

Suning: How to promote transformation through financing?

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Abstract

The Internet has become more and more turbulent since 2005 and has had a huge impact on the real economy. As a representative of the retail industry offline entity, SUNING did not choose to adhere to the original industry, but actively responded to the development trend of the Internet, combined with its own situation to explore a "line and offline" omni-channel transformation path. This case intends to start with the Internet transformation of Suning, analyze its various operations, acquisitions and financing activities before and after the transformation, and further explore how Suning supported the transformation of its own business through the innovation and expansion of financing methods.

Key words: Suning; Transformation; Financing

0. The Introduction

Back in 2009, Zhang Jindong, the chairman of Suning, who used to see the battle of business, thought that the year was worthy of pride and bearing in mind. In 2009, the Chinese retail industry's "US-Su["US" refers to Gome, "Su" refers to Suning] Hegemony" finally identified the outcome. Suning became China's largest commercial retail enterprise without any suspense with 58.3 billion sales, 941 chain stores across the country. Zhang Jindong finally stood on the commanding heights of the industry.

In the same year, the famous American financial magazine Forbes announced that Suning became the highest ranked Chinese retail enterprise, surpassing Huawei, Lenovo and other Chinese companies, becoming the number one Chinese private enterprise.

1. The rise of household appliance chain retail

In December 1990, the 27-year-old Zhang Jindong resigned from his fixed work. He rented a small facade of less than 200 square meters in Ninghai Road, Nanjing, which was far away from the downtown area to set up a small wholesale company specializing in air conditioners. In the early 1990s, it was the rapid growth period of China's air conditioning market. His forward-looking business wisdom made him a net income of 10 million yuan in the first year of his establishment in Suning, and he became a multimillionaire at the age of 28.

In the mid and late 1990s, the environment of China's household appliance market changed. On the one hand, because the oversupply of household appliances market was becoming more and more obvious, the seller's market gradually turned into the buyer's market, which led to the gradual shift of the focus of competition to the retail sector. If you could contact more consumers, you would gain an advantage in the competition. Household appliance chain sales model was evolving in this context. On the other hand, the way of purchase of home appliances was also changing. People were more and more inclined to "one-stop" purchase of home appliances, hoping to buy all the required home appliances products in one store. The sales mode of integrated home appliances also became the new

direction of industry development. Zhang Jindong's forward-looking business wisdom appeared again. In 1999, after several years of trial, Zhang Jindong decided to transform Suning into a comprehensive household appliance chain operational enterprise. Since 2000, Suning's comprehensive home appliance chain business strategy began to execute. The quantity of entity shops rapidly increased. In 2001, Suning opened a new store every 40 days, achieving net income of 25 million yuan. In 2002, Suning opened a new store every 20 days, achieving net income of 60 million yuan. In 2003, Zhang also created the "3C model"(Computers, Communication, Consumer electric), Suning opened a new store every 7days.

In July 2004, Suning was listed on the Shenzhen Stock Exchange and became the first high-priced stock in the Shanghai and Shenzhen stock markets. After gaining popularity in the capital market, the company embarked on a more crazy pace of expansion, opening a new store every five days on average in that year. On May 1, 2006, Suning opened 32 new stores at the same time in one day, setting a record for the number of new stores opened by Chinese home appliance chains in a single day.

During this period, supplier financing always played an important role in the composition of Suning's capital, becoming the main source of funds for Suning's expansion. By holding suppliers' funds, Suning deferred payment, so that the accounts appeared a lot of floating funds. Gradually with increase of the number of Suning's stores, determining the monopoly position of sales channels, Suning's bargaining power with suppliers also constantly improved. At the same time, with the increasing number of purchases, the money that Suning owed to suppliers would be more and more, so Suning could guarantee the continued stability of supplier financing in the financing structure. Even with the strengthening of Suning's strength, getting other financing models, supplier financing is still the most important source of financing.

In addition to financing-like supplier financing, private placement was also an important source of funding for Suning. However, Suning's use of indirect financing, such as banking financing, was insufficient.

In 2009, Suning surpassed its old rival Gome for the first time with a sales revenue of 58.3 billion yuan. The total number of stores nationwide was nearly 1000, and Suning successfully promoted to the no.1 domestic home appliance retail chain. After 20 years of business war, Zhang finally brought Suning into the industry leader.

2. Transformation in the forefront of the Internet

Internet companies such as Jingdong and Alibaba have continued to grow and develop. The increasingly turbulent Internet wave had made Zhang, who just became an industry leader, feel a growing sense of insecurity. He realized that the impact of the Internet on traditional industries would be unprecedented.

Zhang believed that as the impact of the Internet on traditional business became more and more obvious, at this time, Suning may usher in another big development opportunity. If it stuck to the traditional industry without taking risks, it would fall into an unimaginable dilemma in the future.

When it comes to the issue of strategic transformation, Zhang is a daunting waver who can do everything. However, it doesn't mean that he is a radical adventurer. Zhang is soberly

aware that the Internet can only be used to transform Suning, instead of letting Suning leave the offline store. The core of Suning is always commercial retail, but Suning needs the Internet to create a new business model, and also needs the Internet to explore more business opportunities.

After several trade-offs, Zhang decided to follow the trend and seize the turmoil of the Internet era. He was determined to do it. Suning wanted to become a complex of "Walmart + Amazon", that is, to create two online and offline open platforms, to build "super electrification" management, online and offline virtual and real integration, to make supply chain logistics fully open, to serve "full customer base", to operate "all categories" and expand "all channels". This conveyed the future direction of Suning's transformation would be both of online and offline, Suning would no longer be just a home appliance chain enterprise.

3. Open the transformation curtain

3.1 Exploration at the beginning of transformation

“Soldiers and horses go after grain”

From the beginning of the reform of Suning in 2009, the strategy of omni-channel retailers prompted Zhang to make up his mind: Suning would officially enter Internet e-commerce. In the words of Zhang: "It's a horse, and it's always going to be pulled out."

Internet e-commerce is different from the traditional retail industry. At that time, if you want to compete with the two major e-commerce companies in the country seize a certain market share, you must invest a great deal of manpower, material and financial resources.

The construction and operation of the e-commerce platform cannot rely on the financing of the previous financial institutions to meet its funding needs. The construction and operation of the e-commerce platform could not rely on the financing of the previous financial institutions to meet its funding needs. In addition to continuing to fund the construction of Suning Appliances, a large part of the funds was used to set up Jiangsu Suning E-Commerce E-Commerce Co., Ltd., and Beijing Beichuang Rongda Information Consulting Co., Ltd. Besides, 40% of the funds would be invested in logistics center around the project to prepare for the “online and offline” roads of Suning.

After the construction of Suning Tesco platform began in mid-2009, through half a year of debugging, Suning Tesco was officially launched on February 1, 2010, and put into commercial operation.

In the first year, Suning Tesco made a sales income of 2 billion yuan, but the performance was not very satisfactory in the opinion of Sun Weimin, the president of Suning. He honestly said: " We have a large size, so we can easily promote Suning Tesco, and there will be sales volume naturally".

Suning's transformation from offline to online had encountered the same problems as other enterprises. First, its online page views, conversion rate and sales volume were tepid. How to develop, position and develop online channels has become a common problem for brick-and-mortar retail industry. Second, the low-cost, low-margin advantage of online retail can not be avoided, consumers mostly take the price of Taobao as a reference. If Suning Tesco want to compete for users, it can only make meager profit or loss-making sales.

At this time, suning's advantages of previous private placement appeared. Due to the

previous investment in online platforms and offline logistics centers, Suning had the confidence to compare with Ali and JD. Coupled with the investment in online operations, Suning realized that it was extremely urgent to fully invest in e-commerce. If necessary, Zhang even prepared to clear all obstacles to the development of Suning Tesco at any cost.

Good news followed. Suning Tesco gained 2.2% market share in the second quarter of 2011, more than doubling from the previous quarter. It successfully beat the Dangdang, Vanke Eslite, New Egg China and other competitors, which got higher industry attention. Only Taobao, Jingdong Mall, and Amazon ranked in front of Suning.

3.2 The road of external acquisitions

Although the direction of the effort had been found, it may take two or three years for an industry to start from scratch. However, time was extremely valuable for Suning in the transformation, and the pace of expansion must always move forward.

Zhang, who could not and would not wait, made a prompt decision: to make an external acquisition.

3.2.1 Acquisition of "Redbaby"

In the development of physical stores in the past, Suning had always set the "white goods" as the main business object. Now, Suning Tesco entered into the fast lane of development, especially after clarifying the all-category development strategy of "super-electricalization", it was a faster and more effective way to penetrate more professional categories through acquisition.

Suning lacked operational experience in maternal and child care, so since 2012, Suning had been in contact with many leading maternal and infant e-commerce companies, "Redbaby" was among them.

"Redbaby" was founded in 2004 and its sales revenue ranked first in 2008. However, after 2010, as other comprehensive e-commerce companies joined the mother-baby war group, the business layout of "Redbaby" had repeatedly made mistakes. Finally, in 2011, its sales amounted to 1.5 billion yuan, which was at a loss.

At this time, Suning appeared. Suning needed "Redbaby" to further clarify the "all-category" development strategy. "Redbaby" needed the integration of funds and procurement platforms to enhance sales capabilities.

The two sides needed a docking, acquisition would come naturally. On September 25, 2012, Suning Tesco purchased the "Redbaby" for a total of US\$66 million.

The acquisition of "Redbaby" was Suning's first acquisition in the e-commerce field. Suning was not satisfied with this. It planned to include more companies with a certain skill in a certain category or technology field into Suning's platform to realize complementary advantages.

3.2.2 Expansion of financing demand

While maintaining the existing offline retail business, Suning began to expand the online retail business, which would inevitably lead to an increase in overall marketing, so that cash flow from operating activities had been weakening year by year. At the same time, the company had begun a large amount of upfront investment in the development of logistics, finance, and online retail business channels, resulting in a substantial increase in capital expenditures. The combined effect of capital expenditures and operating cash flow turned the

company's free cash flow from positive to negative.

	2015	2014	2013	2012	2011	2010	2009
Capital expenditure	6.4369	3.8545	4.7615	6.0125	6.0936	4.6797	1.1954
Net cash flow from operating activities	1.7333	-1.3814	2.2385	5.2994	6.5885	3.8813	5.5549
Free cash flow (billion)	-4.7036	-5.2359	-2.523	-0.7131	0.4949	-0.7984	4.3595

Considering that the company was in a strategic transition stage, there would inevitably be some fluctuations in its short-term business performance. It needed to provide stable financial support for long-term investment projects and to supplement the working capital in the face of fierce market competition. Therefore, intensive external financing was carried out in 2012 and 2013.

3.2.3 "Multi-pronged" financing approach

Hony Capital

In July 2012, Suning planned to issue about 447 million shares to three companies at a price of 12.3 yuan per share, raising about 5.5 billion yuan. Among them, Nanjing Rundong Investment Company, 100% owned by Zhang Jindong, invested 3.5 billion yuan to participate in the subscription. After that, Zhang's shareholding ratio increased from 27.9% to 30.05%.

After hearing that Suning had financing needs, Newchinalife Insurance first came to the visit. After that Hony Capital also came to Nanjing after hearing it.

Zhao Linghuan, President of Hony Capital, believed that Zhang had great ambitions and his team was capable of doing and willing to do practical work after several night talks with him, which further strengthened Hony Capital's determination to invest in Suning's orientation.

Although due to changes in the approval process, Suning's private placement was delayed for a year. In the process of waiting for regulatory approval, Hony's team kept communicating with Suning to improve due diligence. Finally, Hony adhered to the original judgment and believed that the logistics capacity invested and constructed by Suning, the ability to deal with capital flow and the investment in human resources were all "not necessarily monetized" assets.

On July 12, 2012, Zhang Jindong and Zhao Linghuan spent 3.5 billion yuan and 1.2 billion yuan respectively as agreed to invest in Suning.

Debt financing

Year	Short-term borrowing(million)	Long-term borrowing(million)
2004	20.00	0.00
2005	80.00	0.00
2006	276.00	0.00
2007	140.00	0.00
2008	156.00	0.00
2009	0.00	0.00
2010	317.79	0.00
2011	1665.69	0.00

2012	1752.49	0.00
2013	1109.89	593.84
2014	1836.53	914.21
2015	3225.64	357.92
2016	6159.52	18.00

Date	Financing Method	Offering price (yuan)	Total amount (million yuan)
December,2012	Corporate bond	100	4500
November,2013	Corporate bond	100	3500

In addition to the private placement in 2012, Suning had successively issued in 2012 and 2013 respectively. Two rounds of corporate bonds with a total fund raising amount of 8 billion yuan were issued. The company's annual report disclosed long-term loans for the first time since 2000. Besides, short-term loans also showed a trend of increasing year by year. In a short period of two years, the company had carried out large-scale financing through various financing means. With the deepening of transformation, Suning made a target reserve of funds to prepare for the further development of logistics, finance and retail business in advance.

3.3 The dilemma of transformation

2013 was the launch year of Suning's new O2O strategy. 2014 was the strategic implementation year, which was very critical. However, a series of difficulties brought Suning a severe test.

In 2014, problems occurred when the new logistics system was put into operation. Thousands of customer orders were lost. The media and news blamed Suning everywhere, and Suning became the target of public criticism in an instant.

Outside the enterprise, the environment was getting worse. Many brokerage research institutions turned their attention to Suning's expectations from cautious to cautious. In addition, on March 10, Tencent and JD.com reached a strategic cooperation agreement that Tencent invested in JD with its own business and 214 million dollars. In May, JD.com was listed on NASDAQ to raise about 1.78 billion dollars. In September of the same year, Ali was listed on the New York Stock Exchange to raise about 25 billion dollars.

At the same time, within the enterprise, the Suning system also showed some incompatibility, and many problems were placed in front of Suning. The situation was very serious. However, Zhang Jindong was not afraid. He told the employees that everyone must persist. The road of Suning did not go wrong.

Sure enough, in the second quarter of 2014, Suning's performance stabilized and the downward trend was curbed. After the third quarter, the performance began to show a substantial growth. Suning's online revenue accounted for more than 30%, and the online growth became its growth engine.

3.4 Go upstream

3.4.1 "Smartizing" the supply chain logistics service

Sun Weimin, vice-chairman of Suning Tesco, once described the role of logistics as "Logistics platform is like an aircraft carrier, which determines the operational radius of

enterprises".

In the three private placements in 2009, 2012 and 2016, more than 40% of the private placements in 2009 were invested in the construction projects of several major logistics centers nationwide. In 2012, more than 60% of the funds continued to be invested in the construction and upgrading of the logistics system. In 2016, about 8.5 billion of the funds were invested in the logistics platform construction project again.

“New partner” TTK Express

In the period of smart logistics construction, in order to get better development, Suning Tesco announced in 2017 that it would acquire 100% equity of the eighth largest express delivery in China, TTK Express, for 4.25 billion yuan. This acquisition was essentially the transformation from traditional retail to online retail.

For Suning, the acquisition of Tiantian Express could strengthen its delivery capacity of final mile. Moreover, Suning Logistics was mainly aimed at its own retail business, social business was relatively weak. After the acquisition of TTK Express, Suning Logistics would be more malleable in the expansion of social business.

All in all, the e-commerce market homogenization was becoming more and more serious. The construction of the logistics system could enhance Suning's core competitiveness. Different from JD and Ali, Suning enhanced logistics services through mergers and acquisitions, making the entire Suning logistics system more independent.

According to the latest annual report of 2017, Suning logistics system and TTK Express had a total area of 6.86 million square meters of warehousing and related supporting facilities as well as a total of 20,871 express delivery outlets.

3.4.2 Encouraging employees to hold shares

On May 14, 2018, Suning Tesco, China's leading online and offline smart retail company, announced that the company's board of directors had reviewed and approved the draft of the third employee stock ownership plan. The total amount of the employee stock ownership plan would not exceed 500 million yuan, the total number of employees participating in the employee stock ownership plan would not be more than 1,600, and the price of the transferred stock would be 6.84 yuan per share. The employee stock ownership plan had a duration of 48 months and a lock-up period of 12 months.

Before this, Suning once had employee stock ownership plans for two times.

The first employee stock ownership plan appeared in September 2014. The actual amount of the employee stock ownership plan was 520 million yuan (including self-raised funds, bank loans and interest). The employee borrowing funds were derived from Zhang, who obtained the money through pledged share repurchase business and provided loan support to employee stock ownership plan.

Less than one year, in July 2015, Suning launched the second employee stock ownership plan with a total fund of no more than 1 billion yuan. The number of underlying stocks involved was approximately 85.179 million, accounting for about 1.15% of the company's existing shares.

Suning had repeatedly launched an employee stock ownership plan, which would not only expand Suning's funding sources, but also demonstrate Zhang's confidence in Suning's future transformation and growth.

3.4.3 Entering Shenzhen stock exchange for the second time

On October 14, 2014, Suning issued an announcement to transfer the assets of 11 stores in Beijing, Chengdu, Chongqing and other places to CITIC Goldstone Fund Management Company, and set up a private investment fund with a price of 4.342 billion yuan.

On February 6, 2015, Zhang walked into the Shenzhen Stock Exchange for the second time and rang a ringing bell, thus giving birth to the first private REITs [real estate investment funds] of commercial properties traded on the exchange floor in China. The products released this time effectively solved the dilemma between high-quality assets and liquidity, and also freed up huge space for Suning's next strategic layout. The basic assets of the special plan were not directly based on the assets of Suning's 11 stores, but were indirectly connected to the basic fund pool related to the income rights of private equity funds.

Private equity funds gained control of these 11 stores through bonds and equity. At the same time, Suning realized the indirect control of these 11 stores by subscribing all shares of private equity investment funds.

Under the above-mentioned asset operation mode, the benefits of Suning's transfer of its stores to CITIC Goldstone Fund are as follow: On the one hand, Suning will determine the transaction consideration according to the fair value of the market so as to obtain the value-added income of high-quality stores and cash withdrawal; on the other hand, the company obtains the long-term use right of the store property with stable rental price and long-term lease period.

3.4.4 Alliance with Ali

At the 2012 China Economic Year Awards, Wan Jianlin, chairman of Wanda Group, made a bet with Jack Ma, chairman of Ali Group. Wang said: "In 2020, if e-commerce accounts for 50 percent of China's retail market, I will give you 100 million yuan, and if not, you have to give me 100 million yuan".

In this regard, there had been a great discussion in the society about who would win. The argument between Wang Jianlin and Jack Ma was settled by Zhang in 2015. Online and offline lines from the opposite finally came to integration because of O2O.

Since Zhang promoted Suning's Internet revolution, he had always believed that online and offline lines were interrelated and inseparable. Suning's "Internet Revolution" entered the deep water area. Zhang wisely chose the opening strategy to completely complete the Internet retail transformation.

On the afternoon of August 10, 2015, Suning and Ali suddenly announced the largest financing transaction in China's retail history: Ali invested about 28.3 billion yuan to participate in the private offering of Suning, accounting for 19.99% of the total equity after the issue and becoming the second largest shareholder of Suning. Meanwhile, Suning invested 14 billion yuan in Ali. This was the largest open equity and the introduction of strategic partners throughout history of Suning.

The historic partnership between Suning and Ali had made Chinese industry realize that the purpose of O2O was no longer something that any single company can achieve on its own.

At the press conference, Zhang described the consensus between Jack Ma and himself. Jack Ma also said: "E-commerce is also very tough. The Internet economy must combine the virtuality with the reality."

3.4.5 Building a financial services platform

In order to provide better services to customers and Suning itself, Suning set up a special financial division in 2013 and started its layout in the financial field. In April 2016, Suning set up the financial services platform and changed its name to FinanceSN

At that time, there were two opinions about the third-party payment inside Suning: one was to cooperate with the existing mature third-party payment platform; the other was to start from scratch. Adopting the cooperation method saved the time cost of research and development, but the technology was in the hands of others, which would be unfavorable for later development and adjustment. However, using the method of self-development, would meet the demand of Suning immediately in a short period of time. But in the long run, it would meet the interests of Suning.

After deliberation, Zhang was determined to develop his own third-party payment platform.

In just a few years, FinanceSN relied on Suning Tesco's online and offline user groups, with its unique operation mode. FinanceSN insists on “financing + payment + financing” product line layout, vigorously developing user-oriented supply chain finance, payment accounts, investment and wealth management, consumer finance, financial leasing, insurance, crowd funding, stored value cards, etc. Besides, it has created a series of well-known products, ranking among the ranks of domestic first-line financial technology groups.

According to the public information, in April 2016, the first round of financing of Suning financial services reached 6.667 billion yuan, and in December 2017, it raised another 5.335 billion yuan. October 15, 2018, FinanceSN announced that it would issue 16.5% new shares to relevant investors with a pre-investment valuation of 27 billion yuan. Among the investment, the largest amount of 2.829 billion yuan was from Suning financial holdings, and the second largest investment of 1 billion yuan was from Yunfeng New Venture Capital of Jack Ma.

On December 28, 2018, Suning Tesco announced that its holding subsidiary FinanceSN had completed a new round of increasing capital. FinanceSN would issue 17.857% of new shares to related investors in this round with a pre-investment valuation of 46 billion yuan to raise 10 billion yuan.

The announcement showed that after the completion of issuing new shares, FinanceSN would no longer be included in the consolidated statements of Suning Tesco. This meant that FinanceSN had been separated by Suning Tesco, which would become an important shareholding company of Suning Tesco.

3.4.6 "Internet + Sports" Road of Suning Sports

In April 2018, Suning Sports completed a financing of 600 million dollars, with a valuation of more than 10 billion. It was led by Goldman Sachs and Ali, and the investment agreement had been signed.

Suning Sports had obtained copyrights of many competitions such as La Liga, Premier League, Bundesliga, Super League and AFC Champions in China. In June 2016, Suning Sports won 70% shares of Football Club Internazionale Milano for a total consideration of 270 million Euros, marking this famous football club officially enter the "Suning" era.

After getting the financing of 600 million US dollars, Suning Sports became the "domestic king of sports media". It would continue to promote the development of China's sports industry and realize the grand blueprint of its own sports strategy as soon as possible

based on its solid strength.

4Comprehensive outbreak

4.1Outstanding performance of dual channels

According to the company's annual report, in 2018, Suning Tesco achieved a total channel sales volume of 336.757 billion yuan, an increase of nearly 38.39% year-on-year. Operating income was 244.575 billion yuan, an increase of 30.35% year-on-year. During the reporting period, the total size of online physical commodity transactions was 208.354 billion yuan, a year-on-year increase of 64.45%. On the offline side, as of December 31, 2018, Suning has a total of 11,064 self-operated stores and 7,819 new stores. There were eight newly opened stores in Hong Kong, one in the Japanese market, twenty-eight in Hong Kong, and thirty-eight in the Japanese market. The overseas market stores were all leased with the property area of 43,600 square meters.

4.2Logistics becoming the industry benchmark

In recent years, with the popularization of e-commerce, logistics has changed from an affiliated position to an important department in the entire channel chain of the retail industry. Especially with the support of artificial intelligence, big data and drones, logistics has become a decisive part of the industry. By the end of December 2018, Suning logistics and TTK Express had a total area of 9.5 million square meters of warehousing and related supporting facilities, 27,444 express delivery outlets. The logistics network covered 351 prefecture-level cities and 2,858 districts, counties in China.

In terms of logistics infrastructure construction, the company completed the expansion of 14 logistics bases in 2018. In addition, 6 logistics bases were newly built and put into use.

At the same time, Suning invested a lot to research on high-tech products such as intelligent robots and terminal drones. With the continuous use of these high-tech products, the intelligent operation of warehouse online was realized, which contributed to improve the operation efficiency of Suning logistics. Moreover, with the help of the combination of smart devices and big data, Suning Logistics became more and more flexible, further improving the overall operational capability and user experience.

4.3FinanceSN entering the forefront of the industry

After several years of rapid development, FinanceSN, which started from third-party payment, has now ranked among the top five Internet fintech groups in China and becomes a deep promoter and practitioner of financial innovation.

FinanceSN constantly gathers its core business and products to improve its product development and service capabilities with the help of Internet technology.

FinanceSN will strengthen our ability to innovate financial products, further enriching its financial products, It has launched innovative products such as cross-border payment, consumer finance platform, mobile phone rental and full warranty products. Suning bank focused on core business development and its total assets increased by 116% from the beginning of 2018.

Besides, in terms of financial technology applications, FinanceSN has also made a big progress.

By the end of August 2018, all funds raised by B round of capital increase and share expansion were in place. On December 28, the board of directors of the company approved C round of capital increase and share expansion. In the future, with increasing capital, FinanceSN will continue to strengthen the construction of outstanding talents, it will enhance the competitiveness of the industry and consolidate its position in the industry to achieve long-term and healthy development.

4.4 First O2O bank

On June 16, 2017, Suning Bank, the first private bank in Jiangsu province, was officially established. Different from traditional Banks, Suning Bank was positioned as a "technology-driven O2O bank" at the beginning of its establishment. Through the service mode of "finance + technology" and "online + offline" linkage, relying on intelligent equipment, digital media and human-computer interaction technology, Suning Bank is committed to creating a new type of bank with scientific and technological characteristics in the Internet era.

Suning Bank's net profit in 2018 was 3.551 million yuan, 18 times higher than its profit in 2017. Operating revenue was 450 million yuan, increasing about 223.19% year-on-year. Interest income was up to 4.425 million yuan.