.67 | 2,404,091.69 | 34,026,251.41 | 258,036,440.10 |
| -Purchase | 9,636,179.92 | 30,087,936.67 | 2,404,091.69 | 6,257,888.30 | 48,386,096.58 |
| -Transfer from construction in progress | 181,634,071.41 | 247,909.00 | | 27,768,363.11 | 209,650,343.52 |
| (3) Decrease in current period | | 20,550,012.61 | 2,906,580.09 | 1,253,120.35 | 24,709,713.05 |
| -Disposal or reject | | 20,550,012.61 | 2,906,580.09 | 1,253,120.35 | 24,709,713.05 |
| (4) December 31, 2017 | 1,483,641,944.04 | 188,660,333.65 | 52,430,924.88 | 171,974,343.14 | 1,896,707,545.71 |
| 2. Accumulated depreciation | | | | | |
| (1) December 31, 2016 | 292,779,435.01 | 124,562,823.95 | 33,515,209.23 | 71,708,117.01 | 522,565,585.20 |
| (2) Increase in current period | 38,862,496.70 | 28,213,681.45 | 7,333,773.20 | 22,597,973.33 | 97,007,924.68 |
| -Accrual | 38,862,496.70 | 28,213,681.45 | 7,333,773.20 | 22,597,973.33 | 97,007,924.68 |
| (3) Decrease in current period | | 19,458,832.19 | 2,825,609.32 | 1,121,003.09 | 23,405,444.60 |
| -Disposal or reject | | 19,458,832.19 | 2,825,609.32 | 1,121,003.09 | 23,405,444.60 |
| (4) December 31, 2017 | 331,641,931.71 | 133,317,673.21 | 38,023,373.11 | 93,185,087.25 | 596,168,065.28 |
| 3. Impairment reserve | | | | | |
| (1) December 31, 2016 | | | | | |
| (2) Increase in current period | | | | | |
| -Accrual | | | | | |
| (3) Decrease in current period | | | | | |
| -Disposal or reject | | | | | |
| (4) December 31, 2017 | | | | | |
| 4. Book value | | | | | |
| (1) December 31, 2017 | 1,152,000,012.33 | 55,342,660.44 | 14,407,551.77 | 78,789,255.89 | 1,300,539,480.43 |
| (2) December 31, 2016 | 999,592,257.70 | 54,311,676.64 | 19,418,204.05 | 67,493,095.07 | 1,140,815,233.46 |

(2) There was no idle fixed assets for the time being in current period

(3) Information of fixed assets temporarily leased under operating lease:

| Item | Book value |
|---------------------|----------------------|
| Housing & buildings | 67,588,719.29 |
| Total | 67,588,719.29 |

(4) Situation of fixed assets without completion of the certificate of title:

| Item | Amount | Reasons for incompleting the certificate of title |
|--|-----------------------|---|
| Yiyuan branch office building | 34,137,106.25 | In process |
| Gaoqing branch office building | 48,398,361.88 | In process |
| Binfen Nanjun | 9,128,268.56 | In process |
| Guangrao branch office building | 16,644,757.60 | In process |
| Anqiu branch office building | 12,399,558.00 | In process |
| Wenshao branch houses | 21,965,093.74 | In process |
| Binzhou office building | 108,568,431.69 | In process |
| Weitong office building | 96,512,202.50 | In process |
| Luhu branch office building | 9,781,266.35 | In process |
| Linyi branch office building | 67,397,031.67 | In process |
| Gaochuangyuan branch house property | 69,697,675.50 | In process |
| Huaqiaocheng small & micro sub-branch house property | 4,981,241.22 | In process |
| Total | 499,610,994.96 | |

Up to December 31, 2017, there had been no impairment in fixed assets of the company, whereby the impairment reserve for fixed assets was not accrued.

12. Construction in process

(1) Projects under construction are listed by item:

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------|----------------|----------------|
| Book balance | 392,687,585.73 | 433,042,860.10 |
| Less: Impairment reserve | | |
| Net book value | 392,687,585.73 | 433,042,860.10 |

(2) Changes of projects under construction:

| Item | 2016-12-31 | Increase in current period | Transfer to fixed assets | Transfer to intangible assets |
|-----------------------------|-----------------------|----------------------------|--------------------------|-------------------------------|
| Office space and decoration | 425,028,710.91 | 179,779,105.51 | 205,522,898.60 | |
| Software system | 4,392,521.37 | 1,398,335.85 | | 2,601,341.49 |
| Other | 3,621,627.82 | 3,574,569.01 | 4,127,444.92 | |
| Total | 433,042,860.10 | 184,752,010.37 | 209,650,343.52 | 2,601,341.49 |

Changes of projects under construction (Continued)

| Item | Other decrease | Sources of funds | 2017-12-31 |
|-----------------------------|----------------------|--------------------------------------|-----------------------|
| Office space and decoration | 12,855,599.73 | Funds in the hands of the localities | 386,429,318.09 |
| Software system | | Funds in the hands of the localities | 3,189,515.73 |
| Other | | Funds in the hands of the localities | 3,068,751.91 |
| Total | 12,855,599.73 | | 392,687,585.73 |

13. Intangible assets

| Item | Land use right | Software | Total |
|--|----------------|----------------|----------------|
| 1. Original value of fixed assets | | | |
| (1) December 31, 2016 | 25,640,484.62 | 85,700,951.85 | 111,341,436.47 |
| (2) Increase in current period | | 19,550,755.12 | 19,550,755.12 |
| -Purchase | | 16,949,413.63 | 16,949,413.63 |
| -Transfer from construction in progress | | 2,601,341.49 | 2,601,341.49 |
| (3) Decrease in current period | | | |
| -Disposal | | | |
| (4) December 31, 2017 | 25,640,484.62 | 105,251,706.97 | 130,892,191.59 |
| 2. Accumulated amortization | | | |
| (1) December 31, 2016 | 3,227,313.73 | 21,808,368.63 | 25,035,682.36 |
| (2) Increase in current period | 2,090,993.27 | 9,847,019.70 | 11,938,012.97 |
| -Accrual | 2,090,993.27 | 9,847,019.70 | 11,938,012.97 |
| (3) Decrease in current period | | | |
| -Disposal | | | |

Intangible assets (Continued)

| Item | Land use right | Software | Total |
|--------------------------------|----------------|---------------|---------------|
| (4) December 31, 2017 | 5,318,307.00 | 31,655,388.33 | 36,973,695.33 |
| 3. Impairment reserve | | | |
| (1) December 31, 2016 | | | |
| (2) Increase in current period | | | |
| -Accrual | | | |
| (3) Decrease in current period | | | |
| -Disposal | | | |
| (4) December 31, 2017 | | | |
| 4. Book value | | | |
| (1) December 31, 2017 | 20,322,177.62 | 73,596,318.64 | 93,918,496.26 |
| (2) December 31, 2016 | 22,413,170.89 | 63,892,583.22 | 86,305,754.11 |

14. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets

| Item | 2017-12-31 | | 2016-12-31 | |
|--|---------------------------------|----------------------------|---------------------------------|----------------------------|
| | Deductible temporary difference | Deferred income tax assets | Deductible temporary difference | Deferred income tax assets |
| Loan impairment reserve | 1,568,928,210.63 | 392,232,052.66 | 1,300,738,706.28 | 325,184,676.57 |
| Debt asset impairment reserve | | | 10,684,996.00 | 2,671,249.00 |
| Bad debt reserve for other receivables | 10,647,198.92 | 2,661,799.73 | 5,166,911.91 | 1,291,727.98 |
| Fair value of amount of assets available for sales | 220,110,212.00 | 55,027,553.00 | | |
| Bad debt reserve of receivables investment | 44,499,515.72 | 11,124,878.93 | 22,487,672.20 | 5,621,918.05 |
| Total | 1,844,185,137.27 | 461,046,284.32 | 1,339,078,286.39 | 334,769,571.60 |

(2) Deferred income tax liability

| Item | 2017-12-31 | | 2016-12-31 | |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | Taxable temporary difference | Deferred income tax liability | Taxable temporary difference | Deferred income tax liability |
| Fair value of financial assets available for sales | | | 115,164,819.88 | 28,791,204.97 |
| Subtotal | | | 115,164,819.88 | 28,791,204.97 |

15. Other assets

(1) Other assets are itemized as follows:

| Item | 2017-12-31 | 2016-12-31 |
|-----------------------|-----------------------|-----------------------|
| Debt assets | 77,000,000.00 | 77,000,000.00 |
| Other receivables | 547,421,558.61 | 419,139,019.49 |
| Deferred charges | 102,435,468.08 | 91,899,949.82 |
| Other business assets | 6,335,019.61 | 167,325.00 |
| Total | 733,192,046.30 | 588,206,294.31 |

(2) Debt assets are itemized as follows:

| Item | 2017-12-31 | 2016-12-31 |
|-------------------------------------|---------------|---------------|
| House property | | 10,684,996.00 |
| Land use right | 77,000,000.00 | 77,000,000.00 |
| Total of debt assets | 77,000,000.00 | 87,684,996.00 |
| Less: Debt asset impairment reserve | | 10,684,996.00 |
| Net value of debt assets | 77,000,000.00 | 77,000,000.00 |

The debt asset is the land use right of Shandong Hengfeng Real Estate Development Co., Ltd.; the estimated value of disposal would not be less than the book value, therefore no provision for impairment is accrued for the current period.

(3) Changes in repossessed asset impairment reserve is itemized in the table below:

| Item | FY 2017 | FY 2016 |
|----------------------------|---------------|---------------|
| Beginning balance | 10,684,996.00 | 10,684,996.00 |
| Accrual in current period | | |
| Reversal in current period | 10,684,996.00 | |
| Ending balance | | 10,684,996.00 |

(4) Other receivables are itemized as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------------|-----------------------|-----------------------|
| Settlement of pending accounts | 486,662,231.34 | 396,145,059.67 |
| Legal cost | 40,120,591.07 | 26,616,072.86 |
| Withholding tax | 23,106,072.74 | |
| Other | 8,179,862.38 | 1,544,798.87 |
| Less: Bad debt reserve | 10,647,198.92 | 5,166,911.91 |
| Total | 547,421,558.61 | 419,139,019.49 |

(5) Changes in bad debt reserve are itemized as follows:

| Item | FY 2017 | FY 2016 |
|------------------------------------|---------------|--------------|
| Beginning balance | 5,166,911.91 | 1,960,056.24 |
| Accrual in current period | 10,211,056.77 | 3,206,855.67 |
| Reversal in current period | | |
| Write-off amount in current period | 4,730,769.76 | |
| Ending balance | 10,647,198.92 | 5,166,911.91 |

16. Due to Central Bank

| Item | 2017-12-31 | 2016-12-31 |
|------------------------------|-------------------------|-------------------------|
| Reloan from central bank | 4,500,000,000.00 | 1,100,000,000.00 |
| Rediscount from central bank | 792,496,812.50 | 359,310,000.00 |
| Total | 5,292,496,812.50 | 1,459,310,000.00 |

17. Due to banks and other financial institutions

| Item | 2017-12-31 | 2016-12-31 |
|-----------------------------------|-------------------------|-------------------------|
| Banks | 4,294,345,903.58 | 6,724,687,480.51 |
| Nonbanking financial institutions | 100,146.75 | 126,465,645.86 |
| Total | 4,294,446,050.33 | 6,851,153,126.37 |

18. Interbank borrowing

| Item | 2017-12-31 | 2016-12-31 |
|-----------------------------------|-----------------------|-----------------------|
| Banks | 242,579,960.00 | 334,363,400.00 |
| Nonbanking financial institutions | | |
| Total | 242,579,960.00 | 334,363,400.00 |

19. Financial assets sold under repurchase agreements

| Item | 2017-12-31 | 2016-12-31 |
|---|-------------------------|-------------------------|
| Securities sold under repurchase agreements | 2,922,000,000.00 | 4,510,900,000.00 |
| Including: Government bonds | 300,000,000.00 | 1,010,900,000.00 |
| Financial bonds | 2,622,000,000.00 | 3,500,000,000.00 |
| Buy-back notes sold | | 145,476,022.23 |
| In which: bank acceptance bill | | 145,476,022.23 |
| Trade acceptance bill | | |
| Total | 2,922,000,000.00 | 4,656,376,022.23 |

20. Deposits from customers

| Item | 2017-12-31 | 2016-12-31 |
|-------------------------------|--------------------------|--------------------------|
| Demand deposits | 31,459,820,230.40 | 27,093,768,739.53 |
| Including: Corporate deposits | 23,743,983,550.30 | 19,333,398,870.27 |
| Individuals | 7,715,836,680.10 | 7,760,369,869.26 |
| Time deposits | 23,267,486,219.91 | 23,841,271,272.49 |
| Including: Corporate deposits | 6,922,376,759.05 | 7,151,072,876.38 |
| Individuals | 16,345,109,460.86 | 16,690,198,396.11 |
| Other deposits | 25,070,906,994.33 | 25,684,826,747.47 |
| Total | 79,798,213,444.64 | 76,619,866,759.49 |



Up to December 31, 2017, corporate deposits involved the principal-guaranteed wealth management approximating to RMB1,657,000,000.00, and personal deposits involved the principal-guaranteed wealth management approximating to RMB 1,322,960,000.00.

Distribution of customers' deposits based on area is itemized as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--------------|--------------------------|--------------------------|
| Shandong | 72,875,096,890.07 | 69,684,964,034.27 |
| Shanxi | 6,923,116,554.57 | 6,934,902,725.22 |
| Total | 79,798,213,444.64 | 76,619,866,759.49 |

21. Employee benefits payable

(1) Classification of salaries payable:

| Item | 2016-12-31 | Increase in current period | Decrease in current period | 2017-12-31 |
|---------------------------|----------------------|----------------------------|----------------------------|----------------------|
| Short-term remuneration | 11,694,833.42 | 558,439,568.43 | 555,621,427.40 | 14,512,974.45 |
| Defined contribution plan | 6,620,433.94 | 94,300,197.15 | 93,691,486.14 | 7,229,144.95 |
| Dismissal welfare | 24,199,035.54 | 8,773,433.62 | 8,566,671.62 | 24,405,797.54 |
| Total | 42,514,302.90 | 661,513,199.20 | 657,879,585.16 | 46,147,916.94 |

Dismissal welfare is a welfare plan of the Company, under which the retirees can receive the housing allowance from the Company in proportion to the determined base until death. The Company will amortize the housing allowance of the retirees during the period of staff service after the calculation according to the specific assumption conditions, and charge it into the liabilities and current gains or losses.

(2) Short-term remuneration:

| Item | 2016-12-31 | Increase in current period | Decrease in current period | 2017-12-31 |
|---|----------------------|----------------------------|----------------------------|----------------------|
| Salaries, bonuses, allowances and subsidies | 11,000,000.00 | 445,470,976.45 | 442,970,976.45 | 13,500,000.00 |
| Fringe benefits for staff | | 17,764,951.79 | 17,764,951.79 | |
| Social insurance premium | 36,518.40 | 29,449,759.18 | 29,449,519.42 | 36,758.16 |
| Including: Medical insurance | 36,518.40 | 25,220,029.78 | 25,219,922.50 | 36,625.68 |
| Work-related injury insurance premium | | 1,082,001.06 | 1,081,868.58 | 132.48 |
| Childbearing insurance premium | | 3,147,728.34 | 3,147,728.34 | |
| Public housing reserve funds | 1,689.00 | 52,953,376.19 | 52,955,065.19 | |
| Trade union fund and staff education fund | 656,626.02 | 12,800,504.82 | 12,480,914.55 | 976,216.29 |
| Total | 11,694,833.42 | 558,439,568.43 | 555,621,427.40 | 14,512,974.45 |

(3) Defined contribution plan

| Item | 2016-12-31 | Increase in current period | Decrease in current period | 2017-12-31 |
|------------------------------------|---------------------|----------------------------|----------------------------|---------------------|
| Basic pension insurance premium | | 66,780,931.38 | 66,780,502.26 | 429.12 |
| Unemployment insurance | | 2,486,785.76 | 2,486,785.76 | |
| Contribution of enterprise annuity | 6,620,433.94 | 25,032,480.01 | 24,424,198.12 | 7,228,715.83 |
| Total | 6,620,433.94 | 94,300,197.15 | 93,691,486.14 | 7,229,144.95 |

22. Taxes payable

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------------|-----------------------|-----------------------|
| Income tax payable | 93,914,969.83 | 72,260,280.28 |
| Value added tax payable | 35,880,941.65 | 29,806,772.56 |
| Urban construction tax payable | 2,360,064.23 | 2,596,400.69 |
| Additional surcharge payable | 1,794,047.09 | 1,933,467.55 |
| Other tax payable | 9,284,258.31 | 9,106,680.96 |
| Total | 143,234,281.11 | 115,703,602.04 |

23. Interests payable

| Item | 2017-12-31 | 2016-12-31 |
|---|-------------------------|-----------------------|
| Interests payable on deposits | 1,041,172,829.53 | 893,500,266.29 |
| Interest payable on financial assets sold under repurchase agreements | 3,965,056.15 | 4,051,701.47 |
| Interests payable on interbank deposit and borrowing | 101,137,888.06 | 51,564,651.82 |
| Interest payable on bonds payable | 17,372,222.22 | 17,372,222.22 |
| Total | 1,163,647,995.96 | 966,488,841.80 |

24. Bonds payable

(1) Breakdown of bonds payable

| Item | 2017-12-31 | 2016-12-31 |
|-----------------|-----------------------|-----------------------|
| Financial bonds | 500,000,000.00 | 500,000,000.00 |
| Total | 500,000,000.00 | 500,000,000.00 |

(2) Changes in bonds payable

| Name of bond | Face value | Issuing date | Bond duration | Amount of issued bonds | 2016-12-31 |
|--|-----------------------|--------------|---------------|------------------------|-----------------------|
| The first issue of financial bonds in 2014 | 500,000,000.00 | 2014-5-27 | 5 years | 500,000,000.00 | 500,000,000.00 |
| Total | 500,000,000.00 | | | 500,000,000.00 | 500,000,000.00 |

Changes in bonds payable (Continued)

| Name of bond | Issuance in current period | Interest accrued by book value | Amortization of the premiums and discounts | Repayment in current period | 2017-12-31 |
|--|----------------------------|--------------------------------|--|-----------------------------|-----------------------|
| The first issue of financial bonds in 2014 | | | | | 500,000,000.00 |
| Total | | | | | 500,000,000.00 |

On October 28, 2013, pursuant to the Approval of China Banking Regulatory Commission for QISHANG BANK Issuing the Financial Bonds [Y.J.F. No.555 (2013)], the Company was agreed to issue the financial bonds approximating to not more than RMB 2 billion in the nationwide interbank bond market; on April 9, 2014, the People's Bank of China issued the Decision of the People's Bank of China on Granting the Administrative Licensing [Y.S.C.X.Z.Y.Z. No.24 (2014)] concerning the decision on granting the administrative licensing according to laws; on May 27, 2014, the Company issued the first term of financial bonds (bond code:1420010) in 2014, which were mainly underwritten by Bank of Nanjing Co., Ltd. The amount of issued bonds was RMB 500 million, the issuing price was RMB 100/One Hundred Yuan, and the coupon rate was 5.9%.

25. Other liabilities

| Item | 2017-12-31 | 2016-12-31 |
|--|-----------------------|-----------------------|
| Long-suspended and pending customers' deposits | 19,400,434.97 | 10,054,349.97 |
| Amounts to be transferred | 393,131,280.06 | 331,982,396.49 |
| Project funds to be paid | 35,746,109.67 | 3,326,831.49 |
| Agency business | | 5,090,133.75 |
| Dividend payable | 44,894,869.55 | 30,212,213.53 |
| Staff risk premium | 58,408,324.54 | 60,290,385.19 |
| Withholding taxes payable | | 4,066,580.35 |
| Fiscal deposits | 346,357,366.54 | 406,229,848.77 |
| Lease expenses payable | 4,934,126.77 | 10,686,942.45 |
| Other | 28,536,934.75 | 10,318,567.01 |
| Total | 931,409,446.85 | 872,258,249.00 |

26. Capital stock

| Item | 2016-12-31 | Increase (+) or decrease (-) in current period | | | 2017-12-31 |
|---------------------|------------------|--|-----------------|----------|------------------|
| | | New shares | Stock dividends | Subtotal | |
| Non-tradable shares | 3,213,160,000.00 | | 321,315,375.00 | | 3,534,475,375.00 |

2016 Profit Distribution Plan was adopted at the 2016 General Meeting of Shareholders of the Company. The Company distributed one stock dividend every 10 shares to all shareholders. This capital increase has been verified by the Capital Verification Report (2017) No. 3 issued by Zibo Luxin Certified Public Accountants Co., Ltd. The registered capital is RMB 3,534,475,375.00 Yuan after the conversion.

As of December 31, 2017, the top five shareholders of the company are listed below:

| Shareholder | Shareholding amount | Shareholding ratio |
|--|---------------------|--------------------|
| Zibo City Investment Co., Ltd. | 705,127,962.00 | 19.95% |
| Zibo Yinhuang Water Supply Co., Ltd. | 176,370,352.00 | 4.99% |
| Zibo Water Supply Company | 176,370,352.00 | 4.99% |
| Zibo Financial Holdings Co., Ltd. | 165,766,924.00 | 4.69% |
| Qingzhou Hongli Water Supply Co., Ltd. | 160,600,000.00 | 4.54% |

27. Capital surplus

| Item | 2016-12-31 | Increase in current period | Decrease in current period | 2017-12-31 |
|-----------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Share capital premium | 3,740,376,000.00 | | | 3,740,376,000.00 |
| Other | 1,204,293.71 | | | 1,204,293.71 |
| Total | 3,741,580,293.71 | | | 3,741,580,293.71 |

28. Surplus reserve

| Item | Statutory surplus reserve | Free reserve | Total |
|----------------------------|---------------------------|--------------|----------------|
| December 31, 2016 | 624,537,260.48 | | 624,537,260.48 |
| Increase in current period | 47,222,994.69 | | 47,222,994.69 |
| Decrease in current period | 184.24 | | 184.24 |
| December 31, 2017 | 671,760,070.93 | | 671,760,070.93 |

In accordance with the Company Law of the People's Republic of China and the Company's Articles of Association, the Company appropriated the statutory surplus reserve by 10 percent of its net profits.

2017 Profit Distribution Plan was adopted at the Fifteenth meeting of the sixth Board of Directors of the Company on April 28, 2018. Correspondingly, the Company appropriated the statutory surplus reserve of RMB 47,222,994.69 by 10 percent of after-tax profits.

29. General risk reserve

| Item | FY 2017 | FY 2016 |
|----------------------------|------------------|------------------|
| Beginning balance | 1,246,980,000.00 | 1,016,980,000.00 |
| Accrual in current period | 150,000,000.00 | 230,000,000.00 |
| Decrease in current period | | |
| Ending balance | 1,396,980,000.00 | 1,246,980,000.00 |

2017 Profit Distribution Plan was adopted at the Fifteenth meeting of the sixth Board of Directors of the Company on Saturday, April 28, 2018. In accordance with the requirements of the Administrative Measures for the Accrual of Reserves of Financial Enterprises [C.J. No. 20 (2012)], the general risk reserve of RMB 150,000,000.00 was accrued.

30. Retained profits

| Item | FY 2017 | FY 2016 |
|--|------------------|------------------|
| Net profit attributed to the parent company's shareholders | 488,054,826.34 | 478,689,405.91 |
| Plus: Beginning retained profits | 2,530,735,802.50 | 2,594,840,068.67 |
| Profit available for distribution | 3,018,790,628.84 | 3,073,529,474.58 |
| Less: Appropriation of surplus reserve | 47,222,994.69 | 46,343,672.08 |
| Less: Appropriation of general risk reserve | 150,000,000.00 | 230,000,000.00 |
| Profit available for distribution to shareholders | 2,821,567,634.15 | 2,797,185,802.50 |
| Less: Dividends payable to common shares | 401,644,375.00 | 266,450,000.00 |
| Retained profit at the end of period | 2,419,923,259.15 | 2,530,735,802.50 |

2017 Profit Distribution Plan was adopted at the Fifteenth meeting of the sixth Board of Directors on Saturday, April 28, 2018. Correspondingly, the Company would appropriate the statutory surplus reserve of RMB 47,222,994.69 by 10 percent of after-tax profit and general risk reserve of RMB 150,000,000.00. Based on 3,534,475,375 shares as at Sunday, December 31, 2017, the Company would distribute one stock dividend every 10 shares to all shareholders, totally the stock dividends of 321,316,000 shares; the Company would distribute a cash dividend of RMB 0.7 per ten shares to all shareholders, totally the cash dividends of RMB 247,413,276.25 (tax-included). The aforesaid distribution plan needs to be approved by the General Meeting of Shareholders.

31. Net interest income

| Item | FY 2017 | FY 2016 |
|---|-------------------------|-------------------------|
| Interest income | | |
| Interest income from extended loans and advance payments | 2,910,501,655.07 | 2,930,010,188.46 |
| - Interest income from corporate loans and advance payments | 2,266,867,117.08 | 2,257,483,523.12 |
| - Interest income from personal loans and advance payments | 354,793,221.25 | 235,958,523.98 |
| - Interest income from bill discounting | 288,841,316.74 | 436,568,141.36 |
| Interest income from equity investment | 637,621,239.21 | 543,880,911.36 |
| Interest income from investment receivables | 533,920,278.89 | 296,796,161.88 |
| Interest income from interbank deposit fund | 145,280,009.31 | 124,423,001.45 |
| Interest income from balances with central bank | 178,767,680.22 | 171,587,078.19 |
| Interest income from interbank lending | 5,426,801.95 | 2,955,690.12 |
| Interest income from financial assets purchased under resale agreements | 92,585,148.63 | 48,116,398.85 |
| Interest income from rediscounting | 293,337.80 | 34,426.00 |
| Other | 577,332.07 | 50,736.11 |
| Subtotal | 4,504,973,483.15 | 4,117,854,592.42 |
| Interest expenses | | |
| Interest expense on deposits from customers | 1,335,881,125.48 | 1,090,321,319.53 |
| Interest expense on due to central bank | 85,119,324.30 | 35,714,180.57 |
| Interest expense on interbank deposit | 241,266,011.42 | 337,883,854.10 |
| Interest expense on borrowing funds | 48,171,264.03 | 102,336,597.14 |
| Interest expense on financial assets sold under repurchase agreements | 150,385,675.76 | 113,757,209.72 |
| Interest expense on bonds issuance | 29,500,000.00 | 29,500,000.00 |
| Interest expense on rediscounting | 80,160,234.69 | 131,785,928.00 |
| Other interest expenses | 3,823.85 | 259.80 |
| Subtotal | 1,970,487,459.53 | 1,841,299,348.86 |
| Net interest income | 2,534,486,023.62 | 2,276,555,243.56 |

32. Net handling fee and commission income

| Item | FY 2017 | FY 2016 |
|---|-----------------------|-----------------------|
| Handling fee and commission income | | |
| Handling fee income of agency businesses | 82,249,242.53 | 120,130,077.79 |
| Settlement business handling fee income | 69,064,310.24 | 59,420,118.52 |
| Subtotal | 151,313,552.77 | 179,550,196.31 |
| Handling fee and commission expense | | |
| Handling fee expense of agency businesses | 9,138,576.72 | 15,540,756.29 |
| Settlement business handling fee expense | 42,771,306.20 | 34,915,387.32 |
| Subtotal | 51,909,882.92 | 50,456,143.61 |
| Net handling fee and commission income | 99,403,669.85 | 129,094,052.70 |

33. Investment income

(1) Investment incomes are itemized as follows:

| Item | FY 2017 | FY 2016 |
|--|----------------------|----------------------|
| Investment income from disposal of financial assets available for sales | -34,167,867.63 | -13,887,540.77 |
| Investment income deriving from the period of holding the financial assets available for sales | 2,740,000.00 | 895,000.00 |
| Income from long-term equity investment accounted by equity approach | 59,524,434.23 | 61,264,179.33 |
| Other | | 326,824.52 |
| Total | 28,096,566.60 | 48,598,463.08 |

(2) Investment income deriving from the period of holding the financial assets available for sales is itemized as follows:

| Item | FY 2017 | FY 2016 |
|---|---------------------|-------------------|
| China UnionPay Co., Ltd | 640,000.00 | 520,000.00 |
| Shandong Provincial City Commercial Bank Alliance Company | 2,100,000.00 | 375,000.00 |
| Total | 2,740,000.00 | 895,000.00 |

(3) Income from long-term equity investment accounted by equity approach is itemized as follows:

| Item | FY 2017 | FY 2016 |
|-------------------------|----------------------|----------------------|
| Chang'an Bank Co., Ltd. | 59,524,434.23 | 61,264,179.33 |
| Total | 59,524,434.23 | 61,264,179.33 |

34. Tax and surcharge

| Item | FY 2017 | FY 2016 |
|------------------------|----------------------|----------------------|
| Business tax | | 55,109,874.43 |
| Urban construction tax | 10,948,724.88 | 10,552,279.00 |
| Educational surcharge | 8,392,814.66 | 8,101,996.99 |
| Other | 17,294,358.08 | 1,533,639.16 |
| Total | 36,635,897.62 | 75,297,789.58 |

35. Operating and administrative expense

| Item | FY 2017 | FY 2016 |
|---|-------------------------|-------------------------|
| Staff expenses | 656,755,151.05 | 636,840,481.93 |
| Depreciation expenses | 97,007,924.68 | 107,824,612.49 |
| Amortization of intangible assets | 11,938,012.97 | 8,969,099.74 |
| Supervision expenses | 2,517,646.95 | 3,735,141.61 |
| Taxes | | 15,618,221.22 |
| Consultation fees | 11,893,291.18 | 7,149,611.83 |
| Business promotion expenses | 29,716,250.85 | 24,270,803.72 |
| Advertising expenses | 14,214,602.97 | 19,927,799.53 |
| Business reception expenses | 10,278,199.77 | 12,715,000.04 |
| Public miscellaneous expenses | 31,925,853.75 | 30,152,150.84 |
| Fees of post and telecommunications | 21,427,662.33 | 19,100,002.95 |
| Printing expenses | 16,811,997.63 | 12,757,982.00 |
| Lease expenses | 71,388,913.87 | 63,789,296.95 |
| Banknote transport expenses | 23,644,540.46 | 19,304,887.86 |
| Electronic equipment operation expenses | 23,920,861.32 | 15,169,045.65 |
| Repair expenses | 30,090,618.76 | 36,521,468.30 |
| Labor protection expenses | 2,588,664.13 | 1,145,676.24 |
| Other | 93,619,707.24 | 104,895,984.70 |
| Total | 1,149,739,899.91 | 1,139,887,267.60 |

36. Asset impairment loss

| Item | FY 2017 | FY 2016 |
|--|-----------------------|-----------------------|
| Loan impairment loss | 785,072,513.97 | 682,983,048.84 |
| Impairment loss for receivables investment | 22,011,843.52 | 12,745,482.34 |
| Bad debt loss for other receivables | 10,211,056.77 | 3,206,855.67 |
| Total | 817,295,414.26 | 698,935,386.85 |

37. Plus: non-operating income

(1) Non-operating incomes are itemized as follows:

| Item | FY 2017 | FY 2016 |
|---|----------------------|----------------------|
| Incomes from liquidation of long-suspended accounts | 1,003,686.48 | 2,615,756.81 |
| Government subsidy | 11,223,300.00 | 2,650,000.00 |
| Other | 3,992,299.92 | 5,405,354.25 |
| Total | 16,219,286.40 | 10,671,111.06 |

(2) Government subsidies are itemized as follows:

| Item | FY 2017 | Related to assets/gains and losses |
|--|----------------------|------------------------------------|
| Investment invitation bonus for Jinan Lixia District | 10,000,000.00 | Gains and losses |
| Financial incentive for Dongying branch | 1,223,300.00 | Gains and losses |
| Total | 11,223,300.00 | Gains and losses |

38. Non-operating expense

| Item | FY 2017 | FY 2016 |
|--------------------------------------|----------------------|---------------------|
| Donation and sponsorship expenditure | 997,800.00 | 264,790.00 |
| Loss on retirement of fixed assets | 323,729.94 | 1,025,280.19 |
| Expenditure on penalties | 2,450,006.05 | 60,631.47 |
| Other | 9,937,955.07 | 7,904,922.29 |
| Total | 13,709,491.06 | 9,255,623.95 |

39. Income tax expense

| Item | FY 2017 | FY 2016 |
|-----------------------------|-----------------------|----------------------|
| Current income tax expense | 249,654,306.67 | 196,146,803.21 |
| Deferred income tax expense | -71,249,159.72 | -110,659,671.78 |
| Total | 178,405,146.95 | 85,487,131.43 |

VI. Change in consolidation scope

No change in this reporting period.

VII. Equities in other entities

1. Equities in subsidiaries

(1) Composition of corporate group

| Name of subsidiary | Main place of business | Place of registration | Business nature | Shareholding ratio (%) | | Acquisition method |
|---|------------------------|-----------------------|-----------------|------------------------|----------|---------------------------------------|
| | | | | Direct | Indirect | |
| LinYi Hedong Qishang Rural Bank Co., Ltd. | Linyi, Shandong | Linyi, Shandong | Finance | 51.00 | | Incorporation by means of sponsorship |

(2) Key non-wholly-owned subsidiary

| Name of subsidiary | Shareholding proportion of minority shareholders (%) | Gains and loss attributable to minority shareholders in current period | Dividend declared to be paid to minority shareholders in current period | Balance of minority shareholders' equity at the end of period |
|---|--|--|---|---|
| LinYi Hedong Qishang Rural Bank Co., Ltd. | 49 | 26,964,295.91 | 11,760,000.00 | 165,684,137.54 |

(3) Financial highlight of key non-wholly-owned subsidiary

| Name of subsidiary | 2017-12-31 | | | |
|--|------------------|------------------|---------------------|-------------------|
| | Loan balance | Total assets | Balance of deposits | Total liabilities |
| LinYiHedong Qishang Rural Bank Co., Ltd. | 2,403,388,424.81 | 4,107,261,503.18 | 3,673,822,309.63 | 3,769,130,610.24 |

Financial highlight of key non-wholly-owned subsidiary (Continued)

| Name of subsidiary | FY 2017 | | | |
|--|------------------|---------------|----------------------------|-------------------------------------|
| | Operating income | Net profit | Total comprehensive income | Cash flow from operating activities |
| LinYiHedong Qishang Rural Bank Co., Ltd. | 146,518,312.40 | 55,029,175.33 | 55,029,175.33 | 338,754,916.79 |

Financial highlight of key non-wholly-owned subsidiary (Continued)

| Name of subsidiary | 2016-12-31 | | | |
|--|------------------|------------------|---------------------|-------------------|
| | Loan balance | Total assets | Balance of deposits | Total liabilities |
| LinYiHedong Qishang Rural Bank Co., Ltd. | 2,083,419,982.01 | 3,586,078,635.59 | 3,088,539,077.19 | 3,278,976,917.98 |

Financial highlight of key non-wholly-owned subsidiary (Continued)

| Name of subsidiary | FY 2016 | | | |
|--|------------------|---------------|----------------------------|-------------------------------------|
| | Operating income | Net profit | Total comprehensive income | Cash flow from operating activities |
| LinYiHedong Qishang Rural Bank Co., Ltd. | 130,983,461.06 | 47,628,951.12 | 47,628,951.12 | -147,645,338.17 |

2. Equities in associates and joint ventures

(1) Key joint ventures

| Name of joint ventures | Main place of business | Registered address | Business nature | Shareholding proportion (%) | | Accounting treatment method of investment in joint ventures |
|-------------------------|------------------------|--------------------|-----------------|-----------------------------|----------|---|
| | | | | Direct | Indirect | |
| Chang'An Bank Co., Ltd. | Xi'an, Shanxi | Xi'an, Shanxi | Finance | 4.3528 | | Equity method |

(2) Main financial information of important joint ventures

Unit: RMB thousand

| Item | 2017-12-31 | 2016-12-31 |
|---|-------------|-------------|
| Chang'an Bank Co., Ltd. | | |
| Total assets | 207,782,799 | 181,983,348 |
| Total liabilities | 194,511,375 | 168,822,835 |
| Net assets | 13,271,424 | 13,160,513 |
| Net profit | 1,395,129 | 1,248,646 |
| Other comprehensive income | | |
| Total comprehensive income | 1,395,129 | 1,248,646 |
| Dividends from associates received by the Company in current period | 19,645 | 19,645 |

VIII. Main off-balance-sheet items

1. Off-balance-sheet business refers to all the businesses not reflected in the balance sheet, consisting of two parts:

Off-balance-sheet business with contingent risks refers to the business in which the Company provides guarantee for solvency capacity of customers and bear default risks of customers, i.e., loan commitment; risk-free off-balance-sheet business mainly involves settlement and agency business.

2. Contingent risks

(1) Bank acceptance bill refer to a commercial bill that the Company agrees to accept through reviewing after the acceptance applicant makes application to the Company.

(2) Letter of credit (L/C) refers to a written guarantee with a certain amount that is issued by the Company to the beneficiary upon the requirements and instructions of the applicant, and paid at a designated place, on the strength of the specified voucher and within an agreed time limit.

(3) Bank guarantee refers to a credit business that, in the form of issuing a guarantee, the Company shall, upon the request of the applicant or the client, make commitments to the beneficiary on performance of liabilities or assumption of responsibilities as specified in the bank guarantee when the applicant fails to perform the obligations or commitments as contracted therein.

| Item | 2017-12-31 | 2016-12-31 |
|-----------------------------|-------------------|-------------------|
| L/C issued | 3,844,438,232.64 | 6,080,543,680.12 |
| Acceptance bill | 37,593,166,068.75 | 34,339,785,415.43 |
| Letters of guarantee issued | 577,096,843.71 | 269,775,602.79 |
| Total | 42,014,701,145.10 | 40,690,104,698.34 |

IX. Agency business

1. Entrusted loans and entrusted deposits

The Company disbursed the entrusted loans on behalf of third party lenders. As an intermediary, the Company will disburse loans to borrowers according to the intention of third party lenders offering the funds, and enter into the contract with such third party lenders to specify that the Company is responsible for management and reclamation of such loans on its behalf. The third party lenders may, at their discretion, determine the requirements and articles of entrusted loans, including the purpose, amount, interest rate and repayment arrangement of such loans. The handling fees of entrusted loans charged by the Company are generally one-time charge, but the risk of loan losses shall be borne by the third party lenders.

| Item | 2017-12-31 | 2016-12-31 |
|--------------------|------------------|------------------|
| Entrusted loans | 1,858,452,297.56 | 2,611,279,064.79 |
| Entrusted deposits | 1,858,453,297.56 | 2,611,344,855.51 |

2. Wealth management business

The Company sold the "Jinda Chuangfu" RMB wealth management products to individuals and institutional investors. The funds raised thereof were mainly applied in the bond investment in the inter-bank market, directed asset management plan, etc., from which the Company derived handling fees, service charges of financial consultant and other incomes.

| Item | 2017-12-31 | 2016-12-31 |
|---|-------------------|-------------------|
| Wealth management assets under the entrustment | 12,073,300,000.00 | 10,858,600,000.00 |
| Wealth management capital under the entrustment | 12,073,300,000.00 | 10,858,600,000.00 |

X. Commitments and Contingencies

1. Capital expenditure commitments

| Item | Contracted sum | December 31, 2017 Paid amount | December 31, 2017 Outstanding amount |
|-------------------------------------|-----------------------|----------------------------------|---|
| Office system and business premises | 521,553,960.88 | 427,759,554.01 | 93,794,406.87 |
| Total | 521,553,960.88 | 427,759,554.01 | 93,794,406.87 |

| Item | Contracted sum | December 31, 2016 Paid amount | December 31, 2016 Outstanding amount |
|-------------------------------------|-----------------------|----------------------------------|---|
| Office system and business premises | 536,521,458.86 | 432,842,860.10 | 103,678,598.76 |
| Total | 536,521,458.86 | 432,842,860.10 | 103,678,598.76 |

2. Lease commitment

The commitments on housing lease mainly reflected the rents of business premises and office buildings leased by the Company according to its needs. As the lessee, the Company's minimum lease commitments on commercial housing in the future are as follows:

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------------|-----------------------|-----------------------|
| Below 1 year (1 year included) | 59,733,865.35 | 56,699,837.17 |
| 1-2 years (2 years included) | 47,863,935.75 | 45,262,506.65 |
| 2-3 years (3 years included) | 45,363,238.47 | 41,533,309.02 |
| Above 3 years | 185,526,681.35 | 192,781,252.16 |
| Total | 338,487,720.92 | 336,276,905.00 |

3. Restricted assets in use

| Item | 2017-12-31 | 2016-12-31 |
|--------------|-------------------------|-------------------------|
| Bonds | 8,104,304,600.00 | 5,790,370,000.00 |
| Notes | 794,000,000.00 | 506,000,000.00 |
| Total | 8,898,304,600.00 | 6,296,370,000.00 |

Note: Under no circumstances may the Company apply the legal reserve paid to the People's Bank of China according to provisions for the daily operating activities, except the above-mentioned assets used for repurchase business.

XI. Events Occurring after the Balance Sheet Date

2017 Profit Distribution Proposal was adopted at the fifteenth meeting of the sixth Board of Directors on April 28, 2018. Correspondingly, the Company would appropriate the statutory surplus reserve of RMB 47,222,994.69 by 10 percent of after-tax profit and general risk reserve of RMB 150,000,000.00. Based on 3,534,475,375 shares as at December 31, 2017, the Company would distribute a cash dividend of RMB 0.7 per ten shares to all shareholders, totally the cash dividends of RMB 247,413,276.25 (tax-included). The aforesaid distribution plan needs to be approved by the General Meeting of Shareholders.

Except for the aforesaid event, the Company had no event occurring after the balance sheet date to be disclosed as of Saturday, April 28, 2018.

IV. Capital Adequacy

The Company's capital management focuses on capital adequacy ratio and return on capital, and aims to closely combine with the development plan and realize the scientific unity between the scale expansion and profitability, total capital amount and structure optimization, and the optimal capital scale and return on capital.

The company determined the reasonable target range of capital adequacy ratio management by considering the indexes specified by the regulators, average in the industry, and own development speed, timeliness of capital supplement, maintaining the stable growth of the net assets yield and other factors. The target range is not lower than the regulatory requirements.

The company calculated the capital adequacy ratio in accordance with the Capital Management Measures of Commercial Banks (trial), issued by the China Banking Regulatory Commission in June 2012. The weighting method is adopted in the measurement of credit risk weighted assets, the standard method in the measurement of market risk weighted assets, and the basic index method in the measurement of operational risk weighted assets.

The regulatory capital position calculated by the company on December 31, 2017 in accordance with the Capital Management Measures for Commercial Banks (Trial) is as follows:

Unit: RMB ten thousand

| Item | Amount |
|---|--------------|
| Core first-level capital ratio | 1,163,178.36 |
| Net tier one capital | 1,164,496.87 |
| Total net capital | 1,241,742.05 |
| Total amount of risk-weighted capitals | 9,424,150.56 |
| Core first-level capital adequacy ratio | 12.34% |
| Tier-1 capital adequacy ratio | 12.36% |
| Capital adequacy ratio | 13.18% |

V. Situation of NPLs under five-tier loan classification as well as major policies, measures for non-performing asset management and corresponding effects

(Unit: RMB10,000)

| NPL balance | December 31, 2017 | December 31, 2016 |
|--------------|-------------------|-------------------|
| Substandard | 134,714.82 | 96,892.62 |
| Doubtful | 2,982.00 | 1,656.00 |
| Loss | 0 | 0 |
| Total | 137,696.82 | 98,548.62 |

The bank has been strengthening the management and control of non-performing assets and dealing with the collection and disposal of non-performing loans. Firstly, the Company will strengthen the daily collection and dispatching management of bad assets, establish a list of risk enterprises, assign special persons for daily monitoring of the changes and clearing & collection progress of adverse and potential risky loans, and form the long-term mechanism of early diagnosis, early warning, and timely treatment; secondly, the Company will focus on disposal work of bad assets, implement early preparation and early action, investigate and master the adverse situation of branches and sub-branches, and focus on helping, supervising and improving the disposal progress and efficiency by staying at those branches and sub-branches faced with difficulty in pressure drop; thirdly, the Company will strengthen the cooperation with the governmental departments, political-legal departments, asset management companies, and the third parties, comprehensively utilize the economic, administrative and legal means, flexibly adopt revitalizing, restructuring, litigation and other measures, and improve the asset disposal ability in key areas and large enterprises and for batched ones.

VI. Related parties and related transaction

(1) Related Parties

The related parties of the Company include the shareholders holding 5% or more of the Company's shares, controlling shareholder holding 5% or more of the Company's shares and its/his controlling subsidiaries, the directors, supervisors and senior executives of the Company and their family members with close relations, the units with associated relationship as the directors, supervisors and senior executives of the Company and their family members with close relations hold a concurrent post of Chairman or General Manager in a company other than the Company (hereinafter referred to as "Other enterprises with the same key management personnel"), as well as the subsidiaries, associates and joint ventures of the Company.

(2) Shareholders with 5% or more of shares in the Company

| Shareholder | Registered address | Business nature | Registered capital (RMB 1 million) | Shareholding ratio (%) | Proportion of voting rights (%) |
|--------------------------------|--------------------|---------------------------------|---------------------------------------|---------------------------|---------------------------------------|
| Zibo City Investment Co., Ltd. | Zibo | Operation of state-owned assets | 3030 | 19.95 | 19.95 |

(3) Situation about subsidiaries of the Company

| Institution name | Registered address | Main business | Type of Company | Shareholding ratio (%) | The relation with the Company | Legal Representative |
|--|--------------------|--|----------------------------|------------------------|-------------------------------|----------------------|
| LinYiHedong Qishang Rural Bank Co., Ltd. | Linyi, Shandong | Absorbing public deposits; making loans with different terms; handling domestic settlement; handling bill acceptance and discount; engaging in interbank lending and borrowing; engaging in the business of bank card; issuing financial bonds; distributing, redeeming and underwriting government bonds on an agency basis; handling collection, payment and insurance business as an agent; engaging in houses tenancy; and other businesses approved by China Banking Regulatory Commission. | Limited Company (non-list) | 51.00 | Subsidiary | Ge Tao |

(4) Situation about associates and joint ventures of the Company

| Institution name | The relation with the Company |
|-------------------------|-------------------------------|
| Chang'An Bank Co., Ltd. | Joint ventures of the Company |

(5) Other related parties

| Institution name | The relation with the Company |
|---|-------------------------------|
| Shandong Beijin Group Co., Ltd. | Same key management personnel |
| Zibo Chengdong Enterprise Group Co., Ltd. | Same key management personnel |
| Shandong Beidouxing Textile Co., Ltd. | Same key management personnel |
| Shandong Guihe Paper Group Co., Ltd. | Same key management personnel |

(6) Related Transactions

The related transactions of this Company conform to the stipulations of the laws, administrative regulations, unified accounting systems of the state and relevant banking regulatory rules, and are conducted based on the conditions that are not superior to the same transactions with non-related parties.

1. Due from banks and other financial institutions

| Item | 2017-12-31 | 2016-12-31 |
|-------------------------|------------|--------------|
| Chang'an Bank Co., Ltd. | 2,340.84 | 2,695,697.39 |

2. Interest income from interbank deposit fund

| Item | FY 2017 | FY 2016 |
|-------------------------|----------|------------|
| Chang'an Bank Co., Ltd. | 6,697.75 | 754,903.08 |

3. Loan balance

| Item | 2017-12-31 | 2016-12-31 |
|--------------------------------------|------------|---------------|
| Shandong Guihe Paper Group Co., Ltd. | | 43,000,000.00 |

4. Loan interest income

| Item | FY 2017 | FY 2016 |
|--------------------------------------|------------|--------------|
| Shandong Beijin Group Co., Ltd. | | 3,153,875.93 |
| Shandong Guihe Paper Group Co., Ltd. | 511,149.15 | 1,263,241.65 |

5. Outstanding of deposit

| Item | 2017-12-31 | 2016-12-31 |
|--|----------------|----------------|
| Total balances with associated enterprises | 470,085,776.06 | 532,330,473.76 |

6. Deposit interest expense

| Item | FY 2017 | FY 2016 |
|--|--------------|--------------|
| Total balances with associated enterprises | 1,263,657.96 | 2,683,955.73 |

VII. Transfer and Sale of Material Assets

During the reporting period, the Bank's expenditure for procurement of fixed assets was RMB 250.6951 million, including RMB 185.491 million for procurement of premises, RMB 240.41 million for procurement of transportation tools, RMB 28.7737 million for electronic devices, RMB 32.6979 million for machinery equipment and RMB 132.84 million for office furniture; and the fixed assets RMB 24.1429 million were disposed.

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