You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in the H Shares. These risks could materially and adversely affect the Group's business, financial condition and results of operations. The trading price of the H Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment. The Bank is a PRC company governed by a legal and regulatory environment that may differ significantly from that of other countries. For more information concerning the legal and regulatory environment of the PRC and certain related matters discussed below, see "Supervision and Regulation", "Appendix IV—Summary of Principal Legal and Regulatory Provisions" and "Appendix V—Summary of Articles of Association".

RISKS RELATING TO THE GROUP'S BUSINESS

The Bank may not be able to effectively manage the risks associated with the autonomy of the subsidiary banks.

As of June 30, 2016, the Bank controlled and consolidated 5 rural commercial banks and 32 village and township banks. Each of the Group's subsidiary banks is a separate legal entity regulated by the CBRC. The Bank gives a high level of autonomy to the subsidiary banks. The Bank does not closely monitor the daily operations of the subsidiary banks and allows them to retain their own brand name and make routine business decisions (including formulating loan approval limits) so as to ensure their autonomous operations. Accordingly, the Bank cannot assure you that the subsidiary banks will always operate their businesses in the way expected in operating their businesses. The Group's financial condition and results of operations may be adversely affected if they operate their business in a manner deviating from the Bank's expectation or guidance. Furthermore, weaknesses or failures in their internal processes or systems or other operational challenges could lead to a disruption of the Group's operations, liability to clients, exposure to disciplinary action or reputational harm.

The Group does not have integrated risk management, internal control and IT systems for its subsidiary banks.

As a separate legal entity, each of the Group's subsidiary banks maintains its own risk management and internal control system independent from that of the Bank's, including anti-money laundering rules and procedures established in accordance with the PRC regulations. The core operating systems of 5 of the rural commercial banks and 13 of the village and township banks are developed, operated and maintained by Jilin Technology, a wholly-owned subsidiary of Jilin Province Rural Credit Union. The core operating systems of the other 19 village and township banks are developed, operated and maintained by two renowned IT service providers. All of the Group's IT service providers are regulated by the CBRC.

As the Group does not have integrated risk management, internal control and IT systems across subsidiary banks, the Bank cannot assure you that the rural commercial banks and village and township banks will manage risks as rigorously as the Bank does or that the Bank will be able to detect and/or rectify deficiencies in their risk management, internal control system or failure of their IT systems in a timely manner. In addition, the Bank may not be able to capture necessary data and information from the subsidiary banks or monitor the risk exposure of the subsidiary banks on a real time basis. Deficiencies in their risk management, internal control systems and procedures could adversely affect

their ability to record, process, summarize and report data and adversely affect their ability to identify reporting errors and non-compliance with laws and regulations. Failure of their IT systems or failure of service providers to provide adequate or timely technical support in response to IT breakdowns would materially disrupt their services to customers. Any of these risks could in turn materially and adversely affect the Group's business, financial condition, results of operations and reputation.

The Group may not be able to effectively maintain or improve the quality of its loan portfolio.

The Group's business, financial condition and results of operations depend on its ability to effectively maintain or improve the quality of its loan portfolio. As of December 31, 2013, 2014 and 2015 and June 30, 2016, its loans and advances to customers totaled RMB21,858.6 million, RMB34,371.5 million, RMB47,881.7 million and RMB53,241.5 million, respectively. As of the same dates, the Group's non-performing loan ratio (on a consolidated basis) was 1.26%, 1.19%, 1.42% and 1.57%, respectively.

The quality of existing or future loans and advances to customers may deteriorate for a variety of reasons, including factors beyond the Group's control. These factors may include a slowdown of the PRC and Jilin economies, adverse macroeconomic developments in the PRC and other parts of the world and the outbreak of natural disasters.

These risks may cause operational, financial and liquidity problems for borrowers and materially and adversely affect their ability to service outstanding debt. Any deterioration in asset quality could significantly increase the Group's non-performing loans, provision for impairment losses and loans written off due to impairment, all of which could materially and adversely affect the Group's business, financial condition and results of operations. For example, non-performing loans from the mining industry increased significantly during the Track Record Period, mainly reflecting the deteriorating financial conditions of borrowers in the mining industry as a result of China's economic restructuring, increased production costs and decreased market prices of mineral products.

The collateral, pledges or guarantees securing the Group's loans and advances to customers may not be sufficient or fully realizable.

As of December 31, 2013, 2014 and 2015 and June 30, 2016, approximately 58.8%, 59.7%, 65.7% and 67.0% of the Group's loans were secured by collateral or pledges. The Group generally accepts collateral such as land use rights, commercial, industrial and residential buildings, forest rights, accounts receivable, equity interests in companies and RMB deposit receipts. The value of the collateral and pledges securing the Group's loans may fluctuate or decline due to factors beyond its control, including macroeconomic factors affecting the PRC and Jilin economies. For example, the growth of the real estate industry and the price of real property in the PRC are significantly influenced by macroeconomic policies of the PRC government. A change in these policies or a slowdown of the PRC economy could lead to a downturn in the PRC real estate market, which in turn could decrease the value of collateral to below the outstanding principal balance of the loans they secure. The Bank cannot assure you that the Group's valuations of collateral and pledges will be accurate. If the collateral proves to be insufficient and the Group fails to obtain additional collateral from borrowers, the Group may need to increase its provisions for loan impairment losses. Such an increase could materially and adversely affect the Group's business, financial condition and results of operations.

In the PRC, the process of liquidating or otherwise realizing the value of collateral and pledges may be hindered by difficulties or otherwise prolonged. In addition, the Group may not be able to fully realize the value of collateral and pledges and, under certain circumstances, other rights may be senior

to the Group's rights to the collateral and pledges securing its loans. The foregoing factors could adversely affect the Group's ability to realize the value of collateral and pledges in a timely manner, or at all.

As of December 31, 2013, 2014 and 2015 and June 30, 2016, approximately 40.4%, 37.7%, 32.4% and 31.0% of the Group's loans were guaranteed loans. The Group's guaranteed loans are generally not secured by collateral, pledges or other security interests. In addition, some of the guarantees are provided by the borrowers' affiliates or other third parties. The inability of borrowers to fulfill payment obligations coupled with a significant deterioration in the financial condition of guarantors could significantly decrease the amounts the Group can recover under such guarantees, which could materially and adversely affect its business, financial condition and results of operations.

As of December 31, 2013, 2014 and 2015 and June 30, 2016, approximately 0.8%, 2.6%, 1.9% and 2.0% of the Group's loans were unsecured. The Group granted these unsecured loans mainly based on its credit assessment of the borrowers. No assurance can be given that credit assessments are or will be accurate at all times, or that the borrowers will repay their loans in full and on time. As the Group only has general claims on the assets of defaulting borrowers under unsecured loans, the Group is exposed to a relatively high risk of losing the entire loan amount, which may materially and adversely affect its business, financial condition and results of operations.

The Group may have to increase its provision for impaired loans.

As of December 31, 2013, 2014 and 2015 and June 30, 2016, the balance of the Group's provision for impairment losses on loans and advances to customers was RMB605.3 million, RMB954.5 million, RMB1,404.3 million and RMB1,660.2 million, respectively. As of the same dates, the ratio of the Group's provision for impairment losses on loans and advances to customers to total non-performing loans (on a consolidated basis) was 220.09%, 233.40%, 206.86% and 198.18%, respectively. The Group determines the provision for impairment losses based on factors affecting the quality of its loan portfolio. These factors include borrowers' operational and financial condition, repayment ability and repayment willingness, the realizable value of any collateral and pledges and the ability of guarantors to fulfill their obligations. The Group also considers the economic, legal and regulatory environment of both China and other parts of the world.

Many of these factors are beyond the Group's control and, therefore, the Group's analysis and expectations with respect to these factors may be different from future developments. In addition, the Group's provision for impairment losses may increase as a result of regulatory and accounting policy changes, deviations in loan classifications or a more conservative provisioning strategy. Any of these factors could significantly reduce the Group's profits and materially and adversely affect the Group's business, prospects, financial condition and results of operations.

The Group is subject to concentration risks from credit exposure to certain industries, borrowers and regions.

As of June 30, 2016, corporate loans accounted for 71.1% of the Group's total loans and advances to customers. As of the same date, approximately 23.1%, 20.2%, 11.1%, 10.8%, 7.0% and 6.8% of the Group's corporate loans were concentrated in the wholesale and retail industry, manufacturing industry, construction industry, real estate industry, leasing and business services industry and agriculture, forestry, animal husbandry and fishing industry, respectively. A prolonged downturn in any of these industries could undermine the quality of the Group's existing loans and its ability to extend new loans, which in turn could materially and adversely affect the Group's business, financial condition and results of operations.

As of June 30, 2016, loans to the Group's ten largest single borrowers totaled RMB4,139.0 million, which represented approximately 7.8% of the Group's total loans and advances to customers and 31.1% of the Group's net regulatory capital. Deterioration in the financial condition of any of these borrowers could materially and adversely affect the Group's business, financial condition and results of operations.

Furthermore, the Group's business and operations are primarily concentrated in Jilin province. As of June 30, 2016, 87.5% of the Group's loans and 90.3% of the Group's deposits were originated from the Bank and subsidiaries registered in Jilin province. Although business originated outside of Jilin province has gradually increased, most of the Group's business and operations will remain in Jilin province for the foreseeable future. Therefore, the Group's continued growth depends heavily on the continued growth of the Jilin economies and the Group is exposed to risks arising from credit concentration in Jilin province. GDP growth in the PRC and Jilin province has experienced slowdowns in recent years. Any adverse change in the economic development of or any significant natural disaster or catastrophe occurring in Jilin province could materially and adversely affect the Group's business, financial condition and results of operations.

The Group is exposed to credit risks arising from loans to SMEs.

The Group is exposed to credit risks arising from loans to SMEs. As of December 31, 2013, 2014 and 2015 and June 30, 2016, loans to SMEs represented 96.9%, 96.9%, 93.1% and 92.0% of the Group's total corporate loans, respectively. SMEs are more vulnerable to macroeconomic fluctuations due to their small size, as they may lack the financial, management or other resources necessary to withstand the adverse effects brought by economic downturn or changes in the regulatory environment as compared to larger enterprises. As of December 31, 2013, 2014 and 2015 and June 30, 2016, the Group's non-performing loan ratio (on a consolidated basis) of loans granted to SMEs was approximately 0.10%, 0.51%, 1.28% and 1.40%, respectively. The Group's non-performing loans to SME customers may increase significantly due to economic downturns or unfavorable changes in the regulatory environment for SMEs, which may materially and adversely affect the Group's business, financial condition and results of operations.

The Group's business is highly dependent on its IT systems functioning properly and remaining current and relevant to its changing needs, and on the expertise and reliability of services of Jilin Technology and other IT service providers to manage its core operating systems.

The Group's IT systems are critical to various aspects of its operations. Jilin Technology, a wholly-owned subsidiary of Jilin Province Rural Credit Union, develops, operates and maintains the core operating systems of the Bank and the 5 rural commercial banks and 13 of the village and township banks that the Bank controls and consolidates. The core operating systems of the other 19 village and township banks that the Bank controls and consolidates are developed, operated and maintained by two renowned IT service providers. The Group also entrusts Jilin Technology and the two IT service providers to manage and maintain its database. See "Business—Information Technology—Operation and Safety of IT Systems". In the event of a breakdown, security breach or malfunction of the Group's IT system, the Group relies heavily on the expertise of Jilin Technology and the two IT service providers to investigate, take corrective actions and retrieve backup data. A breakdown, security breach or malfunction could occur as a result of natural disasters, telecommunication breakdowns, software bugs, computer viruses, conversion errors due to system upgrades, unauthorized access or the failure of Jilin Technology and the two IT service providers to effectively maintain the Group's systems. If they fail to provide adequate or timely technical support in response to IT breakdowns, the Group's services to customers would be materially disrupted and as a result, the Group's business, prospects, financial condition and results of operations could be

materially and adversely affected. In addition, any security breach caused by unauthorized access to information or systems, loss or corruption of data and malfunction of software, hardware or other computer equipment could materially and adversely affect the Group's business, financial condition and results of operations and the Group's reputation.

In addition, the Group's ability to remain competitive will depend in part on its ability to upgrade its IT system in a timely and cost-effective manner. The information received by the Group through its existing IT systems may not be timely or sufficient for the Group to manage risks and respond to market changes and other developments in its current business environment. Any failure to improve its IT systems, upgrade systems or develop new systems effectively or on a timely basis may materially and adversely affect the Group's business, financial condition and results of operations.

The Group has entered into outsourcing agreements for IT services and any difficulties experienced in these arrangements could result in additional expense, loss of customers and income or an interruption of its services.

The Group has entered into contracts with third-party service providers to provide certain IT services, such as developing secondary operating systems and maintaining its operating systems. If these service providers fail to maintain adequate levels of support, do not provide high quality service, discontinue their lines of business, do not renew or terminate the Group's contractual arrangements or cease or reduce operations, the Group's reputation may be damaged and the Group may be required to pursue new third-party relationships, which could disrupt its operations, increase the costs of these technology services and divert management's time and resources. If the Group is unable to complete a transition to a suitable new service provider on a timely basis, or at all, the Group could be forced to temporarily or permanently discontinue certain services, which could disrupt its customer service and materially and adversely affect the Group's business, prospects, financial condition and results of operations.

The Bank may pursue mergers and acquisitions that could present unforeseen integration obstacles or costs and may not enhance the Group's business as expected.

The Bank has pursued mergers and acquisitions to expand the geographic scope and scale of the Group's operations, among other reasons. Mergers and acquisitions involve a number of risks and present financial, managerial and operational challenges. These include disruption of business, hidden liabilities, financial obligations, difficulties in integrating personnel, financial, risk management and other systems, hiring additional management and other key personnel and increases in the scope, geographic diversity, risk profile and complexity of the Group's operations. The Group may not realize any of the anticipated benefits or achieve the expected synergies from these mergers and acquisitions. Additionally, the Group's customers may react unfavorably to the Bank's strategy of mergers and acquisitions and establishment of subsidiaries. The Group may also be exposed to additional liabilities in connection with merged and acquired businesses and operations. Any of these risks could materially and adversely affect the Group's income and results of operations. In addition, future mergers and acquisitions may involve the issuance of additional shares, which may dilute your equity interest in the Bank.

The Group is subject to risks arising from government policies and initiatives adopted to promote local economic development.

The Group benefits from favorable policies adopted by both national and local governments to promote economic development in Jilin province and Jiutai, such as the Approval Regarding Six Pilot

Zones Including Daxing District, Beijing and Pilot Projects of Rural Reform (關於北京大興區等六個農村改革試驗區與試驗項目的批覆) and Homestead System (關於農村土地徵收、集體經營性建設用地入市、宅基地制度改革試點工作的意見). The Bank believes these policies are important for the economic growth of the region. No assurance can be given that the PRC government will maintain these favorable policies or that these policies will continue to be effective in promoting the development of Jilin province and Jiutai. Any termination or unfavorable change in these policies could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may not be able to expand the geographic scope of its business in the future and the Group may be exposed to risks arising from expanding the geographic coverage of its products, services and business.

The expansion of the Group's cross regional operations is subject to PRC regulatory requirements and approvals. The Group may not receive approval for, or be successful in, the establishment of sub-branches in regions outside of Jilin province. As of June 30, 2016, the Group had established 275 outlets in Jilin province and 78 outlets outside of Jilin province. The Group derived 87.5%, 86.5%, 87.9%, 87.4% and 88.8% of total net interest income, respectively, and 99.9%, 97.3%, 98.6%, 99.2% and 99.2% of total net fee and commission income, respectively, from Jilin Province in 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016. As of June 30, 2016, the Bank controlled and consolidated 5 rural commercial banks in Jilin province and 32 village and township banks in Jilin province, Heilongjiang, Hebei, Tianjin, Shandong, Anhui, Hubei, Shaanxi, Guangdong and Hainan. Large commercial banks may have advantages over the Group in terms of asset scale, outlet numbers and human resources. In addition, commercial bank systems have already been established in regions where the Group intends to expand its business. Thus the Group faces intense competition in terms of customers, capital, services, technology and talent.

Additionally, the Group faces a number of risks and challenges arising from its geographic expansion, including:

- the products and services may not fulfill the needs of or be acceptable to local customers;
- it may not be able to promptly acclimatize to the culture and practices of the new regions;
- it may not hire employees who are familiar with local economies, cultures and customers and it may not be able to hire employees on reasonable commercial terms; and
- its financial condition, operations, management and other resources may not be sufficient to support geographic expansion.

A failure to realize the anticipated benefits of the Group's cross regional operations due to the above or other risks could materially and adversely affect its business, financial condition, results of operations and prospects.

The Bank may lose control over some of the subsidiary banks, which could materially and adversely affect the Group's results of operations.

As of June 30, 2016, the Bank controlled and consolidated 4 rural commercial banks and 12 village and township banks in which the Bank owned not more than 50% equity interest because they satisfied the criteria for consolidation under the applicable accounting standards. See "Financial Information—Critical Accounting Estimates and Judgments—Determination of Consolidation Scope". These rural commercial banks and village and township banks contributed to 27.6% of the Group's

total assets as of June 30, 2016, 25.1% of the Group's operating income and 22.0% of the Group's net profit in the six months ended June 30, 2016 (without taking into account adjustments for intra-group transactions).

Among the factors that established the Bank's control of the consolidated entities are acting-in-concert agreements with certain minority shareholders. These minority shareholders may fail to abide by their agreements, for which the Bank may have limited or no recourse. The Bank may not be able to continue to consolidate the financial results of these subsidiaries if these minority shareholders cease to align their votes with the Bank's at shareholders' or board meetings, or if the acting-in-concert agreements are terminated. For example, in January 2015, the Bank terminated the acting-in-concert agreement with four shareholders of Haikou United Rural Commercial Bank and, therefore, ceased to consolidate its financial results. Furthermore, these subsidiaries may make business decisions, take risks or otherwise act in a manner that does not completely align with the Bank's interests or the direction of its business development, which could materially and adversely affect the Group's results of operations and damage the Group's reputation.

If the Group is unable to maintain the growth rate of customer deposits or if customer deposits significantly decrease, its business and liquidity may be materially and adversely affected.

Customer deposits are the Group's primary source of funding. The Group's total deposits from customers amounted to RMB36,739.3 million, RMB59,771.7 million, RMB93,302.8 million and RMB106,998.8 million as of December 31, 2013, 2014 and 2015 and June 30, 2016, respectively. The growth of customer deposits depends on many factors, some of which are beyond the Group's control. These factors include economic and political conditions, the availability of alternative investment options and retail customers' perceptions of savings.

No assurance can be given that the Group can increase customer deposits at a pace sufficient to support its expanding business. As of June 30, 2016, 83.7% of the Group's total deposits from customers had remaining maturities of less than one year, or were demand deposits. As of the same date, 62.8% of the Group's total loans and advances to customers are due within one year, resulting in a mismatch between the maturities of the Group's assets and liabilities.

If the Group is unable to maintain the growth of customer deposits or if a substantial portion of its customers withdraw demand deposits or do not roll over time deposits upon maturity, it may need to seek funding from alternative sources, which may not be available on reasonable terms or at all. If the Group cannot obtain funding from alternative sources on reasonable terms, its business, financial condition and results of operations may be materially and adversely affected.

The Group's investments in debt instruments issued by other financial institutions could be affected by developments that could materially and adversely affect its profitability and liquidity.

The Group is exposed to credit risk and liquidity risk arising from its investments in debt instruments. As of December 31, 2013, 2014 and 2015 and June 30, 2016, the balance of the Group's investments in debt instruments issued by other financial institutions (including asset management plans, trust plans, wealth management products and beneficiary certificates) totaled RMB6,741.5 million, RMB7,839.4 million, RMB24,850.7 million and RMB32,034.7 million, respectively, representing 12.2%, 9.6%, 17.5% and 20.0% of total assets, respectively. In 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016, interest income from investments in debt instruments

totaled RMB262.4 million, RMB594.3 million, RMB966.0 million, RMB358.2 million and RMB903.2 million, respectively, accounting for 10.2%, 12.7%, 15.9%, 13.6% and 23.1% of the Group's total interest income, respectively.

A material adverse change in the financial condition of issuers or ultimate borrowers under debt instruments could adversely affect the Group's ability to recover principal and interest from such instruments.

If the Group fails to realize the agreed upon return or recover its principal from these investments, the Group must generally rely on issuers to minimize its losses or otherwise recover losses from issuers or guarantors (if any). The Group has no direct recourse against the ultimate borrowers or guarantors. In addition, the Group may not be able to satisfy its short-term liquidity requirements by realizing the value of these investments due to the lack of an active secondary market for debt instruments in the PRC.

PRC regulators do not prohibit commercial banks from investing in debt instruments issued by other financial institutions. However, no assurance can be given that future regulatory changes will not prohibit commercial banks in the PRC (including the Group) from doing so. In addition, any adverse change in regulatory policies for these investments could reduce the value of the Group's investment portfolio and, as a result, could materially and adversely affect the Group's business, financial condition and results of operations.

Changes in the fair value of the Group's investment securities may materially adversely affect the Group's operating results, financial condition and prospects.

As of June 30, 2016, the Group had available-for-sale debt investments of RMB24,428.1 million and securities classified as financial assets at fair value through profit or loss of RMB13,397.7 million. All these financial assets are stated at fair value. The Group recognizes fair value change arising from remeasurement of securities classified as financial assets at fair value through profit or loss directly in profit or loss in the period in which they arise. For available-for-sale debt investments, the Group recognizes the change in their fair value under other comprehensive income. During the Track Record Period, the Group recognized RMB2.1 million, RMB17.0 million, RMB124.6 million, RMB61.1 million and RMB43.5 million fair value gains arising from remeasurement of securities classified as financial assets at fair value through profit or loss, respectively. The Group recognized fair value loss of RMB56.9 million in 2013, and recognized fair value gains of RMB1.2 million, RMB100.8 million, RMB25.7 million and RMB23.8 million in 2014 and 2015 and the six months ended June 30, 2015 and 2016, respectively resulting from remeasurement of available-for-sale debt investments. Asset valuations in future periods, reflecting then prevailing market conditions, may result in negative changes in the fair values of these financial assets, which will result in a decline in the Group's reported shareholders' equity, book value per share and profits. In addition, the value ultimately realized by the Group on disposal of these assets may be lower than their current fair value. Any of these factors could require the Group to record negative fair value adjustments, which may have a material adverse effect on the Group's operating results, financial condition or prospects. To the extent that fair values are determined using financial valuation models, such values may be inaccurate or subject to change, as the data used by such models may not be available or may become unavailable due to changes in market conditions, particularly for illiquid assets, and particularly in times of economic instability. In such circumstances, the Group is required to make assumptions, judgments and estimates in order to establish their fair value. Since reliable assumptions are difficult to make and

are inherently uncertain, the actual results may differ from the Group's estimates. Any consequential impairments or write-downs could have a material adverse effect on the Group's operating results, financial condition and prospects.

The Group is exposed to risks associated with wealth management products.

The Group has actively developed its wealth management business by expanding the volume and range of wealth management products offered to customers. As of June 30, 2016, the Group managed principal-protected and non-principal-protected wealth management products of RMB12,274.9 million and RMB8,643.3 million, respectively, representing 7.7% and 5.4% of the Group's total assets, respectively.

The Group must reimburse clients for losses in the principal amount invested in its principal-protected wealth management products. If the Group‘s clients suffer financial loss or other damages due to investments in its principal-protected financial products, the Group could be subject to lawsuits or regulatory actions. On the other hand, the Group generally is not liable for losses on investments in non-principal-protected financial products. However, if the Group fails to identify and fully disclose the risks associated with non-principal-protected wealth management products, the Group could be subject to lawsuits. Any such lawsuits or actions could damage the Group's reputation and customer relationships and adversely affect its business, prospects and financial condition.

In addition, the tenor of the Group's wealth management products may be shorter than those of the underlying assets. In such situations the Group would be required to dispose of the underlying assets or seek refinancing to address the funding gap prior to the maturity of its wealth management products.

The PRC regulatory authorities have introduced policies to restrict the amount that PRC commercial banks may invest in financial products using proceeds from the sale of wealth management products. See "Supervision and Regulation—Regulations on Principal Commercial Banking Activities—Wealth Management". The PRC regulatory authorities may impose further restrictions on the wealth management business of PRC commercial banks, which could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may not be able to satisfy regulatory capital adequacy requirements.

The Group is subject to capital adequacy requirements set by the CBRC. The CBRC requires commercial banks to maintain a minimum core tier-one capital adequacy ratio of 5.0%, a minimum tier-one capital adequacy ratio of 6.0% and a minimum capital adequacy ratio of 8.0%. In addition to minimum capital adequacy requirements, the CBRC also requires commercial banks to maintain a capital conservation buffer until they reach 2.5% of risk-weighted assets. Furthermore, in certain circumstances commercial banks must also set aside capital as a counter-cyclical capital buffer of up to 2.5% of risk-weighted assets in addition to the minimum capital requirement and the capital conservation buffer.

The Group's ability to satisfy capital adequacy requirements could be adversely affected by a deterioration in its financial condition or asset quality. If the Group's capital needs for business growth exceed the capital the Group can generate internally or raise from capital markets, it may need to raise additional funds from other sources. However, the Group may not be able to raise additional funds on commercially acceptable terms in a timely manner, or at all. The Group's ability to raise additional

funds is subject to a number of factors, including its business prospects, financial condition, results of operations and cash flows, PRC legal requirements, regulatory approvals, general market conditions and domestic and overseas economic, political and other conditions in the future. These factors could also lead to an increase in the Group's compliance and capital costs. In addition, capital adequacy requirements may limit the Group's use of leverage to increase the scale of its loans, which could materially and adversely affect the Group's results of operations and limit its ability for further business development. The CBRC may further amend the capital adequacy requirements, which could significantly affect the amount the Group is able to lend and the cost of funding.

Any failure to comply with capital adequacy requirements could lead to regulatory restrictions by the CBRC, including restrictions on lending and investment activities, increasing loans and other assets, conducting new business and declaring and distributing dividends. Any such regulatory restrictions could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may not be able to maintain its growth rate.

In 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016, the Group's operating income was RMB1,817.9 million, RMB3,245.7 million, RMB4,267.9 million, RMB1,666.4 million and RMB2,650.8 million, respectively. In 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016, the Group's profit was RMB542.5 million, RMB1,230.9 million, RMB1,402.2 million, RMB554.3 million and RMB1,032.8 million, respectively. As of December 31, 2013, 2014 and 2015 and June 30, 2016, the Group's total assets were RMB55,170.5 million, RMB81,855.3 million, RMB141,953.3 million and RMB159,966.1 million, respectively. If the Group fails to attract new customers with new products and services, improves its marketing or expand its sales channels, it may not be able to successfully maintain its rate of growth. The Group may also be unable to establish brand recognition and attract new customers in new markets by expanding its outlet network. The Group's growth is closely linked with the PRC and Jilin economies and is affected by macroeconomic developments in the PRC and other parts of the world, such as GDP growth, inflation rate and changes in laws and regulations for the banking and financial industries. Adverse changes in one or more of these factors could have an adverse effect on the Group's growth rate.

Global market conditions may also adversely affect the Chinese market. For example, in June 2016, the United Kingdom voted in a national referendum to withdraw from the European Union. The result has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict the Group's access to capital, which could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Group has to invest considerable management and operating resources to maintain growth. The Group may not be able to retain or attract qualified personnel to sustain its development. See "—Risks Relating to the Group's Business—The Group's businesses could be adversely affected if it is unable to retain and hire qualified employees". The Group may not be able to raise additional funds to grow its business on favorable terms or at all. The occurrence of any of these risks could materially and adversely affect its business, financial condition and results of operations.

The Group faces various risks as it expands its range of products and services.

The Group has been expanding its products and services since its establishment, which exposes it to a variety of risks, including the following:

- it may not have sufficient experience and expertise to identify, fully disclose and effectively manage risks associated with new products and services;
- it may not be able to provide adequate customer service for new products and services;
- its new products and services may not be accepted by customers or meet its expectations regarding profitability;
- it may not be able to recruit additional qualified personnel;
- it may not be able to obtain and maintain licenses for its new products and services;
- it may not be able to improve its risk management capabilities and IT systems to support a broader range of products and services; and
- it may not be able to mitigate the risks caused by the actions of its competitors and other financial service providers.

If the Group is unable to achieve the intended commercial results of its new products and services, its business, financial condition, results of operations and prospects could be materially and adversely affected. Furthermore, if the Group is unable to provide sufficient information to customers or otherwise comply with banking regulations in the sales and marketing of financial products and services, it may be subject to legal proceedings or regulatory sanctions that could lead to significant financial losses and reputational damage.

The Group is subject to risks associated with off-balance sheet arrangements.

The Group provides certain off-balance sheet credit commitments to customers in the ordinary course of business, consisting primarily of bank acceptances and letters of guarantee. As of June 30, 2016, the Group's off-balance sheet credit commitments totaled RMB2,919.5 million. See "Financial Information—Off-Balance Sheet Commitments". The Group is exposed to credit risks associated with these credit commitments. If the Group does not receive payment from customers in respect of these commitments, its financial condition and results of operations may be adversely affected.

The Group's risk management framework, policies and procedures and internal control may not fully protect the Group against various risks inherent in its business.

The Group has established risk management policies and internal control systems and procedures to manage risk exposure. Certain aspects of the Group's risk management policies and internal control systems and procedures require ongoing monitoring, maintenance and improvement. Although the Group is continually updating its risk management policies and procedures, it may fail to predict future risks arising from rapid changes in market conditions and regulatory requirements, and its entry into new markets.

Deficiencies in the Group's risk management and internal control systems and procedures could adversely affect its ability to record, process, summarize and report financial and other data in an accurate and timely manner. Any such deficiencies could also adversely affect the Group's ability to identify reporting errors and non-compliance with laws and regulations.

The use by other financial institutions of a logo similar to the Group's may cause customer confusion and materially and adversely affect its reputation, business, growth prospects, results of operations and financial condition.

Jilin Province Rural Credit Union owns the intellectual property rights to the Bank's corporate logo. See "Business—Intellectual Property". The Bank is currently authorized to use the logo on a non-exclusive basis under a license agreement that will expire on November 6, 2019. In October 2016, Jilin Province Rural Credit Union entered into an agreement to transfer all its rights to the logo to the Bank free of charge within six months, including completing all required regulatory registrations. Jilin Province Rural Credit Union has also authorized other financial institutions (including rural credit cooperatives, rural cooperative banks and rural commercial banks) to use a logo similar to the Group's, which may create customer confusion or undesirable association of the Group's products and services with those of the Group's competitors. The Bank intends to publish its corporate group structure on its website so that the public can distinguish the Bank from these entities based on their legal names. However, no assurance can be given that this would effectively eliminate such customer confusion or undesirable association. If any negative publicity is associated with any of these entities, the Bank's reputation, business, growth prospects, results of operations and financial condition may be adversely affected.

The Group had negative net cash flows from operating activities in 2014 and the six months ended June 30, 2016. If the Group continues to have negative operating cash flows in the future, its liquidity and financial condition may be materially and adversely affected.

The Group had negative net cash flows from operating activities of RMB226.6 million in 2014 and RMB6,464.0 million in the six months ended June 30, 2016, respectively. The negative net cash flow from operating activities in 2014 primarily resulted from net increases in (1) loans and advances to customers, (2) deposits and placements with the banks and other financial institutions, and (3) deposits with the central bank, as well as a net decrease in financial assets sold under repurchase agreements. The negative net cash flow from operating activities in the six months ended June 30, 2016 primarily resulted from a net increase in deposits and placements with banks and other financial institutions, net increase in loans and advances to customers and net decrease in financial assets sold under repurchase agreements. No assurance can be given that the Group will be able to generate positive cash flows from operating activities in the future. The Group's liquidity and financial condition may be materially and adversely affected by the negative net cash flows, and no assurance can be given that the Group will have sufficient cash from other sources to fund its operations. If the Group resorts to other financing activities to generate additional cash, it will incur financing costs and it will be able to obtain the financing on terms acceptable to it, or at all.

Impairment charges on goodwill and other intangible assets could negatively affect the Group's financial results.

The Group has recorded goodwill and other intangible assets in connection with its prior acquisitions. The Group tests goodwill and intangible assets with indefinite lives for impairment on an annual basis, or more frequently if indicators for potential impairment exist. The testing required by IFRS involves management estimates and judgments. Actual future results and other assumed variables could differ from these estimates as a result of, among others, changes in the economy, the business in which the Group operates, and/or its own performance. The Group may be required to record substantial impairment charges to the goodwill already recorded as well as any goodwill arising out of future acquisitions. Furthermore, further changes to accounting rules relating to goodwill and other

intangible assets may also have a significant impact on the Group's results of operations and financial condition.

The Group may not be able to detect and prevent fraud or other misconduct committed by employees or third parties.

The Group's employees, agents, customers and other third parties may engage in misconduct or other improper activities that could subject the Group to financial losses and regulatory sanctions and harm the Group's reputation. Such misconduct could include entering into transactions that exceed authorized limits, abusing or failing to apply loan classification standards, improperly using or disclosing confidential information, falsifying or concealing information or otherwise failing to comply with laws or internal control procedures. It is not always possible to deter and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective in all cases. The Group may also suffer from negative publicity, reputational damage or litigation losses that could arise from the misconduct of its employees and third parties, which may have a material adverse effect on its business, results of operations or financial condition.

The Group may not be able to identify money laundering activities or other illegal or improper activities fully or on a timely basis, which could expose it to liability and adversely affect its business.

The Group must comply with anti-money laundering, anti-terrorism laws and other regulations in China and other jurisdictions in which it operates. These laws and regulations require the Group to adopt and enforce "know your customer" policies and procedures and to report suspicious transactions to regulatory authorities in different jurisdictions.

While the Group has adopted policies and procedures to prevent the use of its networks for money-laundering and terrorist activities, these policies and procedures may not completely eliminate occurrences of other parties use its networks to engage in money laundering or other illegal or improper activities. To the extent the Group fails to fully comply with applicable laws and regulations, it may be subject to fines and other penalties that could adversely affect its business.

The Group's businesses could be adversely affected if it is unable to retain and hire qualified employees.

The Group's ability to maintain growth and satisfy future business needs depends on the continuous efforts of its senior management and other key employees. The Group's future success will depend substantially on the industry experience of key employees and on its operating, sales and marketing abilities. The resignation of any key employee could materially and adversely affect the Group's business and results of operations. In addition, the Group may face intense competition in hiring and retaining qualified employees, including senior management and other key employees. Other banks may compete with the Group for the same employees and its remuneration package may not be competitive with those of its competitors. No assurance can be given that the Group will be able to hire or retain qualified employees or that it will not experience increased employment costs. If the Group fails to hire or retain sufficient qualified employees, its business, financial condition and results of operations could be materially and adversely affected.

The Group has not obtained title certificates for some of its properties and some of its lessors lack title certificates for properties leased to it, which could materially and adversely affect its right to use such properties.

As of the Latest Practicable Date, the Group owned and occupied 481 properties in the PRC with an aggregate GFA of approximately 227,786.1 square meters. The Group has not obtained land use right certificates and/or building ownership certificates for 158 properties with an aggregate GFA of approximately 75,688.0 square meters. The Group is in the process of applying for land use right certificates and building ownership certificates for these properties. See "Business—Properties" for the status of the defective properties. The Group may not be able to obtain these title certificates. The Group's rights to own or occupy these properties may be adversely affected by the absence of formal title certificates and the Group could be subject to related lawsuits or other actions. The Group may be forced to relocate the operations it conducts on the affected properties and incur additional costs.

As of June 30, 2016, the Group leased 337 properties in the PRC with an aggregate GFA of approximately 173,045.7 square meters. As of the Latest Practicable Date, among these properties, the Group leased 136 properties with an aggregate GFA of approximately 66,087.3 square meters from lessors who do not have or are unable to provide title certificates. See "Business—Properties" for the status of the defective properties. No assurance can be given that the Group will be able to renew its leases on terms acceptable to the Group upon expiration. If any of the leases terminates as a result of challenges by third parties or if the Group fails to renew the leases upon expiration, the Group may be forced to relocate the affected operations or subsidiaries and incur additional costs, which could materially and adversely affect its business, financial condition and results of operations.

Substantial legal liability or significant regulatory action could materially and adversely affect the Group's results of operations or financial condition, or cause significant reputational harm and seriously harm the Group's business prospects.

The Group may be involved in legal proceedings or other disputes arising from its operations for various reasons from time to time and the volume and amount of claims in litigation and regulatory proceedings against financial institutions are high. For example, the Bank and each subsidiary bank are subject to inspections and reviews by the PRC regulatory authorities (including PBOC, CBRC, SAFE and SAT) and their respective local counterparts. During the Track Record Period and as of the Latest Practicable Date, some of the subsidiary banks were subject to administrative penalties as a result of regulatory inspections and reviews, generally in the form of fines. In addition, certain routine or special inspections and reviews carried out by PRC regulators have identified deficiencies in the business operations, risk management and internal controls of the Bank and the subsidiary banks. See "Business—Laws and Regulations—Regulatory Inspections and Proceedings" for details.

In addition, during the Track Record Period, certain subsidiary banks did not meet certain regulatory indicators stipulated by Core Indicators (Provisional) promulgated and administered by CBRC, in many instances for multiple times and by more than 50%. These indicators include the core liabilities, liquidity gap, cost-to-income, return on assets, return on capital and capital adequacy ratios and lending limits. See "Supervision and Regulation—Other Operational and Risk Management Ratios—Regulatory Indicator Compliance by the Subsidiary Banks" for details. Some of the subsidiary banks have yet to meet the provision coverage and provision to total loan ratios, which they are required to by the end of 2016. However, no assurance can be given that the subsidiary banks will always meet the regulatory indicators, and failure to do so may give rise to regulators' concerns about the prudency of their operations or otherwise subject them to sanctions, fines or other penalties. Any of

these factors in turn could materially and adversely affect the Group's business, financial condition or results of operations.

The Group may be also subject to claims for alleged negligent misconduct, breach of fiduciary duty or breach of contract. These risks may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. The Group cannot predict the results of legal and regulatory proceedings with certainty, and actual results may differ from any reserves the Group establishes by estimating the probable outcome. Regardless of merit or outcome, legal and regulatory proceedings and investigations could expose the Group to significant defense costs, fines, penalties and liability for monetary recoveries, or cause significant reputational harm and seriously harm the Group's business prospects, any of which could have a material adverse effect on its business and results of operations.

RISKS RELATING TO THE PRC BANKING INDUSTRY

The Group faces intense competition in China's banking industry and other financing and investment channels.

The Group competes with other commercial banks in providing customers with the same loan, deposit and fee- and commission-based products and services. Such competition may materially and adversely affect the Group's business and prospects by reducing its market share for its principal products and services, reducing its fee and commission income, affecting the growth of product portfolio and increasing its difficulty in hiring employees. The Group may face increasingly intense competition for SME customers as many commercial banks shift their focus from large enterprise customers to SME customers. In addition, the Group may face competition in village and township banking as an increasing number of commercial banks are establishing village and township banks.

The Group also faces increased competition from other financing and investment options. For example, the Group's customers may choose to raise capital in domestic and international capital markets, which could reduce interest income from loans. In addition, the Group's customers may withdraw deposits to invest in stocks, bonds and wealth management products, which could reduce its funds available for lending. This could in turn materially and adversely affect the Group's business, financial condition and results of operations.

The Group's operations are highly regulated, and its business, financial condition, results of operations and prospects could be materially and adversely affected by regulatory changes or other changes in government policies.

The PRC banking industry is highly regulated. Failure to comply with applicable laws and regulations may subject the Group to penalties, limitations or conditions on its business activities, which could materially and adversely affect its business, financial condition and results of operations.

The Group's business could also be materially affected by changes in the laws and regulations governing the PRC banking industry, such as those affecting the scope of its businesses and fees. For example, in August 2015, the PBOC eliminated the upper limit on interest rate for RMB-denominated time deposits with terms of over one year. In October 2015, the PBOC eliminated the upper limit on the interest rate for RMB-denominated demand deposits and time deposits with terms of less than one year. These changes are expected to intensify competition among PRC commercial banks and could materially and adversely affect the Group's results of operations by reducing its net interest income.

PRC laws and regulations restrict the ability of Shareholders to pledge their shares.

The PRC Company Law and relevant regulations and rules of the CBRC impose restrictions on the pledge of shares of commercial banks. According to the Guidelines on the Corporate Governance of Commercial Banks, commercial banks may not accept their own shares as pledges for loans. In addition, shareholders may not borrow on more favorable terms and conditions than other borrowers. Pursuant to Guidelines on the Corporate Governance of Commercial Banks, (i) any shareholder of a commercial bank who intends to pledge his shares as a guarantee for his or another party's loan must inform the board of directors of the bank before making the pledge; and (ii) a shareholder with outstanding loans from the bank exceeding the audited net equity of his shares for the previous year may not pledge his shares. See "Supervision and Regulation".

Ownership restrictions under PRC law may adversely affect the value of your investment.

Investments in PRC commercial banks are subject to a number of ownership restrictions. For example, prior approval from PRC banking regulators is required for any person or entity to hold 5.0% or more of the registered capital or total issued shares of a commercial bank. If a shareholder of a PRC commercial bank increases its shareholdings to above the 5.0% threshold without prior approval from the PRC banking regulators, it will be subject to sanctions from PRC banking regulators, which include, among other things, correction of misconduct and fines and confiscation of related earnings.

The Group's ability to effectively manage credit risk may be adversely affected by the quality and scope of information available in the PRC.

Because China's nationwide credit information systems are relatively undeveloped, the Group relies primarily on publicly available resources and internal resources to assess customer credit risks. As a result, the Group's assessment of customer credit risks may not be based on complete, accurate and reliable information which could affect its ability to effectively identify and manage credit risks. Furthermore, affiliations among borrowers is complex and can be difficult to identify, limiting its ability to analyze borrower concentration.

The rapid growth of the PRC banking industry may not be sustainable.

The PRC banking industry has experienced rapid growth with the economic development of the PRC. Banks have historically been, and are likely to remain, the principal financing channel for enterprises and the primary choice for domestic savings. It is uncertain whether the PRC banking industry can maintain its current level of growth. A slowdown in the growth of the PRC economy, other unfavorable macroeconomic developments and trends in the PRC and other parts of the world could negatively impact the PRC banking industry, which could materially and adversely affect the Group's business, financial condition and results of operations.

Changes in liquidity in the PRC interbank market and volatility in interest rates could significantly increase the Group's borrowing costs and materially and adversely affect its liquidity and financial condition.

The Group uses short-term funding in the interbank market to satisfy some of its liquidity needs. A market rate system based on SHIBOR has been developed for the PRC interbank market. However, there may be significant volatility in market interest rates due to the relatively short history of the PRC interbank market. No assurance can be given that SHIBOR interest rates will not

experience irregular fluctuations or that rates will return to a normal range after any such fluctuations. Any significant volatility in liquidity and interest rates on the interbank market may have a material and adverse effect on the Group's cost of short-term borrowing and on its liquidity. In addition, severe volatility in market interest rates may have a significant impact on the value of the Group's assets. For example, a significant increase in market interest rates could lead to a significant decrease in the fair value of fixed income securities, which could have a material and adverse effect on the Group's financial condition and results of operations.

Liberalization trends for interest rates may materially and adversely affect the Group's results of operations.

The Group's net interest income accounted for more than 77.8% of its operating income during the Track Record Period. Net interest income is sensitive to adjustments in benchmark interest rates set by PBOC. In recent years, PBOC has adjusted benchmark interest rates several times to liberalize interest rates in China. For example, in July 2013, PBOC abolished the floor on interest rate decreases for RMB-denominated loans (excluding residential mortgage loans) and allowed commercial banks to set interest rates based on commercial considerations. PBOC also removed the cap on interest rate increases on RMB-dominated deposits in October 2015. See "Supervision and Regulation—Pricing of Products and Services—Interest Rates for Loans and Deposits". Liberalization trends for interest rates may intensify competition among PRC banks, which could decrease the Group's net interest margin. In addition, the Deposit Insurance Regulation, which came into effect on May 1, 2015, requires banks to pay premiums for deposit insurance, which has increased the Group's operating costs. The Group's income generated from trading and investment activities is also subject to changes in interest rates.

No assurance can be given that the Group will be able to promptly diversify its businesses, adjust its mix of assets and liabilities or change its pricing to effectively respond to liberalization trends for interest rates, which could materially and adversely affect its business, financial condition and results of operations.

The Group's loan classification and provisioning policies may be different from those applicable to banks in other countries or regions.

The Group classifies loans in accordance with PRC regulatory guidelines. See "Supervision and Regulation—Loan Classification, Allowances and Write-offs". The Group determines the provisions for impairment losses on loans and advances to customers in accordance with IAS 39. See "Assets and Liabilities—Assets—Asset Quality of the Group's Loan Portfolio—Provision for Impairment Losses on Loans and Advances to Customers". The Group's loan classification and provisioning policies may be different from those of banks operating in other countries or regions. As a result, the Group's loan classification and provisions for impairment losses may differ from those that would be reported if it were subject to regulations in those countries or regions.

Changes in accounting standards or policies may materially affect the Group's results of operations and financial condition.

From time to time, accounting standards setters change the financial accounting and reporting standards that govern the form and content of the Group's financial statements. In addition, those bodies that establish and interpret the accounting standards may change or even reverse their previous interpretations or positions on how these standards should be applied. Changes in financial accounting

and reporting standards and changes in current interpretations may be beyond the Group's control, can be difficult to predict and could materially impact how the Group records and reports its results of operations and financial condition. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in material changes to previously reported financial results, or a material cumulative charge to retained earnings.

Any future changes in the Group's accounting policies may have a significant impact on its results of operations and financial condition. New accounting policies that are likely to have a significant impact on the Group's reported results of operations and financial condition include, but are not limited to, policies the Group will adopt to comply with IFRS 9—Financial Instruments and IFRS 15—Revenue from Contracts with Customers. On July 24, 2014, the International Accounting Standards Board issued the final version of its standard on financial instruments accounting. The new IFRS 9 standard has a mandatory effective date of January 1, 2018. Implementation of IFRS 9 may have a significant impact on the Group's results of operations and financial condition. For example, for determining provision for impairment losses on financial assets, the Group will be required to replace the incurred loss impairment model in IAS 39 with an expected loss impairment model that will apply to various exposures to credit risk. IFRS 9 will also change the way the Group classifies and measures its financial assets, and will require the Group to consider the business model and contractual cash flow characteristics of financial assets to determine classification and subsequent measurement. The International Accounting Standards Board issued IFRS 15 in May 2014. IFRS 15 will replace the existing revenue recognition standards from January 1, 2018, and will require the Group to recognize revenue in an amount that reflects the consideration that the Group expects to receive for goods or services provided to customers.

The Group's business, financial condition, results of operations, prospects and the value of your investment may be adversely affected as a result of negative media coverage of China's banking industry.

China's banking industry continues to be covered extensively and critically by various news media. Historically, incidents of fraud and issues relating to high levels of non-performing loans, loan quality, capital adequacy, solvency, internal controls and risk management have been reported by the media. Negative coverage, whether or not accurate and whether or not applicable to the Group, could have a material adverse effect on its reputation and, consequently, may undermine depositor and investor confidence. The Group's business, financial condition, results of operations and prospects and the value of your investment may be materially and adversely affected as a result.

RISKS RELATING TO THE PRC

The Group's business could be materially and adversely affected by changes in economic, political and social conditions in the PRC, as well as by changes in policies adopted by the PRC government.

All of the Group's assets and operations are located in the PRC. As a result, the Group's business, results of operations, financial condition and prospects are subject to economic, political, legal and social conditions in the PRC.

Although the PRC's economy has been transitioning from a planned economy to a more market-oriented economy for more than three decades, the PRC government has retained significant control over economic growth by owning a significant portion of productive assets, allocating

resources, controlling capital investment, reinvestment and foreign exchange, setting monetary policies and offering preferential treatment to particular industries or companies. In recent years, the PRC government has implemented economic reform measures emphasizing the use of market forces to drive economic development.

These economic reform measures may be adjusted, modified or applied inconsistently from industry to industry, or across different regions of the country. As a result, some of these measures may benefit the overall PRC economy but have a negative effect on the industries in which the Group operates. If the business environment in China deteriorates, the Group's asset quality may decline, the value of the collateral or guarantees provided to the Group may decrease or the number of non-performing loans may increase. All of these factors could materially and adversely affect its business, results of operations, financial condition and prospects.

Uncertainties in China's legal system could materially and adversely affect the Group.

The Group's operations are subject to PRC laws and regulations. China's legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, China has promulgated laws and regulations dealing with economic matters, such as the issuance and trading of securities, shareholder rights, foreign investment, corporate organization and governance, commerce, taxation and trade.

However, many of these laws and regulations, particularly with respect to the financial services industry, are relatively new and evolving, are subject to different interpretations and may be inconsistently implemented and enforced. In addition, limited volumes of published court decisions may be cited for reference, but such cases have limited precedential value as they are not binding on subsequent cases. These uncertainties relating to the interpretation, implementation and enforcement of these laws and regulations and a system of jurisprudence that gives only limited precedential value to prior court decisions can affect the legal remedies and protections available to you and adversely affect the value of your investment.

The PRC government's control of foreign currency conversion may limit the Group's foreign exchange transactions, including dividend payments on the H Shares.

The Renminbi currently is not a freely convertible currency. The Group receives most of its revenues in Renminbi and may need to convert Renminbi to foreign currency in order to meet foreign currency obligations, such as the payment of dividends to holders of the H Shares.

Conversion of Renminbi into foreign currencies for current account transactions, including the distribution of dividends and profits to foreign investors of FIEs, does not require SAFE approval. However, PRC regulatory authorities may amend the foreign exchange regulations to require regulatory approval for distribution of dividends in foreign currencies.

The Group must obtain SAFE approval before converting the Renminbi into foreign currencies for capital account transactions, such as repatriation of capital, repayment of loans and securities investment. No assurance can be given that the Group will be able to obtain regulatory approvals for any capital account transactions.

Fluctuations in exchange rates could materially and adversely affect the Group's financial condition and results of operations.

The Group collects substantially all of its revenues in Renminbi, some of which need to be converted into foreign currencies to pay dividends to holders of the H Shares. The value of RMB fluctuates and is subject to changes in PRC political and economic conditions. Since July 2005, the PRC government has adopted a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and with reference to a basket of currencies.

In March 2014, PBOC enlarged the floating band for the trading price of Renminbi against the U.S. dollar on the inter-bank spot exchange market to 2.0% around the central parity rate. In August 2015, the PBOC devalued the RMB by nearly 4%. There remains significant international pressure on the PRC government to adopt more flexible currency policies.

Since dividends on the H Shares will be declared in Renminbi and paid in Hong Kong dollars, holders of the H Shares in countries other than China are subject to risks arising from adverse movements in the value of the Renminbi against the Hong Kong dollar, which may reduce any dividends paid in respect of the H Shares. Furthermore, following the Global Offering, the Bank's exposure to foreign exchange risks may increase as the net proceeds from the Global Offering are expected to be denominated in currencies other than Renminbi.

To date, the Bank has not entered into any hedging transactions to manage its exposure to foreign currency exchange risk. Fluctuations in the exchange rate between the Renminbi and other currencies could materially and adversely affect the Group's business, financial condition and results of operations.

It may be difficult to effect service of legal process upon, or to enforce any judgments obtained outside the PRC against, the Bank, its directors, supervisors or senior executive officers residing in the PRC.

Most of the Bank's directors, supervisors and executive officers reside in the PRC. In addition, most of the Bank's assets and those of its directors, supervisors and executive officers are located in the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other countries. As a result, it may not be possible for investors to serve process upon the Bank or those persons in the PRC, or to enforce any judgments obtained from non-PRC courts against the Bank or them in the PRC.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters. Under this arrangement, where any designated People's Court or Hong Kong court has made an enforceable final judgment requiring the payment of money in a civil or commercial case pursuant to a choice of court agreement, a party may apply to the relevant People's Court or Hong Kong court for recognition and enforcement of the judgment. Although the arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under this arrangement remains uncertain.

Dividends payable by the Bank to foreign investors and gains on the sale or other disposition of the H Shares may be subject to withholding taxes under PRC tax laws.

Non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to dividends received from the Bank or gains realized upon the sale or other disposition of the H Shares.

Non-PRC domestic resident individuals must pay PRC individual income tax under China's Individual Income Tax Law (中華人民共和國個人所得稅法) unless waived by the tax authority of the State Council or reduced in accordance with applicable tax treaty. The Bank must withhold such tax from dividend payments unless applicable tax treaties reduce or provide an exemption from these tax obligations. Generally, a convenient tax rate of 10% applies to dividends payable by a Hong Kong-listed domestic non-foreign-invested enterprises to overseas resident individuals. However, there remains uncertainty as to whether gains realized by non-PRC domestic resident individuals on the disposition of the H Shares are subject to PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or have establishments or premises in the PRC with income that is not related to such establishments or premises, are subject to a 10% PRC enterprise income tax rate on dividend income received from a PRC company unless applicable tax treaties reduce or provide an exemption from these tax obligations. However, there remains uncertainty as to whether gains realized upon the disposal of the H Shares by non-PRC domestic resident enterprises are subject to PRC enterprise income tax.

There remains substantial uncertainty as to the interpretation and implementation of the EIT Law and other PRC tax laws and regulations by the PRC tax authorities. China's tax laws and regulations may also change. If there is any unfavorable change to tax laws and regulations or their interpretation or application, the value of your investment in the H Shares may be materially affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may only be paid out of distributable profits. Distributable profits are the Bank's profits determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make. As a result, the Bank may not have sufficient distributable profits to distribute dividends to its Shareholders, including in periods in which it is profitable. Any profits not distributed in a given year are retained for distribution in subsequent years.

In addition, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS, the Bank's operating subsidiaries may not have distributable profits under PRC GAAP even if they have profits under IFRS, or vice versa. Accordingly, the Bank may not receive sufficient dividends from its subsidiaries, which could negatively impact its cash flow and its ability to distribute dividends to shareholders.

The Group may incur losses as a result of force majeure, natural disasters, terrorist attacks or outbreaks of contagious diseases.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people in the regions in which it operates. These regions may face the threat of typhoon, tornado, snow storm, earthquake,

flood, drought, power shortages or failures, or susceptible to epidemics, such as SARS, avian influenza, H1N1 influenza, H5N1 influenza or H7N9 influenza or wars or terrorist attacks, riots, disturbances or strikes.

Serious natural disasters may result in casualties and destruction of assets and disrupt the Group's operations. Severe contagious disease outbreaks could result in a widespread health crisis that could materially and adversely affect the Group's business activities in the affected regions. Acts of war or terrorism, riots or disturbances may also cause casualties to the Group's employees, and disrupt the Group's business network and operations. Any of these factors could negatively impact the Group's business environment, and materially and adversely affect its business, financial condition and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

There was no public market for the H Shares prior to the Global Offering. The trading volume and market price of the H Shares may be volatile.

Prior to the Global Offering, there was no public market for the H Shares. The initial offer price range for the H Shares was the result of negotiations between the Bank (for itself and on behalf of Selling Shareholders) and the Sole Representative (for itself and on behalf of the Joint Bookrunners and the Underwriters), and the market price for the H Shares following the Global Offering may differ significantly from the Offer Price.

The Bank has applied to list and trade the H Shares on the Hong Kong Stock Exchange. However, the Global Offering does not guarantee that an active and liquid public trading market for the H Shares will develop. Furthermore, the price and trading volumes of the H Shares may be volatile. Factors such as fluctuations in the Group's results of operations, general market conditions or other developments affecting the Group or its industry may affect the volume and price at which the H Shares will be traded.

Future sales or offerings of the H Shares, or conversion of Domestic Shares into H Shares, could adversely affect the prevailing market price of the H Shares and result in dilution.

The market price of the H Shares could decline as a result of future offerings or sales of substantial amounts of the Bank's Shares or other securities relating to the Shares in the public market, or the issuance of new H Shares or other securities relating to the Bank's Shares or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of the Bank's securities, including any future offerings, could materially and adversely affect the prevailing market price of the H Shares and the Bank's ability to raise capital in the future at a time and at a price which the Bank deems appropriate. In addition, the Bank's Shareholders would experience a dilution in their holdings upon the issuance of additional securities for any purpose. If additional funds were raised through the Bank's issuance of new equity or equity-linked securities other than on a pro-rata basis to existing Shareholders, the ownership percentage of such Shareholders could be reduced and such new securities might confer rights and privileges that take priority over those conferred by the H Shares.

The Domestic Shares may be converted into H Shares subject to regulatory approvals and compliance with relevant regulatory requirements. Any conversion of Domestic Shares will increase the number of H Shares available on the market and may affect the trading price of the H Shares.

Because the Offer Price of the H Shares is higher than the net tangible asset value per H Share, purchasers of the H Shares in the Global Offering will experience immediate dilution upon such purchase.

The Offer Price of the H Shares is higher than the net tangible asset value per share of the H Shares immediately prior to the Global Offering. Therefore, purchasers of the H Shares in the Global Offering will experience immediate dilution in pro forma adjusted net tangible assets of HK$3.14 per H Share (assuming an Offer Price of HK$4.65, being the mid-point of the indicative offer price range, and assuming the Over-allotment Option is not exercised). Purchasers of the H Shares may experience further dilution in their shareholding if the underwriters exercise the Over-allotment Option or if the Bank issues additional H Shares.

Dividends paid in the past may not be indicative of the Bank's dividend policy in the future.

The Bank distributed cash dividends of RMB321.0 million, RMB414.6 million and RMB883.4 million for 2013, 2014 and 2015, respectively. However, dividends paid in prior periods may not be indicative of the Bank's future dividend payments. The Bank's board of directors determines the frequency and amount of dividend distributions primarily based on the Group's results of operations, cash flows and financial condition, capital adequacy ratios, working capital requirements and future business prospects as determined under PRC GAAP or IFRS (whichever is lower), the Bank's articles of association, and statutory and regulatory restrictions on the payment of dividends. See "Financial Information—Dividend Policy". The Bank may not adopt the same dividend policy in the future that it has adopted in the past.

U.S. withholding tax may be imposed on payments on the Bank's Shares.

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and applicable U.S. Treasury Regulations commonly referred to as "FATCA" generally impose a 30% withholding tax on certain "withholdable payments". In the future, they may impose such withholding on "foreign passthru payments" made by a "foreign financial institution" (an "FFI"). Under current guidance, the term "foreign passthru payment" is not defined and it is, therefore, not clear whether or to what extent payments on the Bank's Shares would be considered foreign passthru payments. Withholding on foreign passthru payments will not be required for payments made before January 1, 2019.

The United States has entered into an intergovernmental agreement (an "IGA") with Hong Kong (the "Hong Kong IGA"), and has agreed in substance with the PRC to an IGA (the "PRC IGA"), that may modify the FATCA withholding requirement described above. Under FATCA rules and the IGAs, the Bank and the subsidiary banks that are treated as FFIs will be subject to the diligence, reporting and withholding obligations of FATCA or an applicable IGA. It is not yet clear how the Hong Kong IGA or the PRC IGA will address foreign passthru payments. Prospective investors in the Bank's Shares should consult their tax advisors regarding the potential impact of FATCA, the Hong Kong IGA, the PRC IGA and any non-U.S. legislation implementing FATCA, on their investment in the Shares.

The Bank has significant discretion as to how it will use the net proceeds of the Global Offering and you may not necessarily agree with how the Bank uses them.

The Bank's management may use the net proceeds of the Global Offering in ways you may not agree with or that do not yield a favorable return to its shareholders. The Bank plans to use the net

proceeds of the Global Offering to enhance its core capital base to support its business growth. See "Future Plans and Use of Proceeds—Use of Proceeds". However, the Bank's management will have discretion as to the actual utilization of proceeds. You are entrusting your funds to the Bank's management, upon whose judgment you must depend, for the specific uses the Bank will make of the net proceeds of this Global Offering.

Certain facts, forecasts and statistics contained in this prospectus with respect to China, Hong Kong and their respective economies and banking industries are derived from official or third-party sources and may not be accurate, reliable, complete or up-to-date.

The Bank has derived certain facts, forecasts and statistics in this prospectus relating to China, Hong Kong and their respective economies and banking industries from various government or other third-party sources. Neither the Bank nor any other parties involved in this Global Offering have prepared or independently verified these facts, forecasts and statistics, which may not be prepared on a comparable basis or may not be consistent with other information complied within or without China.

No assurance can be given of the accuracy or reliability of the information derived from official government or other third party sources. Accordingly, you should not place undue reliance on such information as a basis for making your investment in the H Shares.

Since there will be several days between pricing and trading of the H Shares, holders of the H Shares are subject to the risk that the price of the H Shares could fall during the period before trading of the H Shares begins.

The Offer Price of the H Shares is expected to be determined on the Price Determination Date. However, the H Shares will not commence trading on the Hong Kong Stock Exchange until they are delivered, which is expected to be several business days after the Price Determination Date. As a result, investors may not be able to sell or otherwise trade the H Shares during that period. Accordingly, holders of the H Shares are subject to the risk that the price of the H Shares could fall before trading begins due to adverse market conditions or other adverse developments that could occur between the Price Determination Date and the date on which trading begins.

You should rely only on this prospectus, and not place any reliance on any information contained in press articles or other media, in making your investment decision.

The Bank has not authorized anyone to provide you with information that is not contained in, or is different from information contained in, this prospectus. Prior or subsequent to the publication of this prospectus there has been press and media coverage regarding the Group and the Global Offering, in addition to marketing materials published by the Bank in compliance with the Listing Rules. The Bank has not authorized any such press and media reports, and the financial information, financial projections, valuations and other information purportedly about the Bank contained in such unauthorized press and media coverage may be untrue and may not reflect what is disclosed in this prospectus. The Bank makes no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication, and accordingly do not accept any responsibility for any such press or media coverage or the inaccuracy or incompleteness of any such information. To the extent that any such information appearing in the press and media is inconsistent or conflicts with the information contained in this prospectus, the Bank disclaims it, and accordingly you should not rely on any such information. In making your decision as to whether to purchase the H Shares, you should rely only on the information included in this prospectus and the Application Forms.