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This announcement and the listing document attached hereto have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document attached hereto) forms the basis for any contract or commitment whatsoever. For the avoidance of doubt, the publication of this announcement and the listing document attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

Notice to Hong Kong investors: the Issuer (as defined below) confirms that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and are listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

PUBLICATION OF OFFERING CIRCULAR AND PRICING SUPPLEMENTS



SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD., HONG KONG BRANCH

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(the “Issuer”)

**HKD1,500,000,000 4.60 per cent. Notes due 2026 (the “HKD Notes”)
(stock code: 4563)**

**U.S.\$300,000,000 Floating Rate Notes due 2027 (the “USD Notes”)
(stock code: 4561)**

(the HKD Notes and the USD Notes, collectively the “Notes”)
issued under the U.S.\$5,000,000,000 Medium Term Note Programme
(the “Programme”)

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Please refer to the offering circular dated 15 March 2024 in relation to the Programme (the “**Offering Circular**”) and the pricing supplements each dated 20 March 2024 in relation to the HKD Notes and the USD Notes respectively (the “**Pricing Supplements**”, together with the Offering Circular, the “**Listing Documents**”, each a “**Listing Document**”), each appended hereto. As disclosed in the Listing Documents, the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and will be listed on The Stock Exchange of Hong Kong Limited on that basis.

The Listing Documents do not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is any Listing Document an invitation to the public to make offers to subscribe for or purchase any securities, nor is any Listing Document circulated to invite offers by the public to subscribe for or purchase any securities.

Hong Kong, 2 April 2024

As at the date of this announcement, the executive directors of Shanghai Pudong Development Bank Co., Ltd. are Mr. ZHANG Weizhong and Mr. LIU Yiyan; the employee director is Mr. ZHAO Wanbing; the non-executive directors are Ms. GUAN Wei, Mr. BO Jingang and Mr. ZHU Yi; the independent directors are Mr. WANG Zhe, Mr. CAI Henry, Mr. WU Hong, Mr. SUN Lijian and Ms. YE Jianfang.

Appendix 1 – Offering Circular dated 15 March 2024

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR (IN THE CASE OF AN OFFERING OR SALE IN RELIANCE ON CATEGORY 2 OF REGULATION S UNDER THE SECURITIES ACT) TO ANY U.S. PERSONS

IMPORTANT: You must read the following before continuing. It applies to the offering circular which follows this page (the “Offering Circular”), and you are therefore advised to review this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF SECURITIES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES OR (IN THE CASE OF AN OFFERING OR SALE IN RELIANCE ON CATEGORY 2 OF REGULATION S UNDER THE SECURITIES ACT) TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

THE OFFERING CIRCULAR MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of Your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to have represented to Citigroup Global Markets Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd. Singapore Branch and SPDB International Capital Limited (each an “Arranger” or “Dealer” and collectively, the “Arrangers” or “Dealers”), Shanghai Pudong Development Bank Co., Ltd. (the “Bank”) or any branch of the Bank located in Hong Kong, Macau or Taiwan, or any branch of the Bank located outside the PRC (each such branch of the Bank, a “Branch Issuer”), as specified in the applicable pricing supplement (each an “Issuer”) that (1) you and any customers you represent are not, and that the electronic mail address that you gave us and to which this e-mail has been delivered is not, located in the United States and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Offering Circular to any other person. You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

The Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Arranger or Dealer or any affiliate of such Arranger or Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Bank, the Branch Issuer, the Arrangers, the Dealers or the Agents (as defined in “Terms and Conditions of the Notes”), nor any person who controls any of them, nor any director, officer, employee, nor agent of any of them, or affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers or the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

U.S.\$5,000,000,000 Medium Term Note Programme

Shanghai Pudong Development Bank Co., Ltd. (the "Bank") or any branch of the Bank located in Hong Kong, Macau or Taiwan, or any branch of the Bank located outside the PRC (each such branch of the Bank, a "Branch Issuer"), as specified in the applicable Pricing Supplement (as defined below) (each, an "Issuer") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "Notes") under the U.S.\$5,000,000,000 Medium Term Note Programme described in this Offering Circular (the "Programme"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies), subject to increases of the programme size made in accordance with the terms of the amended and restated dealer agreement dated 15 March 2024 entered into by the Bank (on behalf of itself and each Branch Issuer) as amended and/or supplemented and/or restated from time to time (the "Dealer Agreement").

The Notes may be issued on a continuing basis to one or more of the dealers appointed under the Programme from time to time by the relevant Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Investing in the Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement (as defined in "Summary of the Programme") and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with the Notes. The principal risk factors that may affect the ability of the Bank, or as the case may be, the relevant Branch Issuer to fulfil its obligations in respect of the Notes are discussed under "Risk Factors" below.

Application has been made to The Stock Exchange of Hong Kong Limited (the "HKSE") for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("Professional Investors") only during the 12-month period after the date of this Offering Circular on the HKSE. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: Each relevant Branch Issuer and the Bank confirm that the Notes to be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes (to the extent such Notes are to be listed on the HKSE) will be listed on the HKSE on that basis. Accordingly, each relevant Branch Issuer and the Bank confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, each relevant Branch Issuer or the Bank or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Series of Notes will specify whether or not such Series of Notes will be listed on the HKSE (or listed, traded or quoted on or by any other competent authority, other exchange or quotation system). Notice of the aggregate nominal amount of Notes, interest payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Series (as defined in "Summary of the Programme") of Notes will be set out in the Pricing Supplement which, with respect to Notes to be listed on the HKSE, will be delivered to the HKSE, on or before the date of issue of such series of Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval in-principle from the admission of any Notes to the Official List of, and the quotation of any Notes on, the SGX-ST, are not to be taken as indications of the merits of the relevant Branch Issuer, the Bank, its subsidiaries and associated companies (if any), the Group (as defined below), the Programme or such Notes. If the application to the SGX-ST to list a particular series of Notes is approved, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded, will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).

Where applicable for a relevant Tranche of Notes, the Notes will be issued within the relevant annual or otherwise general foreign debt issuance quota granted by the National Development and Reform Commission of the PRC (the "NDRC") pursuant to the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企业中长期外债审核登记管理办法(国家发展和改革委员会令 第56号)) issued by the NDRC and effective from 10 February 2023 and any implementation rules as issued by the NDRC from time to time (the "NDRC Measures"). After the issuance of such relevant Tranche of Notes, the relevant Branch Issuer (acting through the Bank) or, as the case may be, the Bank, undertakes to file or cause to be filed with the NDRC the requisite information and documents within the relevant prescribed timeframes from time to time after the relevant Issue Date in accordance with the NDRC Measures and comply with the NDRC Measures and other obligations required by the NDRC as it applies to such Tranche of Notes.

Where the Circular on Issues concerning the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (中国人民银行关于全口径跨境融资宏观审慎管理有关事宜的通知) issued by the People's Bank of China (the "PBOC") and which came into effect on 12 January 2017, and any implementation rules as issued by the PBOC from time to time (the "PBOC Circular") applies to the Tranche of Notes to be issued, after the issuance of such relevant Tranche of Notes, the Bank undertakes to provide or cause to be provided a notification of the requisite information and documents in connection with such Tranche of Notes to the PBOC and/or the State Administration of Foreign Exchange or its local counterparts ("SAFE") within the prescribed timeframe after the relevant Issue Date in accordance with the PBOC Circular.

Where the Implementing Measures of the China Banking and Insurance Regulatory Commission for Administrative Licensing Matters for Chinese-funded Commercial Banks (Order of the China Banking and Insurance Regulatory Commission [2022] No. 5) (中国银保监会中资商业银行行政许可事项实施办法) issued by the former China Banking and Insurance Regulatory Commission of the PRC, which came into effect on 2 September 2022, and any implementation rules issued by the NAFR from time to time (the "NAFR Measures") applies to the Tranche of Notes to be issued, the Bank undertakes to complete the reporting in connection with such Tranche of Notes to the NAFR (if applicable) within the prescribed timeframe after the relevant Issue Date in accordance with the NAFR Approval (as defined in "Terms and Conditions of the Notes").

Where the Service Guidance on the Examination and Approval of the Interbank Bond Market or Issuance of Overseas Financial Bonds (No. 21010 of the Service Guidance on PBOC Administrative Licensing Matters) (在银行间债券市场或到境外发行金融债券审批事项服务指南) issued by the PBOC and which came into effect on 5 June 2020, and any implementation rules as issued by the PBOC from time to time (the "PBOC Service Guidance") applies to the Tranche of Notes to be issued, the Bank undertakes to complete the reporting in connection with such Tranche of Notes to the PBOC (if applicable) within the prescribed timeframe after the relevant Issue Date in accordance with the PBOC Approval (as defined in "Terms and Conditions of the Notes").

Each Series of Notes in bearer form ("Bearer Notes") will be represented on issue by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note", together with the Temporary Global Note, the "Global Notes"). Notes in registered form will be represented by registered certificates (each a "Note Certificate"), one Note Certificate being issued in respect of each holder's entire holding of Registered Notes of one Series. The Notes of each Series in registered form will initially be represented by a global note certificate (each a "Global Note Certificate") without interest coupons. The Global Notes and Global Note Certificates may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream"), with a common depository on behalf of Euroclear and Clearstream or with a sub-custodian for the Central Money Markets Unit Service (the "CMU"), operated by the Hong Kong Monetary Authority (the "HKMA") and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream or CMU, or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state of the United States or other jurisdiction, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. The Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States or, in the case of Notes being offered or sold in reliance on Category 2 of Regulation S under the Securities Act, to, or for the account or the benefit of U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act and all applicable securities laws of any state of the United States and any other jurisdiction. Registered Notes are subject to certain restrictions on transfer. See "Subscription and Sale".

MIIFID II Product Governance/Target Market – The Pricing Supplement in respect of any Notes may include a legend entitled "MIIFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MIIFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MIIFID Product Governance rules under EU Delegated Directive 2017/593 (the "MIIFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIIFID Product Governance Rules.

UK MIIFIR Product Governance/Target Market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MIIFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MIIFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MIIFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIIFIR Product Governance Rules.

PRIIPs Regulation – Prohibition of Sales to EEA Retail Investors – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended) ("PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation – Prohibition of Sales to UK Retail Investors – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12; Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Programme is expected to be rated Baa2 by Moody's Investor Service, Inc. ("Moody's"). Tranches of Notes to be issued under the Programme may be rated or unrated.

Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Arrangers and Dealers for the Programme

Citigroup

Shanghai Pudong Development Bank

SPDB International

Offering Circular dated 15 March 2024

IMPORTANT NOTICE

The Bank (as to itself and the Group (as defined below)), having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Bank, the Bank and its subsidiaries (“**Group**”), the Programme and the Notes which is material in the context of the issue and offering of the Notes (including all information required by applicable laws, regulations and the listing rules of the relevant stock exchange, being the HKSE, the SGX-ST and/or such other stock exchange or market on which any Notes may be listed or admitted to trading, which, according to the particular nature of the Branch Issuer, the Bank, the Group, the Programme and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Bank and the Group and of the rights attached to the Notes), (ii) all statements contained in this Offering Circular are in every material particular true and accurate and not misleading, (iii) the statements of intention, opinion, belief or expectation with respect to the Bank and the Group contained in this Offering Circular are honestly and reasonably made or held and have been reached after considering all relevant circumstances, (iv) there are no other facts in relation to the Bank, the Group, the Programme and the Notes the omission of which would, in the context of the issue of the Notes, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Bank to ascertain such facts and to verify the accuracy of all such statements in this Offering Circular.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the relevant Branch Issuer, the Bank and the Group. Each of the relevant Branch Issuer and the Bank accepts full responsibility for the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statements herein misleading.

Listing of the Programme or any Series of Notes on the HKSE and/or the SGX-ST is not to be taken as an indication of the merits of the relevant Branch Issuer, the Bank, its subsidiaries and associated companies (if any), the Group, the Programme or such Series of Notes. In making an investment decision, investors must rely on their own examination of the relevant Branch Issuer, the Bank and the terms of the offering of the Notes, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

MiFID II Product Governance/Target Market – The Pricing Supplement in respect of any Notes may include a legend entitled “**MiFID II Product Governance**” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules under the MiFID Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR Product Governance/Target Market – The Pricing Supplement in respect of any Notes may include a legend entitled “**UK MiFIR Product Governance**” which will outline the target market assessment

in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPs Regulation – Prohibition of Sales to EEA Retail Investors – If the Pricing Supplement in respect of any Notes includes a legend entitled “**Prohibition of Sales to EEA Retail Investors**”, such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation – Prohibition of Sales to UK Retail Investors – If the Pricing Supplement in respect of any Notes includes a legend entitled “**Prohibition of Sales to UK Retail Investors**”, such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore SFA Product Classification – In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No person is or has been authorised by the relevant Branch Issuer or the Bank to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the relevant Branch Issuer, the Bank, or any of the Arrangers or the Dealers or the Agents. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by any of the relevant Branch Issuer, the Bank, any Arranger, any Dealer or any Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. This Offering Circular does not take into account

the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Branch Issuer and the Bank. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the relevant Branch Issuer, the Bank, any Arranger, any Dealer or any Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the relevant Branch Issuer, the Bank or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the relevant Branch Issuer, the Bank or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Notes are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see “*Subscription and Sale*” and the relevant Pricing Supplement.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the relevant Branch Issuer, the Bank, any Arranger, any Dealer or any Agent makes any representation to any investor in the Notes regarding the legality of its investment under any applicable law. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions.

None of the relevant Branch Issuer, the Bank, the Arrangers, the Dealers or the Agents represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Pricing Supplement, no action has been taken by the relevant Branch Issuer, the Bank, the Arrangers, the Dealers or the Agents which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the United Kingdom, Japan, the PRC, Hong Kong, Singapore, Macau and Taiwan. See “*Subscription and Sale*” and the relevant Pricing Supplement.

None of the Arrangers, the Dealers or the Agents independently verified the information contained herein. To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Agents accepts any responsibility

for the contents of this Offering Circular or for any other statement, made or purported to be made by any Arranger, Dealer or Agent on its behalf in connection with the relevant Branch Issuer, the Bank, the Programme or the issue and offering of the Notes. Each of the Arrangers, Dealers and Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any financial statements of the Bank or the Group are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the relevant Branch Issuer, the Bank, the Arrangers, the Dealers and the Agents that any recipient of this Offering Circular or any financial statements of the Bank or the Group should purchase the Notes. Each potential investor of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers or the Agents undertakes to review the financial condition or affairs of the relevant Branch Issuer, the Bank or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers, the Dealers or the Agents.

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Bank and its affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions with, the Bank and its affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

In making an investment decision, each potential investor must rely on its own examination of the relevant Branch Issuer, the Bank or the Group and the terms of the Notes being offered, including the merits and risks involved. The Bank (or, as the case may be, the relevant Branch Issuer) does not, and the Arrangers, the Dealers and the Agents do not, make any representation regarding the legality of investment under any applicable laws.

Potential investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Important Notice to Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Branch Issuer, the Bank, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the relevant Branch Issuer, the Bank, the CMI or the relevant group company. Prospective investors associated with the relevant Branch Issuer, the Bank or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the

price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by relevant Branch Issuer or the Bank, as the case may be, to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the relevant Branch Issuer, the Bank, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (THE “STABILISATION MANAGER(S)”) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE PRICING SUPPLEMENT MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE

RELEVANT TRANCHE. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In this Offering Circular, unless otherwise specified, references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China, all references to the “**PRC**” or “**China**” are to the People’s Republic of China, excluding Taiwan, Hong Kong and the Macau Special Administrative Region, references to “**U.S.\$**”, “**U.S. dollars**” or “**USD**” are to the lawful currency of the United States of America, references to “**Renminbi**” or “**RMB**” are to the lawful currency of the PRC, and references to “**Hong Kong dollars**” or “**HKS**” are to the lawful currency of Hong Kong.

In this Offering Circular, unless otherwise specified, references to:

- the “**Bank**” are to Shanghai Pudong Development Bank Co., Ltd. and, as the context may require, its subsidiaries;
- the “**Issuer**” are to the Bank or, in respect of any Tranche of Notes issued by a Branch Issuer, such Branch Issuer as specified in the relevant Pricing Supplement;
- the “**branch outlet**” include the head office, branches and outlets and other establishments of the Bank;
- a “**business day**” are to a day that is not Saturday, Sunday or a public holiday in Hong Kong and Singapore; and
- the terms “**associate**”, “**subsidiary**” and “**substantial shareholder**” shall have the meanings given to such terms in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, unless the context otherwise requires.

Presentation of Financial Information

This Offering Circular contains the audited consolidated financial information of the Bank as at and for the years ended 31 December 2020, 2021 and 2022, the unaudited but reviewed consolidated financial information of the Bank for the six months ended 30 June 2022 and 2023, and the unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2022 and 2023. The audited consolidated financial information of the Bank as at and for the years ended 31 December 2020, 2021 and 2022 has been extracted from the Bank’s published audited consolidated financial statements for the year ended 31 December 2021 (the “**Group’s 2021 Financial Statements**”) and the Bank’s published audited consolidated financial statements for the year ended 31 December 2022 (the “**Group’s 2022 Financial Statements**”), both of which have been audited by KPMG Huazhen LLP (“**KPMG**”). The unaudited but reviewed consolidated financial information of the Bank as at and for the six months ended 30 June 2022 and 2023 has been extracted from the Bank’s published unaudited consolidated financial statements for the six months ended 30 June 2023 and have been reviewed by KPMG.

The audited and unaudited but reviewed consolidated financial statements of the Bank were prepared in accordance with the International Financial Reporting Standards (“**IFRS**”), issued by the International Accounting Standards Board (the “**IASB**”). The unaudited and unreviewed consolidated quarterly financial information were prepared in accordance with the Accounting Standards for Business Enterprise in China (“**PRC GAAP**”). PRC GAAP differs in certain respects from IFRS. This Offering Circular does not contain a reconciliation of the financial information presented in PRC GAAP and related footnote disclosures to IFRS. Had the unaudited and unreviewed consolidated quarterly financial statements been prepared in accordance with IFRS, the presentation of the Bank’s results of operations and financial position may have been materially different. Accordingly, in making an investment decision, potential investors should consult their own

professional advisers for an understanding of the differences between PRC GAAP and IFRS and how these differences might affect the financial information stated herein. The quarterly financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Potential investors should exercise caution when using such data to evaluate the Bank's financial condition and results of operations.

The audited and unaudited but reviewed consolidated financial statements of the Bank have been prepared in Chinese only (the "**Chinese Financial Statements**"), which are included elsewhere in this Offering Circular. The Bank has prepared the English translations of its audited consolidated financial statements as at and for the years ended 31 December 2021 and 2022, and of its unaudited but reviewed consolidated financial statements as at and for the six months ended 30 June 2023, which are included elsewhere in this Offering Circular.

Should there be any inconsistency between the Chinese Financial Statements and the English translations, the Chinese Financial Statements shall prevail. The English translations do not constitute audited or, as the case may be, unaudited financial statements, and are qualified in their entirety by, and are subject to the financial information set out or referred to in, the Chinese Financial Statements.

The Arrangers and Dealers have not independently verified or checked the accuracy of the English translations and can give no assurance that the information contained in the English translations is accurate, truthful or complete.

From 1 January 2021, the Bank adopted new amendments to IFRS (including IASs and its amendments) that are effective in 2021 to its accounting policies, including the Amendments to IFRS9 – Financial Instruments, the Amendments to IAS 39 – Financial Instruments: Recognition and measurement, the Amendments to IFRS 7 – Financial Instruments: Disclosures: Interest Rate Benchmark Reform, the Amendments to IFRS 14 – Regulatory Deferral Accounts and IFRS 16 – Leasing (Revised) Interest rate benchmark reform - Phase 2.

From 1 January 2022, the Bank adopted new amendments to IFRS (including IASs and its amendments) that are effective in 2022 to its accounting policies, including the Amendments to IFRS 3 – Reference to the Conceptual Framework, the Amendments to IAS 37 – Onerous contracts – cost of fulfilling a contract; the Amendments to IAS 16 - Property, Plant and Equipment - any proceeds received before it reaches ready-to-use condition and the Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 – Annual Improvements to IFRS Standards 2018 – 2020 Cycle.

From 1 January 2023, the Bank adopted new amendments to IFRS (including IASs and its amendments) that are effective in 2023 to its accounting policies, including IFRS 17 - Insurance Contracts and its amendments, the Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies, the Amendments to IFRS 8 – Definition of accounting estimate and the Amendments to IFRS 12 – Deferred tax related to assets and liabilities arising from single transaction.

The initial adoption of the above amendments did not have any material impact on the financial position and financial performance of the Bank.

Unless otherwise stated, all financial data contained herein which is stated as relating to the Bank is referring to the consolidated data of the Bank.

In this Offering Circular, because certain amounts have been rounded, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items, and actual numbers may differ from those contained herein due to rounding.

Documents Incorporated by Reference

With respect to any Notes issued by the Bank or any Branch Issuer, this Offering Circular shall be read and construed in accordance with (i) each relevant Pricing Supplement, (ii) the most recently published audited

consolidated annual financial statements of the Bank and the most recently published unaudited but reviewed condensed interim financial statements of the Bank prepared under the International Accounting Standards 34 (“IAS 34”), in each case published from time to time after the date of this Offering Circular, and in each case together with any audit or review reports prepared in connection therewith, (iii) the most recently published unaudited and unreviewed consolidated quarterly reports of the Bank prepared under PRC GAAP, published subsequent to the date of this Offering Circular, and (iv) all amendments and supplements from time to time to this Offering Circular, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with the contents of this Offering Circular.

The Bank publishes its consolidated semi-annual interim reports in respect of the six months ended 30 June of each financial year. A copy of the semi-annual interim reports can be found on the website of the Shanghai Stock Exchange. The semi-annual interim reports have not been, and will not be, audited by the Bank’s auditors and were and will be prepared under IAS 34 issued by the IASB.

The Bank publishes its consolidated quarterly reports in respect of the three months ended 31 March and 30 September of each financial year. A copy of the quarterly reports can be found on the website of the Shanghai Stock Exchange. The quarterly reports have not been, and will not be, audited or reviewed by the Bank’s auditors and were and will be prepared under PRC GAAP.

Each of the semi-annual and quarterly reports should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or, as applicable, review. Potential investors should exercise caution when using such data to evaluate the Bank’s financial condition and results of operation. Each of the semi-annual and quarterly reports should not be taken as an indication of the expected financial condition or results of operations of the Bank for the relevant full financial year.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available (upon written request) for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified office of the Bank and of the Fiscal Agent (as defined below) as set out on the last page of this Offering Circular.

Supplemental Offering Circular

The Bank or the relevant Branch Issuer shall prepare and publish a new offering circular or a supplement to this Offering Circular (i) on or before each anniversary of the date of this Offering Circular, and (ii) in the event that a significant new factor, material mistake or material inaccuracy relating to the information included in this Offering Circular arises or is noted which is capable of affecting the assessment of any Notes which may be issued under the Programme. The Bank or the relevant Branch Issuer, as the case may be, shall procure that any such supplement to this Offering Circular or any such new offering circular is made available to the public in accordance with the requirements of any competent authorities, stock exchanges and/or quotation systems on which Notes are admitted to listing, trading and/or quotation, and shall deliver to the Dealers, without charge, from time to time as requested as many copies of any such supplement to the Offering Circular or any such new offering circular as the Dealers may reasonably request.

Special Note on Forward-Looking Statements

Certain statements under “*Risk Factors*”, “*Description of the Bank*” and elsewhere in this Offering Circular constitute “forward-looking statements”. The words including “**believe**”, “**expect**”, “**plan**”, “**anticipate**”, “**schedule**”, “**estimate**”, “**may**”, “**will**” and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including,

but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Bank and the plans and objectives of the Bank's management for their future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Bank to differ materially from those expressed or implied by such forward-looking statements. Reliance should not be placed on these forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future. The Bank expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Bank's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "*Risk Factors*", "*Description of the Bank*" and elsewhere, important factors that could cause actual results to differ materially from the Bank's expectations. All subsequent written and forward-looking statements attributable to each of the Bank or persons acting on behalf of each of them are expressly qualified in their entirety by such cautionary statements.

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OVERVIEW

The summary below is only intended to provide a limited overview of the information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety.

The Bank

The Bank is a national joint-stock commercial bank founded on 28 August 1992. The Bank commenced business on 9 January 1993 and was listed on the Shanghai Stock Exchange (Stock Code: 600000.SS) on 10 November 1999, becoming the first commercial bank listed on the Shanghai Stock Exchange following the promulgation of the PRC Securities Law.

The Bank's principal business activities are corporate banking, retail banking and financial market and financial institution business. As at 30 June 2023, the Bank had 42 tier-one branches (including the Hong Kong Branch, Singapore Branch and London Branch) and a total of 1,747 banking outlets, covering 31 provinces, autonomous regions and municipalities directly under the central government, Hong Kong, Singapore and London. The Bank is strategically focused in economically developed areas with higher levels of income, including the Yangtze River Delta region, the Pearl River Delta region, the Beijing-Tianjin-Hebei metropolitan region and the Yangtze River economic zone.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the Bank held RMB7,958.2 billion, RMB8,136.8 billion, RMB8,704.7 billion and RMB8,932.5 billion in total assets, respectively, RMB4,430.2 billion, RMB4,691.0 billion, RMB4,798.4 billion and RMB4,866.9 billion in gross loans and advances to customers, respectively, and RMB4,122.4 billion, RMB4,463.6 billion, RMB4,893.8 billion and RMB5,069.5 billion in total deposits from customers, respectively. For the years ended 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023, the Bank's net profit attributable to shareholders of the Bank amounted to RMB58,261 million, RMB53,003 million, RMB51,171 million, RMB30,174 million and RMB23,138 million, respectively. In February 2023, the Bank ranked 27th on the Top 500 Banking Brands list released by the British magazine *The Banker*, with a brand value of U.S.\$11,074 million, being eleventh among the Chinese banks on the list. In June 2023, the Bank ranked 115th on the Forbes Global 2000 list, being 16th among Chinese enterprises and ninth among the Chinese banks on the list. In July 2023, the Bank ranked 18th on the Top 1000 World Banks list released by *The Banker*, being ninth among the Chinese-funded banks on the list. In August 2023, the Bank ranked 260th on the Fortune Global 500 list, being eighth among the Chinese banks on the list, demonstrating its sound competitiveness. Furthermore, it is one of the few domestic joint-stock commercial banks rated above investment grade by each of the Big Three credit rating agencies. It ranked seventh among the "Top 100 Shanghai Enterprises" and fifth among the "Top 100 Shanghai Service Enterprises" by the Shanghai Enterprise Federation in 2021.

As at the date of this Offering Circular, the Bank has a Long-Term Issuer Default Rating of BBB by Fitch Ratings, issuer credit ratings of BBB (long-term) and A-2 (short-term) by S&P Global Ratings and deposit ratings of Baa2 (long-term) and Prime-2 (short-term) by Moody's Investors Service. All of the Bank's rating outlooks are stable. These ratings reflect the Bank's consistent execution of its business strategy and solid financial performance over the past years.

As a dedicated financial service provider, the Bank is also committed to corporate citizenship and fulfilling its social responsibility. In 2022, the Bank received the "1st Shanghai Charity Awards" under the category of Charitable Enterprises by Shanghai Municipal People's Government. The Bank was also named among the "Fortune China ESG Impact List" by the Fortune magazine in the same year. In 2020, the Bank was granted the "Excellent Case of Social Responsibility Communication" by the China Banking and Insurance News. In 2019,

the Bank received the “Best Green Finance Achievements Award” and was named a Model Enterprise in the overall evaluation of green banks by the China Banking Association. In 2019, the Bank also received the “China Social Responsibility Annual Case Award” by China Financial Publishing House. In 2018, the Bank received the “Best Contribution Award for Targeted Poverty Alleviation” and “Best Outlet Award for Special CSR Contribution” granted by the China Banking Association.

Strengths

The Bank’s principal strengths include:

- strong support from substantial shareholders and geographic advantages allow the Bank to establish itself as the flagship Shanghai bank;
- with a focus on more economically developed regions, the Bank has established an extensive distribution network and a diversified service channel throughout the PRC;
- the Bank has achieved steady development through adopting a customer-oriented strategy;
- the Bank has achieved leading profitability and continues to strengthen its business structure and capital base;
- all-round digital operation and continued innovation; and
- the Bank’s experienced management team leads the Bank in maintaining its core competitiveness.

Recent Developments

2023 Third Quarter Results

On 27 October 2023, the Bank published the unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2023 on the website of Shanghai Stock Exchange. A summary of such financial information has been set forth in “*Summary Financial Information of the Bank*” in this Offering Circular.

The unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2023 have not been audited or reviewed by a certified public accountant, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. None of the Bank, the Group, the Arrangers, the Dealers or their respective directors, officers, employees, agents, affiliates or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such unaudited and unreviewed consolidated quarterly financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Bank’s financial condition and results of operations. In addition, the unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2023 should not be taken as an indication of the expected financial condition or results of operations of the Bank for the full financial year ending 31 December 2023.

Changes in the List of Directors, Supervisors and Senior Management Personnel of the Bank

Since 30 June 2023, there have been further changes in the list of directors, supervisors and senior management personnel of the Bank as disclosed on the website of the Shanghai Stock Exchange. For further details relating to the current list of directors, supervisors and senior management personnel of the Bank, please see “*Directors, Supervisors and Senior Management*” in this Offering Circular.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this summary.

Bank	Shanghai Pudong Development Bank Co., Ltd. (LEI: 300300C1031031001330).
Issuer	The Bank or, in respect of any Tranche of Notes issued by a Branch Issuer, such Branch Issuer as specified in the relevant Pricing Supplement.
Programme Size	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Bank may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Risk Factors	Investing in the Notes issuable under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Bank, or, as the case may be, a Branch Issuer to fulfil its obligations in respect of the Notes, and risk factors that are material for the assessment of market risks associated with Notes issued under the Programme, are discussed under the section “ <i>Risk Factors</i> ” below.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Arrangers and Dealers	Citigroup Global Markets Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd. Singapore Branch and SPDB International Capital Limited. The Bank may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. In relation to a particular Tranche of Notes, the relevant Issuer may appoint additional dealers. References in this Offering Circular to “ Permanent Dealers ” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “ Dealers ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent and Calculation Agent...	The Bank of New York Mellon, London Branch.
Principal Registrar and Principal Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch.
CMU Lodging and Paying Agent, CMU Registrar and CMU Transfer Agent	The Bank of New York Mellon, Hong Kong Branch.
Calculation Agent	The Bank of New York Mellon, London Branch as appointed by the Bank or, as the case may be, the relevant Branch Issuer, in respect of a Series of Notes pursuant to the terms of the Agency Agreement or such other Person in each case as specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and their issue price), and intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.
Clearing Systems	Euroclear, Clearstream, the CMU operated by the HKMA and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, Fiscal Agent, the CMU Lodging and Paying Agent and the relevant Dealer(s).
Form of the Notes	Notes may be issued in bearer form or in registered form. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> . No single Series or Tranche may comprise both Bearer Notes and Registered Notes. Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note, as specified in the applicable Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary for Clearstream and/or Euroclear and/or, in respect of CMU Notes, a sub-custodian for the CMU and/or, as the case

may be, any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Registered Notes will initially be represented by Global Note Certificates. Global Note Certificates representing Registered Notes will be registered in the name of a nominee for one or more of Euroclear and Clearstream and/or, in respect of CMU Notes, a sub-custodian for the CMU, as operated by the HKMA.

Currencies

Notes may be denominated in any currency or currencies, agreed between the relevant Issuer and the relevant Dealer(s) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of the Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Denominations

Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Maturities

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement), the Bank shall not, and the Bank shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

NDRC Post-issue Filing

Where the NDRC Measures applies to the Tranche of Notes to be issued, the Branch Issuer (acting through the Bank) or, as the case may be, the Bank undertakes to (i) file or cause to be filed with the NDRC the requisite information and documents within the relevant prescribed timeframes from time to time after the relevant Issue Date in accordance with the NDRC Measures; and (ii) comply with the NDRC Measures and other obligations required by the NDRC as it applies to such Tranche of Notes (the “**NDRC Post-issue Filing**”).

PBOC Post-issue Filing.....

Where the PBOC Circular applies to the Tranche of Notes to be issued, the Bank undertakes to provide or cause to be provided a notification of the requisite information and documents in connection with such Tranche of Notes to the PBOC and/or SAFE within the prescribed timeframe after the relevant Issue Date in accordance with the PBOC Circular (the “**PBOC Post-issue Filing**”).

The Bank shall complete the PBOC Post-issue Filing and obtain such document(s) evidencing due filing with the PBOC and/or SAFE within the prescribed timeframe (if any) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Bank shall within 15 PRC Business Days after completion of such PBOC Post-issue Filing give notice to the Noteholders and Couponholders in accordance with Condition 20 (*Notices*).

NAFR Reporting

Where the NAFR Measures applies to the Tranche of Notes to be issued, the Bank undertakes to complete the reporting in connection with such Tranche of Notes to the NAFR (if applicable) within the prescribed timeframe after the relevant Issue Date in accordance with the NAFR Approval (the “**NAFR Reporting**”).

The Bank shall complete the NAFR Reporting and obtain such document(s) evidencing due reporting with the NAFR within the prescribed timeframe (if any) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Bank shall within 15 PRC Business Days after completion of such NAFR Reporting give notice to the Noteholders and Couponholders in accordance with Condition 20 (*Notices*).

PBOC Reporting

Where the PBOC Service Guidance applies to the Tranche of Notes to be issued, the Bank undertakes to complete the reporting in connection with such Tranche of Notes to the PBOC (if applicable) within the prescribed timeframe after the relevant Issue Date in accordance with the PBOC Approval (the “**PBOC Reporting**”).

	The Bank shall complete the PBOC Reporting and obtain such document(s) evidencing due reporting with the PBOC within the prescribed timeframe (if any) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Bank shall within 15 PRC Business Days after completion of such PBOC Reporting give notice to the Noteholders and Couponholders in accordance with Condition 20 (<i>Notices</i>).
Events of Default	Events of Default for the Notes are set out in Condition 14 (<i>Events of Default</i>).
Cross-acceleration	The Notes will contain a Cross-acceleration provision as further described in Condition 14(c) (<i>Cross-acceleration of Bank or Subsidiary</i>).
Withholding Tax	All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law.
Status of the Notes	The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement as described in Condition 10(c) (<i>Redemption at the option of the Issuer</i>) and/or the Noteholders to the extent (if at all) specified in Condition 10(e) (<i>Redemption at the option of Noteholders</i>).
Tax Redemption	Except as described in “ <i>Optional Redemption</i> ” above, early redemption will only be permitted for tax reasons as

Listing and Trading.....

described in Condition 10(b) (*Redemption for tax reasons*).

Application has been made to the HKSE for the listing of the Programme on the HKSE under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the HKSE.

Notes listed on the HKSE will be traded on the HKSE in a board lot size of at least HK\$500,000 (or its equivalent in other currencies).

Application has been made to the SGX-ST for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded, will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).

Unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the HKSE or the SGX-ST or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

Governing Law.....

The Notes, the Deed of Covenant and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Deed of Covenant and the Agency Agreement are governed by English law.

Initial Delivery of the Notes.....

On or before the issue date for each Series, the Global Note representing Bearer Notes or the Global Note Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and/or Clearstream and/or, in respect of CMU Notes, deposited with a sub-custodian for the HKMA as operator of the CMU or deposited with a depositary or sub-custodian for any other clearing system or may be delivered outside any clearing system **provided** that the method of such delivery has been agreed in advance by the relevant Issuer, the Fiscal Agent, the CMU Lodging and Paying Agent, the Principal Registrar, the CMU Registrar and the relevant Dealers.

Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of a nominee for or the operator of, such clearing systems.

SUMMARY FINANCIAL INFORMATION OF THE BANK

The following tables set forth the summary consolidated financial information of the Bank as at and for the periods indicated.

The selected financial information presented below as at and for the years ended 31 December 2020, 2021 and 2022 was prepared in accordance with IFRS, and is extracted from the Group's 2021 Financial Statements and the Group's 2022 Financial Statements, both of which were audited by KPMG.

*The selected financial information presented below as at and for the six months ended 30 June 2022 and 2023 was prepared in accordance with IAS 34, and is extracted from the Group's unaudited but reviewed consolidated interim financial statements as at and for the six months ended 30 June 2023 (the "**Group's 2023 Interim Financial Statements**"), which have not been audited by KPMG or any other auditors but have been reviewed by KPMG.*

*The selected financial information presented below as at and for the nine months ended 30 September 2022 and 2023 was prepared in accordance with PRC GAAP, and is extracted from the Group's consolidated quarterly financial statements as at and for the nine months ended 30 September 2023 (the "**Group's 2023 Third Quarterly Financial Statements**"), which have not been audited or reviewed by KPMG or any other auditors. The quarterly financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or, as the case may be, a review. Potential investors should exercise caution when using such data to evaluate the Bank's financial condition and results of operations.*

*The Group has implemented IFRS 17 - Insurance Contracts and its amendments, the Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies, the Amendments to IFRS 8 - Definition of accounting estimate and the Amendments to IFRS 12 - Deferred tax related to assets and liabilities arising from single transaction (together, the "**New Standards and Amendments**") on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at 31 December 2022 and for the six months ended 30 June 2022 included in the Group's 2023 Interim Financial Statements has been restated. Similarly, certain comparative financial information as at 31 December 2022 and for the nine months ended 30 September 2022 included in the Group's 2023 Third Quarterly Financial Statements has also been restated. As the financial information included in the Group's 2021 Financial Statements and 2022 Financial Statements has not been restated to reflect the adoption of the New Standards and Amendments, such financial information is not directly comparable with the financial information of the Group included in the Group's 2023 Interim Financial Statements and the Group's 2023 Third Quarterly Financial Statements.*

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Bank, including the notes thereto, included elsewhere in this Offering Circular.

SELECTED FINANCIAL INFORMATION

Summary of Consolidated Statements of Financial Position prepared in accordance with IFRS

	As at 31 December				As at
	2020	2021	2022 (original)	2022 (restated)	30 June 2023
<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>					
Assets					
Cash and deposits with central bank	489,088	420,996	457,089	457,089	411,019
Deposits and placements with banks and other financial institutions	385,927	433,781	520,603	531,643	540,904
Precious metals	44,969	13,151	14,988	3,948	834
Derivative financial assets	63,589	33,773	42,829	42,829	70,837
Financial assets purchased under resale agreements	36,526	117	111,411	111,411	75,358
Loans and advances to customers	4,430,228	4,690,954	4,798,350	4,798,350	4,866,904
Financial investments					
– Financial investment measured at FVTPL	549,149	526,034	708,984	708,984	740,222
– Financial investments measured at amortized cost	1,169,777	1,306,188	1,196,691	1,196,691	1,376,148
– Financial investments measured at FVOCI	583,621	486,701	649,788	649,788	569,404
Investments in associates and joint ventures ...	2,401	2,819	2,655	2,655	2,795
Fixed assets	32,364	31,487	37,157	37,157	42,004
Construction in progress	-	7,221	5,250	5,250	2,654
Right-of-use assets	8,446	8,560	8,022	8,022	7,632
Intangible assets	10,523	10,538	10,349	10,349	9,958
Goodwill	6,981	6,981	6,981	6,981	5,351
Deferred tax assets	52,358	58,962	68,690	68,690	64,585
Other assets	92,210	98,494	64,814	64,814	145,910
Total Assets	7,958,157	8,136,757	8,704,651	8,704,651	8,932,519
Liabilities					
Borrowing from the central bank	274,346	236,317	165,133	165,133	202,042
Deposits and placements from banks and other financial institutions	1,365,572	1,106,775	1,026,800	1,111,343	1,123,818
Financial liabilities at fair value through profit or loss	16,057	31,280	94,781	10,238	14,920
Derivative financial liabilities	61,146	29,528	37,526	37,526	62,341
Financial assets sold under repurchase agreements	232,346	174,219	350,168	350,168	373,094
Deposits from customers	4,122,407	4,463,608	4,893,812	4,893,812	5,069,529
Income tax payable	23,804	25,170	27,290	27,290	16,361

	As at 31 December				As at 30 June
	2020	2021	2022 (original)	2022 (restated)	2023
<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>					
Debt securities issued	1,140,653	1,317,121	1,330,304	1,330,304	1,272,371
Deferred tax liabilities	689	638	641	641	641
Lease liabilities	8,544	8,451	7,832	7,832	7,432
Provisions	5,280	6,275	6,230	6,230	6,541
Other liabilities	62,097	59,157	57,359	57,359	62,349
Total liabilities	7,312,941	7,458,539	7,997,876	7,997,876	8,211,439
Equity					
Share capital	29,352	29,352	29,352	29,352	29,352
Other equity instruments.....	112,691	112,691	112,691	112,691	112,691
Capital reserves.....	81,761	81,762	81,762	81,762	81,762
Surplus reserves.....	142,739	159,292	174,385	174,385	188,929
General risk reserves.....	79,640	90,993	99,515	99,515	101,496
Other reserves	3,976	2,821	(3,053)	(3,053)	(609)
Retained earnings	187,441	193,096	203,220	203,220	199,479
Total equity attributable to shareholders of the Bank.....	637,600	670,007	697,872	697,872	713,100
Non-controlling interests	7,616	8,211	8,903	8,903	7,980
Total equity	645,216	678,218	706,775	706,775	721,080
Total liabilities and equity.....	7,958,157	8,136,757	8,704,651	8,704,651	8,932,519

Summary of Consolidated Statements of Comprehensive Income prepared in accordance with IFRS

	For the year ended 31 December			For the six months ended	
	2020	2021	2022	2022 (restated)	2023
<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>					
Interest income	294,985	300,693	299,520	150,278	150,294
Interest expense	(156,404)	(164,735)	(165,851)	(81,597)	(89,866)
Net interest income	138,581	135,958	133,669	68,681	60,428
Fee and commission income.....	44,257	39,847	37,766	19,533	17,520
Fee and commission expense.....	(10,311)	(10,713)	(9,075)	(4,252)	(3,558)
Net fee and commission income	33,946	29,134	28,691	15,281	13,962
Net trading gains and losses.....	17,620	20,115	17,172	10,317	10,014
Net gains or losses arising from financial investments	3,219	2,276	5,313	2,368	4,769
Other net operating income.....	3,055	3,417	3,661	1,934	1,950
Operating expenses.....	(50,425)	(53,708)	(56,588)	(26,069)	(26,207)

	For the year ended 31 December			For the six months ended	
	2020	2021	2022	2022 (restated)	2023
	<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>				
Impairment losses	(79,553)	(78,344)	(75,999)	(38,083)	(38,487)
Share of profits from associates and joint ventures	146	223	230	104	138
Profit before income tax	66,589	59,071	56,149	34,533	26,567
Income tax expense	(7,665)	(5,305)	(4,152)	(3,937)	(2,952)
Net profit	58,924	53,766	51,997	30,596	23,615
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
– Other comprehensive income recognised under equity method that may be reclassified to profit or loss	-	1	-	-	(1)
– Changes in fair value of debt investments at fair value through other comprehensive income	(3,529)	(437)	(8,145)	(4,024)	1,809
– Credit impairment allowance of debt investments at fair value through other comprehensive income	755	(673)	1,959	1,692	685
– Cash flow hedge reserve	(4)	29	(2)	171	67
– Exchange differences from the translations of foreign operations	(184)	(101)	376	94	221
<i>Items that will not be reclassified to profit or loss</i>					
– Changes in fair value of equity instruments at fair value through other comprehensive income	(345)	28	(57)	(20)	(523)
Other comprehensive income, net of tax	(3,307)	(1,153)	(5,869)	(2,087)	2,258
Total comprehensive income	55,617	52,613	46,128	28,509	25,873
Net profit attributable to:					
– Shareholders of the Bank	58,261	53,003	51,171	30,174	23,138
– Non-controlling interests	663	763	826	422	477
	58,924	53,766	51,997	30,596	23,615
Total comprehensive income attributable to:					
– Shareholders of the Bank	54,970	51,848	45,252	28,042	25,343
– Non-controlling interests	647	765	876	467	530
	55,617	52,613	46,128	28,509	25,873
Earnings per share attributable to the shareholders of the Bank					
Basic earnings per share	1.88	1.62	1.56	1.00	0.76
Diluted earnings per share	1.73	1.50	1.44	0.92	0.70

Summary of Consolidated Statement of Financial Position prepared in accordance with PRC GAAP

	As at 31 December 2022 (restated)	As at 30 September 2023
	<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>	
Assets		
Cash and balances with central bank	457,089	347,126
Deposits with banks and other financial institutions.....	168,169	103,452
Placements with banks and other financial institutions.....	363,474	428,059
Precious metals.....	3,948	16,918
Derivative financial assets	42,829	64,564
Financial assets purchased under resale agreements.....	111,411	65,509
Loans and advances to customers.....	4,798,350	4,806,104
Financial investments		
– Trading assets	708,984	750,687
– Debt investments	1,196,691	1,334,378
– Other debt investments	641,918	576,518
- Other equity investments	7,870	7,029
Long-term equity investments	2,655	2,792
Fixed assets.....	37,157	42,758
Construction in progress.....	5,250	2,718
Right-of-use assets.....	8,022	7,483
Intangible assets.....	10,349	9,861
Goodwill.....	6,981	5,351
Deferred income tax assets	68,690	69,043
Other assets.....	64,814	167,970
Total Assets	8,704,651	8,808,320
Liabilities		
Borrowing from central bank.....	165,133	207,093
Deposits from banks and other financial institutions	770,338	884,803
Placements from banks and other financial institutions	341,005	254,609
Trading liabilities.....	10,238	13,907
Derivative financial liabilities.....	37,526	56,981
Financial assets sold under repurchase agreements.....	350,168	424,199
Deposits from customers	4,893,812	5,028,912
Employee benefits payable	12,672	8,474
Taxes payable	32,213	22,689
Debt securities issued	1,330,304	1,107,707
Deferred income tax liabilities.....	641	640
Lease liabilities.....	7,832	7,239

	As at 31 December 2022 (restated)	As at 30 September 2023
	<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>	
Provisions	6,230	6,904
Other liabilities	39,764	60,347
Total liabilities	7,997,876	8,084,504
Equity		
Share capital	29,352	29,352
Other equity instruments.....	112,691	112,691
Capital reserves.....	81,762	81,762
Other comprehensive income	(3,053)	(1,450)
Surplus reserves.....	174,385	188,927
General risk reserve	99,515	101,521
Retained earnings	203,220	202,892
Equity attributable to Bank's shareholders	697,872	715,695
Non-controlling interests	8,903	8,121
Total equity	706,775	723,816
Total liabilities and equity.....	8,704,651	8,808,320

Summary of Consolidated Statements of Comprehensive Income prepared in accordance with PRC GAAP

	For the nine months ended 30 September	
	2022	2023
	<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>	
Operating income	143,680	132,815
Interest income	225,031	225,434
Interest expense	(123,439)	(134,889)
Net interest income.....	101,592	90,545
Fee and commission income.....	28,801	25,559
Fee and commission expense.....	(6,610)	(5,926)
Net fee and commission income.....	22,191	19,633
Investment income.....	13,030	20,727
Other income	589	611
Gains or losses from change of fair value	(2,830)	3,000
Foreign exchange gains	7,000	(3,824)
Other operating income	2,053	2,040

	For the nine months ended 30 September	
	2022	2023
	<i>(All amounts expressed in millions of RMB unless otherwise stated)</i>	
Gains or losses on disposal of assets.....	55	83
Operating expense	(98,140)	(100,992)
Taxes and surcharges.....	(1,561)	(1,519)
General and administrative expenses.....	(37,686)	(37,018)
Impairment on credit losses.....	(57,831)	(61,119)
Impairment losses on other assets.....	(43)	(49)
Other operating expenses.....	(1,019)	(1,287)
Operating profit	45,540	31,823
Non-operating income	25	32
Non-operating expenses.....	(101)	(52)
Profit before income tax	45,464	31,803
Income tax expense	(4,344)	(3,211)
Net profit for the period	41,120	28,592
Other comprehensive income.....		
<i>Items that may be reclassified to profit or loss</i>		
– Other comprehensive income recognised under equity method.....	-	(1)
– Changes in fair value of debt investments at fair value through other comprehensive income	(5,670)	(232)
– Credit impairment allowance of debt investments at fair value through other comprehensive income	1,165	1,863
– Cash flow hedge reserve.....	(29)	83
- Translation differences arising from translation of foreign currency financial statements	306	174
<i>Item that will not be reclassified to profit or loss.....</i>		
– Changes in fair value of other equity investments	(49)	(523)
Other comprehensive income attributable to minority interests, after tax	54	82
Total comprehensive income.....	36,897	30,038
Net profit attributable to:		
– Shareholders of the Bank.....	40,462	27,986
– Minority interests	658	606
Total comprehensive income attributable to:		
– Shareholders of the Bank.....	36,185	29,350
– Minority interests	712	688
Earnings per share (Expressed in RMB)		
Basic earnings per share attributable to the shareholders of the Bank	1.31	0.88
Diluted earnings per share attributable to the shareholders of the Bank	1.20	0.82

RISK FACTORS

Investors should carefully consider, together with all other information contained in this Offering Circular, the risks and uncertainties described below. The business, financial condition or results of operations of the Bank may be materially and adversely affected by any of these risks. The Bank believes the risks described below represent the principal risks inherent when considering an investment in the Notes. The risks described below are not the only ones relevant to the relevant Branch Issuer, the Bank or the Notes. Additional risks and uncertainties not presently known to the Bank, or which the Bank currently deems immaterial, may also have an adverse effect on an investment in the Notes.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Bank's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

RISKS RELATING TO THE BANK'S BUSINESS

If the Bank is unable to realise the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of its loans, its financial condition and results of operations may be adversely affected.

A substantial portion of the loans offered by the Bank is secured by collateral. As at 30 June 2023, 34.96 per cent. and 4.54 per cent. of the loans offered by the Bank were secured by mortgages and pledges, respectively, and 19.85 per cent. were secured by guarantees. As at 31 December 2020, 2021 and 2022 and 30 June 2023, the coverage ratio of the Bank's provisions for non-performing loans (representing the Bank's impaired loans as reflected in its consolidated financial statements) ("NPL") to the Bank's total NPLs were 152.77 per cent., 143.96 per cent., 159.04 per cent. and 170.45 per cent., respectively. The amount of the Bank's allowances for impairment losses on loans is determined based on the Bank's assessment of factors that may affect the quality of the loans. These factors include, among others, the borrowers' financial conditions, the ability of the guarantors of the borrowers to fulfil their obligations, the performance of the PRC's economy, the government's macroeconomic policies, interest rates, exchange rates and the legal and regulatory environment. Most of these factors are beyond the Bank's control. The adequacy of the Bank's allowances for impairment losses depends on the reliability of, and the Bank's skills in applying, the Bank's assessment system to estimate these losses, as well as the Bank's ability to accurately collect, process and analyse relevant statistical data.

The Bank's loan collateral primarily includes real estate and other financial and non-financial assets located in the PRC, the value of which may fluctuate or decline due to factors beyond the Bank's control, including macroeconomic factors affecting the PRC economy. In particular, an economic slowdown in the PRC may lead to a downturn in the PRC real estate market, which may in turn result in declines in the value of the collateral securing many of the Bank's loans to levels below the outstanding principal balance of such loans. Any significant decline in the value of the collateral securing the Bank's loans may result in a reduction in the amount the Bank can recover from collateral realisation and an increase in its impairment losses.

In the PRC, the procedures for liquidating or otherwise realising the value of non-cash collateral may be protracted, and it may be difficult to enforce claims in respect of such collateral. As a result, it may be difficult and time-consuming for the Bank to take control of or liquidate the collateral securing NPLs. If the value of the Bank's collateral decreases to a level that is insufficient to cover the outstanding amounts for loans, or if the Bank is unable to realise the full value of the collateral and guarantees securing its loans on a timely basis, it may materially and adversely affect the Bank's asset quality, financial condition and results of operations. In addition, the procedures for liquidating or otherwise realising the value of collateral of borrowers in China may be protracted, and the enforcement process in China may be difficult. According to a judicial interpretation

issued by the Supreme Court of the PRC, effective from 21 November 2004 and amended in December 2008 and December 2020, the court may seal up the collateral necessary for the life of the borrower and his dependent family members, but shall not auction, sell or use it to pay a debt. As a result, it may be difficult and time-consuming for banks to take control of or liquidate the collateral securing NPLs. Furthermore, certain specified claims may enjoy priority over the Bank's rights on loan collaterals. According to the "PRC Enterprise Bankruptcy Law" promulgated on 27 August 2006 and effective as of 1 June 2007, claims raised by employees on arrears of pay as well as other fees and expenditures prior to 27 August 2006 for enterprises in bankruptcy proceedings shall be given priority over the Bank's rights to collateral, on the premise that other assets of the enterprise are not sufficient to fulfil such claims. Accordingly, if a borrower fails to repay and if the Bank is not able to timely realise the entire or sufficient part of the value of collateral, pledged assets or guarantees represented, the Bank's asset quality, business, financial condition and results of operations may be adversely affected, which in turn may negatively affect the Bank's ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank has granted loans to the real estate sector and any significant or extended downturn in or change in national policies towards the real estate sector may adversely affect the Bank's financial condition and results of operations.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the corporate loans offered by the Bank represented 50.86 per cent., 50.31 per cent., 53.02 per cent., and 55.05 per cent. of the total loans offered by the Bank, respectively. As at 30 June 2023, the corporate loans offered by the Bank to the real estate sector represented approximately 6.38 per cent of the total loans offered by the Bank. As at 31 December 2020, 2021 and 2022 and 30 June 2023, the total amount of loans granted to the Bank's single largest customer accounted for 1.31 per cent., 1.69 per cent., 2.54 per cent. and 2.32 per cent., respectively, of the Bank's net capital. The Bank's loans and advances to the real estate sector primarily comprise loans issued to real estate companies, including, among others, loans for real estate development, and land reservation loans issued to companies specialising in land reservation.

With respect to its real estate loans, the Bank follows strictly its credit risk management procedures, including ongoing credit monitoring of borrowers' financial information, and strictly enforcing repayment schedules. In addition, the Bank has strengthened the on-spot examination of key business fields such as real estate loans. The Bank has instructed its branches to strengthen research of regional and local real estate market conditions, adjust credit guidelines applicable to real estate loans and implement different credit limits to reflect different levels of risk for these loans.

The PRC real estate market is subject to volatility and property prices have experienced significant fluctuations in recent years. The PRC government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating, such as setting minimum down payment requirements and minimum mortgage rates on residential housing purchases, imposing business taxes on the transfer of certain residential properties and levying mandatory personal income tax for second home sales. Such measures may adversely affect the growth of the Bank's loans related to real estate. In addition, if the real estate market in the PRC continues its downturn, the value of the real estate securing the Bank's loans may decrease, resulting in a reduction in the amount the Bank can recover on its loans in the event of default. This may in turn materially and adversely affect the Bank's asset quality, business, financial condition and results of operations.

Any deficiencies in the Bank's risk management and internal control system may adversely affect the Bank's financial condition and results of operations.

Financial and operational risks are inherent to the Bank's businesses. The Bank is required under relevant laws and regulations in the PRC to establish sound internal control policies and procedures with respect to its daily

management and operation. Although systems and procedures are in place to identify and report on a timely basis the liquidity, foreign exchange, interest rate, credit, management and operational risks arising from the activities of the Bank's existing and proposed businesses, there can be no assurance that these systems and procedures are able to effectively identify all incidents of non-compliance or suspicious transactions in a timely manner or at all. In addition, the Bank cannot assure potential investors that its employees will be able to consistently comply with or correctly apply these policies and procedures. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions undertaken by the Bank to prevent and detect such activities may not be effective. The Bank may need to continue to improve its current, and implement new, policies and measures. There can be no assurance that misconduct will not occur in the future. In addition, many of the Bank's current systems have a significant manual component. There are additional risks inherent in any manual risk management system, including human error. The reliability of the systems and the information generated from them depends on, *inter alia*, the configuration and design of the systems, the built-in system control features and the internal control measures surrounding them. There can be no assurance that failure of the Bank's internal controls will not occur in future, which may cause a negative impact on the Bank.

The Bank has established its own relevant credit risk mechanism. Its mechanism involves detailed analysis of its borrowers' credit risk, taking into account both quantitative and qualitative factors. Therefore, the Bank may be exposed to risks associated with inaccurate assessments. The Bank's credit rating system is also limited by the information available to it and the credit history of its borrowers. The Bank may fail to identify potential risks relating to certain industries, including the real estate industry, and certain borrowers, including affiliated companies and group enterprises, on a timely basis given the resources and tools available to it. In addition, the Bank's employees may fail to enforce its credit policies and guidelines, such as monitoring loans after they are issued, which may increase the Bank's credit risk. If the Bank fails to effectively enforce or improve its credit risk management policies and guidelines, its business operations, financial results and reputation may be materially and adversely affected.

The Bank may be subject to litigation and regulatory investigations or proceedings and may not be successful in defending itself against such litigation, investigations or proceedings.

The Bank faces risks of lawsuits and arbitration claims in the ordinary course of its business. Most of these proceedings are initiated by the Bank to enforce loan recovery, as well as litigation and arbitration resulting from disputes with customers. The claims and charges may involve actual damages and contractually-agreed-upon liquidated sums. If a judgment or award is rendered against the Bank, it would incur a loss against earnings to the extent a reserve had not been established for the matter in its financial statements, or to the extent the claims were not sufficiently covered by the insurance coverage of the Bank. If claims brought against the Bank or by the Bank are not resolved or settled through negotiation or mediation, the Bank may be involved in lengthy and costly litigation or arbitration proceedings, which may distract the Bank's financial and managerial resources. Amounts ultimately realised from a particular project or other claims by the Bank could differ materially from the balances included in the financial statements, resulting in a loss against earnings of the Bank to the extent profit has already been accrued on such project or other contract. Charges and write-downs associated with claims brought against the Bank may have a material adverse impact on the financial condition, results of operations and cash flow of the Bank. Moreover, legal proceedings resulting in judgments or findings against the Bank may harm its reputation and damage its prospects for future contract awards and business.

The Bank may also be subject to inquiries, investigations and/or proceedings by regulatory and other governmental agencies in the ordinary course of its business. For example, in August 2020, the Bank was fined RMB21.0 million in aggregate by the Shanghai office of the former CBIRC (now the National Administration of Financial Regulation (the "NAFR")) for its 12 violations related to interbank business, real estate project investment and so forth from 2013 to 2018. In April 2021, the Bank was fined RMB7.6 million in aggregate by

the CBIRC for failing to properly carry out agency sales from May 2016 to January 2019. In April 2021, the Bank was fined RMB14.6 million by Guangdong Office of SAFE for its failure to conduct due diligence, to have adequate review of the transaction background and the repayment source, and to supervise the obligor to use the loans in accordance with the stated purpose in provision of credit facilities. In July 2021, the Bank was also fined RMB69.2 million by the CBIRC for its 31 violations, including but not limited to, its failure to amend the internal control policies in time, failure to report the true and accurate business data to the regulatory authorities according to the applicable regulation, and failure to have adequate review for the issuance of financing products. In July 2022, four units of the Bank were fined a total of RMB4.7 million by the CBIRC and PBOC for issues including but not limited to, the inadequate management and implementation of its sales strategy and its failure to effectively reidentify customers and transacting with unidentified customers. Smaller penalties, on different branches of the Bank or branches' officers, have also been imposed by the CBIRC or its provincial offices, as well as by the PBOC, for matters such as failure to comply with anti-money laundering background check requirements and non-compliance with requirements applicable to interbank deposits, security, failure to report audit findings to supervisory authorities and other administrative matters.

The Bank may not be able to timely detect or prevent fraud or other misconduct by its employees or third parties.

The Bank may be subject to fraud and other misconduct committed by its employees, customers or other third parties, which could adversely affect its business operations, financial results and reputation. Common weaknesses that facilitate fraud include inadequate segregation of duties, insufficient access controls and certain actions taken by employees which are not consistent with the Bank's internal control policies. Although the Bank has continuously sought to enhance management and supervision of its branches and/or branches' officers (including putting in place policies on employee conduct), as the branches have relatively significant autonomy in their operations and management within the scope of authorisation, the Bank cannot assure that it can always timely detect or prevent operational or management problems within its branches. While the Bank is implementing measures aimed at detecting and minimising employees' and third parties' misconduct and fraud, it may not always be able to timely detect or prevent such misconduct, and it may need to continue to improve its current, and implement new, policies and measures. If the Bank is unable to effectively manage and supervise its branches and subsidiaries, it may not be able to timely detect or prevent fraud or other misconduct of its employees or third parties, which may result in damage to its reputation and an adverse effect on its business, financial condition and results of operations arising from illegal actions taken or as a result of any negative publicity arising from such illegal actions by its current or past employees or by third parties. There have been previous incidences of such fraud or other misconduct of the branch employees which have led to investigations and conviction.

The Bank is subject to fluctuations in interest rates and currency exchange rates and other market risks.

The Bank's results of operations significantly depend on its net interest income, which represented 70.57 per cent., 71.19 per cent., 70.87 per cent., 69.63 per cent. and 66.24 per cent. of the Bank's operating income for the years ended 31 December 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023, respectively. Fluctuations in interest rates could adversely affect the Bank's financial condition and results of operations in different ways. In addition, adjustments made by the PBOC to the benchmark interest rates on loans or deposits, or any changes in market interest rates, may negatively impact the Bank's financial condition and results of operations. For example, changes in the PBOC benchmark interest rates could affect the average yield on the Bank's interest-earning assets and the average cost on the Bank's interest-bearing liabilities to different extents and may narrow the Bank's net interest margin, leading to a reduction in the Bank's net interest income. In addition, an increase in interest rates for loans could result in increases in the financing costs of the Bank's customers, reduce overall demand for loans and increase the risk of customer default, while a reduction

in interest rates for deposits could cause the Bank's depositors to withdraw their funds from the Bank. Moreover, the PRC government has gradually liberalised the regulation of interest rates in recent years. The upper limit of the interest rate floating range for RMB-denominated deposits was removed by the PBOC on 24 October 2015. On the other hand, the PBOC continues to liberalise the restrictions on interest rates for loans. For example, on 20 July 2013, the PBOC eliminated the minimum interest rate requirements for RMB-denominated loans. Further liberalisation may result in greater interest rate volatility as well as intensified competition, both in deposit and lending businesses. Such competition could result in an increase in cost of funds and a decrease in pricing on loans, which in turn could lead to a decrease in the Bank's net interest income. In addition, despite the liberalisation of interest rate regulation which allows the Bank to charge different interest rates to borrowers with different credit ratings, the Bank may not be able to benefit from such liberalisation because it takes time for the Bank to change its lending practice and culture. Certain portion of the Bank's outstanding interest-earning assets and interest-bearing liabilities are denominated in foreign currencies. As a result, the Bank's financial condition and results of operations are also affected by fluctuations in the interest rates associated with these foreign currencies.

The Bank acts primarily as an intermediary in domestic and international foreign exchange and derivative markets, and it currently has exchange rate contracts, interest rate contracts and commodity derivatives contracts with a number of domestic and international banks, financial institutions and other entities. As a result, the Bank is subject to credit risk from the Bank's various counterparties. As at 30 June 2023, the notional amount of the Bank's outstanding derivative financial instruments amounted to RMB7,298.35 billion, and the fair value of the Bank's outstanding derivative assets and liabilities amounted to RMB70,837 million and RMB62,341 million, respectively. Although the Bank cautiously evaluates the credit risks from the Bank's counterparties in the derivative transactions and believes that the overall credit quality of its counterparties is adequate, there can be no assurance that parties with significant risk exposure will not have difficulty in fulfilling derivative contracts that may cause losses for the Bank.

The Bank also engages in foreign exchange transactions and derives an amount of its income in foreign currencies. The Bank's overseas operations also require capital in foreign currencies. The Bank tries to minimise its foreign currency mismatch by managing the source and use of capital in foreign currencies. The Bank's ability to manage its foreign currency exposure is constrained by the limited market risk management and hedging tools available to it and the fact that Renminbi is yet to be freely convertible. To the extent the Bank's foreign currency-denominated assets and liabilities are not matched in the same currency or appropriately hedged, fluctuations in foreign currency exchange rates against Renminbi may adversely affect the Bank's financial condition, including its capital adequacy ratios. Fluctuations in foreign exchange rates may create foreign currency translation gains or losses.

A number of factors could potentially affect the PRC overall economy. The PRC economy could also be impacted by past or future global financial crises and the tightening of the global credit markets, which have in the past and may once again result in extreme volatility and dislocation of the global capital markets. Continued market uncertainties may also lead to more volatility in interest and foreign currency exchange rates. There can be no assurance that the Bank's business, financial condition and results of operations will not be materially and adversely affected by liquidity shortages and credit market disruptions as a result of events impacting the global economy, global markets and the PRC economy. For further details, please see *"Risks relating to the Global Economy and the PRC Economy – The uncertainties in the global economy, the global financial markets and, in particular, in the PRC and in the industries in which the Bank's loans are concentrated could materially and adversely affect the financial condition and results of operations of the Bank"*.

There are operational risks associated with the Bank's industry which, if realised, may have an adverse impact on its business.

Like all other financial institutions, the Bank is exposed to many types of operational risks, including the risk of fraud, unauthorised transactions or other misconduct by employees (including the violation of regulations for the prevention of corrupt practices, and other regulations governing the Bank's business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. The Bank is further exposed to the risk that external vendors may be unable to fulfil their contractual obligations to it (or will be subject to the same risk of fraud or operational errors by their employees). Moreover, the Bank is exposed to the risk that its (or its vendors') business continuity and data security systems prove to be insufficient in case of a system failure or natural disaster.

Given the Bank's high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, the Bank's dependence upon automated systems to record and process transactions may further increase the risk of technical system flaws or employee tampering or manipulation of those systems that will result in losses that may be difficult to detect. The Bank may also be subject to disruptions of its operating systems, arising from events that are wholly or partially beyond its control (including, for example, computer viruses or electrical or telecommunication outages), which may give rise to a deterioration in customer service and to loss or liability to it. The Bank also faces the risk that the design of its controls and procedures may prove inadequate or are circumvented, thereby causing delays in detection of errors in information. Although, like all banks, the Bank maintains a system of controls designed to reduce operational risks to a reasonably low level, the Bank has suffered losses from operational risks and there can be no assurance that the Bank will not suffer material losses from operational risks in the future. The Bank's reputation could be adversely affected by the occurrence of any such events involving its employees, customers or third parties. In addition to internal factors that may affect the Bank's operations, the rapid growth and expansion of its business in recent years as compared to other banks may have also resulted in increasing complexity in its internal and external control systems and risk management measures, which may add to its operational risks.

The Bank or the Bank's customers may engage in certain transactions in or with countries or persons that are the subject of U.S. and other sanctions.

The United States imposes a range of economic sanctions against certain foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction. The U.S. sanctions are intended to advance certain U.S. foreign policy and national interests, such as discouraging certain countries from acquiring weapons of mass destruction or engaging in human rights abuses. The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") is the principal government agency charged with administering and enforcing U.S. economic sanctions programmes. These economic sanctions, as administered by OFAC, generally apply to U.S. entities and, in certain cases, to foreign affiliates of U.S. entities, or to transactions that involve, in some manner, U.S. products or otherwise come within the jurisdiction of the United States. Other governments and international or regional organisations also administer similar economic sanctions. While the Bank is not currently engaged in any of these activities, if any of the Bank or its customers engages in any prohibited transactions by any means, or if it is otherwise determined that any of the Bank's transactions violated OFAC administered or other sanctions regulations, the Bank could be subject to penalties, and the Bank's reputation and ability to conduct future business in the United States or with U.S. entities, or in other affected jurisdictions, could be affected, which may materially and adversely affect the Bank's business, financial condition and results of operations.

The Bank may not manage risks associated with the replacement of benchmark indices effectively.

The Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central

banks in various jurisdictions have convened national working groups (“**NWGs**”) to identify alternative replacement ‘risk-free’ rates (“**RFRs**”) for these interbank offered rates (“**IBORs**”) and, where appropriate, to make recommendations that would facilitate an orderly transition to these RFRs.

On 27 July 2017, the United Kingdom Financial Conduct Authority (the “**FCA**”) announced that it would no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate (“**LIBOR**”) benchmark after 2021. On 5 March 2021, the FCA announced its decision that immediately after 30 June 2023, 3 month USD LIBOR would no longer be representative and representativeness would not be restored. Subsequently, on 3 April 2023, the FCA announced its decision to require LIBOR’s administrator, ICE Benchmark Administration Limited (the “**IBA**”), to continue publication of the 1-, 3- and 6-month US dollar LIBOR settings for a short period after 30 June 2023, using an unrepresentative ‘synthetic’ methodology (“**synthetic U.S. dollar LIBOR**”), and that publication of the synthetic U.S. dollar LIBOR settings will cease on 30 September 2024. Following such FCA announcements, the NWGs for the impacted currencies were tasked with providing guidance and support to financial and non-financial firms to help them facilitate an orderly transition of the relevant LIBORs to their chosen RFRs.

The discontinuation of certain key IBORs such as LIBOR, the adoption of RFRs by the market, and the development of RFR products by the Bank, introduce a number of risks for the Bank, its clients, and the financial services industry more widely. These include, but are not limited to:

- regulatory compliance, legal and conduct risk, arising from both the continued sale of products referencing IBORs, sales of products referencing RFRs and the transition of legacy contracts to alternative rates. There is a risk that the Bank is unable to meet regulatory milestones associated with the discontinuance of sale of certain IBOR products, which may result in regulatory investigations or reviews being conducted into the Bank’s preparation and readiness for the replacement of IBORs with alternative reference rates. Additionally, if the Bank’s sales processes are not appropriately adapted to account for the additional complexity of new products, or new RFR market conventions, additional conduct risks and regulatory actions may result and there may be a heightened risk of disputes;
- legal risks associated with the enforceability of fall-back provisions in IBOR contracts. There is a risk that some contracts will not be transitioned before the relevant IBOR is discontinued and the parties will need to rely on the “fall-back” provisions of those contracts. As these fall-back provisions do not always contemplate the permanent cessation of the relevant IBOR, there is a risk that the provisions may not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes for clients. This may lead to complaints, litigation and/or regulatory action. While legislative solutions have been proposed in the UK, U.S. and EU, market participants will need to consider the impact of any proposals ultimately adopted; and
- financial risks resulting from the discontinuation of IBORs and the development of RFR market liquidity will affect the Bank throughout transition. The differences in IBOR and RFR interest rate levels will create a basis risk that the Bank will need to actively manage through appropriate financial hedging. Basis risk in the trading book and in the banking book may arise out of the asymmetric adoption of RFRs across assets and liabilities and across currencies and products. In addition, this may limit the ability to hedge effectively.

For further details relating to the discontinuation of IBORs and the development of risk free rates, please see “*Risk relating to the structure of a particular issue of notes - Certain benchmark rates, including EURIBOR and HIBOR, may be discontinued or reformed in the future*” and “*- Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history*”. If any of these risks materialise, it could have a material adverse effect on the Bank’s business, financial condition, results of operations, prospects and customers.

The Bank's expanding range of products and services exposes it to new risks.

The Bank has been expanding and intends to continue to expand the range of its products and services. Expansion of its business activities and product range exposes the Bank to a number of risks and challenges, including the following:

- the Bank may not have sufficient experience or expertise in certain new products and services and may not compete effectively in these areas;
- the new products and services may not be accepted by the Bank's customers or meet its expectations for profitability;
- the new products and services may give rise to potential disputes or claims from customers;
- the Bank may not be able to hire or retrain personnel who are able to conduct new business activities;
- the Bank may fail to obtain regulatory approval for its new products or services; and
- the Bank may not be successful in enhancing its risk management capabilities and information technology systems to support a broader range of products and services.

If the Bank is unable to achieve the intended results from the expansion of its range of products and services, its business, financial condition and results of operations may be materially and adversely affected. In addition, if the Bank fails to promptly identify and expand into new areas of business to meet the increasing demand for certain products and services, the Bank may fail to maintain its market share or lose some of its existing customers.

The Bank is subject to credit and funding risks with respect to certain off-balance sheet commitments.

In the normal course of its business, the Bank makes commitments and guarantees which are not reflected as liabilities on its balance sheet, including commitments, certain guarantees and letters of credit relating to the performance of its customers. The Bank is subject to the credit risk of its customers as a result of these off-balance sheet undertakings. Over time, the creditworthiness of the Bank's customers may deteriorate and the Bank may be called upon to fulfil its commitments and guarantees in case any of its customers fail to perform their obligations owed to third parties. If the Bank is unable to obtain payment or other indemnification from its customers in respect of these commitments and guarantees, its business, financial condition and results of operations may be adversely affected.

The Bank may not be able to maintain the growth of its loan portfolio.

The growth of the Bank's loan portfolio may be affected by various factors, such as the PRC's macroeconomic policies and capital constraints. In the future, the growth rate of the Bank's loan portfolio may slow down, or the balance of the Bank's loan portfolio may even decline. In addition, in response to constraints on the Bank's regulatory capital, the Bank may adopt strategies to reduce the Bank's reliance on its loan portfolio and expand its activities in other businesses that require relatively lower capital. Any of the foregoing factors could impact the growth of the loan portfolio and thereby materially affect the Bank's business, financial condition and results of operations.

The Bank may not be able to maintain the growth rate of its retail banking business.

As one of the leading commercial banks in the PRC, the Bank may not be able to maintain its competitive position or sustain its growth rate due to increasing market saturation and competition, changes in government regulations in the banking industry in the PRC and other factors, any of which may adversely affect its business, financial condition and results of operations.

For example, on 23 February 2013, the State Council promulgated the Notice of the General Office of the State Council on Continuing Regulation and Control of Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which requires banking institutions to implement differentiated housing credit policies, further implement the policy of down payment ratio and mortgage rate for first time house buyers and tighten the credit policies for buyers for second or additional homes, and imposes a personal income tax on the profit generated from sale of residential property. Such measures may slow down the development of the residential real estate market in the PRC, hinder the increase in residential mortgages and reduce the average amount of residential mortgages, and thus have a material adverse impact on the Bank's retail banking business. On 29 September 2014, the PBOC and the China Banking Regulatory Commission (the "CBRC", later known as the CBIRC, which has been replaced by the NAFR since May 2023) jointly promulgated the Notice on Further Improving Financial Services for Housing (關於進一步做好住房金融服務工作通知), which allows households owning only one residential property and having paid all mortgages on such property to enjoy the benefit of first-time home buyers under certain circumstances. Since August 2023, the Ministry of Housing and Urban-Rural Development ("MOHURD"), PBOC, and NAFR have promulgated a series of relaxation policies, including the Notice on Optimising the Criteria for Determining the Number of Housing Units in Individual Housing Loans (住房城鄉建設部、中國人民銀行、金融監管總局關於優化個人住房貸款中住房套數認定標準的通知) and the Notice on Adjusting and Optimising the Differential Housing Credit Policy (中國人民銀行、國家金融監督管理總局關於調整優化差別化住房信貸政策的通知). These policies have expanded the scope of buyers who qualify for first-time mortgage rates and reduced mortgage rates on existing first-home loans. Notwithstanding such relaxation policies, the PRC government has not abandoned its position that real estate should serve residential purposes instead of speculative investment and as a result, it remains uncertain as to whether the latest relaxation policies, which are subject to further change and implementation by banks in the PRC, will alleviate the slowdown in the PRC's residential market and improve the performance of our retail banking business.

The rapid expansion of the Bank's retail banking business also increases its exposure to changes in economic conditions affecting Chinese consumers. For example, a slowdown in the PRC's economic development could adversely affect the ability of retail borrowers and credit card holders to make payments, thereby increasing the probability of defaults and reducing the demand for retail loans and credit cards. Such a slowdown may also reduce the demand for the Bank's non-interest-based products and services, which could result in a reduction in, among others, the Bank's credit card transaction volumes and sales of investment products. Accordingly, economic difficulties in the PRC that have a material adverse effect on PRC consumers could materially and adversely affect the bank's business, financial condition and results of operations. For further details, please see "*Risks relating to the Global Economy and the PRC Economy – The uncertainties in the global economy, the global financial markets and, in particular, in the PRC and in the industries in which the Bank's loans are concentrated could materially and adversely affect the financial condition and results of operations of the Bank*".

The Bank is subject to the supervision and inspection of regulators in jurisdictions where it operates.

The Bank is subject to supervision and inspection by the PRC's regulatory institutions, including the Ministry of Finance ("MOF"), the PBOC, the NAFR, the CSRC, the State Administration of Taxation ("SAT"), the State Administration of Industry & Commerce, the SAFE and the National Audit Office.

Furthermore, the Bank is also subject to inspection and supervision of regulatory institutions in locations where it operates and the Bank's branches and sub-branches must follow local laws, regulations and regulatory requirements of relevant local regulatory institutions. For example, the Hong Kong Branch is subject to supervision and inspection by the Hong Kong regulatory authorities, including the HKMA and the SFC. The Bank and its subsidiaries, as well as directors, officers or employees, have been subject to regulatory censure as may be announced by the Bank from time to time and there can be no assurance that the Bank's branches

and sub-branches will be able to meet the applicable laws and regulatory requirements at all times. Any failure of the Bank to meet these requirements may result in fines, penalties or sanctions which may materially and adversely affect the Bank's operations, reputation, business, financial position and results of operations. For further details, please see *"Risks relating to the Banks' Business – The Bank may be subject to litigation and regulatory investigations or proceedings and may not be successful in defending itself against such litigation, investigations or proceedings"*.

The Bank is subject to risks associated with its derivative transactions and investment securities.

The Bank enters into derivative transactions primarily for trading, asset and liability management, and on behalf of its customers. There are, among others, credit, market and operational risks associated with these transactions. In addition, despite the relatively well-developed market practice and documentation for derivative transactions in the international financial markets, the PRC's derivative transactions system still remains in its early development stage and the PRC courts have limited experience in dealing with issues related to derivative transactions. This may further increase the risks associated with these transactions. As at 30 June 2023, the notional amount of the Bank's outstanding derivative financial instruments amounted to RMB7,298.35 billion, and the fair value of the Bank's outstanding derivative assets and liabilities amounted to RMB70,837 million and RMB62,341 million, respectively. In addition, the Bank's ability to adequately monitor, analyse and report these derivative transactions is subject to the development of the Bank's information technology system. As a result, the Bank's financial condition and results of operations may be adversely affected by these derivative transactions.

The Bank may, from time to time, invest in securities including bonds, debentures or other financial instruments, both domestically issued in the PRC and offshore. Such investments are subject to credit, market, liquidity and other types of risks associated with such investments.

The Bank will continue to closely follow the developments in the international financial markets and assess impairment allowances on related assets in a prudent manner.

Any non-performance or default by the issuer of such securities or volatility of the markets or liquidity of the markets in which the relevant securities are traded may have an adverse effect on the Bank's financial condition and results of operations.

The Bank's liquidity may be adversely affected if it fails to maintain its deposit growth or if there is a significant decrease in its deposits.

Most of the funding requirements of the Bank's commercial banking operations are met through short-term funding, principally in the form of deposits, including customer and inter-bank deposits. While the Bank's short-term customer deposits have been a stable and predictable source of funding, there can be no assurance that the Bank will always be able to rely on this source of funding. If the Bank fails to maintain its deposit growth or if there is a significant decrease in its deposits, the Bank's liquidity position, business, financial condition and results of operations may be materially and adversely affected. Should any of these events occur, the Bank may need to seek more expensive sources of funding to meet its funding requirements.

In addition, the Bank may experience shortages of cash flow from time to time as a result of mismatches between the maturity of its income-generating assets and the maturity of its debts or funding needs. If the mismatches between the maturity of its assets and the maturity of its debts or funding needs widen significantly, the Bank's liquidity position could be materially and adversely affected. There can be no assurance that the Bank will be able to obtain additional capital source or financing based on acceptable terms or at all. The Bank may need to seek alternative sources of short-term or long-term funding to finance its operations, which may be more expensive than existing deposits. Furthermore, the Bank's ability to obtain additional funds may also be affected by other factors, including factors beyond the Bank's control, such as the deterioration of overall

market conditions, disturbances to the financial markets or a downturn in the industries where it has substantial credit exposure. All of these factors may result in significant adverse effects on the Bank's liquidity, business, financial position and results of operations. See also *"Risks Relating to the PRC Banking Industry"* for additional information relating to the PRC banking regulatory regime.

The PRC regulators have implemented measures relating to lending to small and medium enterprises ("SMEs") and the Bank may be subject to future regulatory changes.

The CBRC (now the NAFR) has promulgated a series of measures, including the Guidance on Issues Relevant to Establishing Special Agencies for Small Business Lending by Banks (關於銀行建立小企業金融服務專營機構的指導意見) and Notice on Further Supporting Commercial Banks' Improvement of Financial Services to Small Enterprises (關於支持商業銀行進一步改進小企業金融服務的通知), to encourage banking institutions to implement the PRC government's macroeconomic policies, and, in particular, to proactively support continued healthy economic growth by increasing lending activities to SMEs while effectively controlling risk.

In addition, PBOC has implemented a variety of measures to reduce the cost of borrowing for companies that have been hit hard by the outbreak of Coronavirus Disease 2019 ("COVID-19"), including lowering the loan interest rates. In February 2020, PBOC reduced the one-year loan prime rate from 4.15 per cent. to 4.05 per cent., and the five-year rate from 4.80 per cent. to 4.75 per cent. which was the first reduction since October 2019. More recently, in June 2023, PBOC cut the five-year loan prime rate from 4.30 per cent. to 4.20 per cent and further cut the one-year loan prime rate from 3.55 per cent. to 3.45 per cent. in August 2023. However, SMEs are more vulnerable to fluctuation in the macro-economy as compared to large enterprises due to relatively limited capital, management or other resources required to cope with the adverse impact of major economic or regulatory changes. In addition, SMEs may not be able to provide reliable information necessary for the Bank to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, the non-performing loans of the Bank may be significantly increased if its SME clients are affected by economic or regulatory changes, which could materially and adversely affect the Bank's business, results of operations and financial condition.

There can be no assurance that the policies, laws and regulations governing the PRC banking industry, in particular, those relating to lending to SMEs, will not change in the future or that any such changes will not materially and adversely affect the Bank's business, financial condition and results of operations.

The Bank's loan classification may be different in certain respects from those applicable to banks in certain other countries or regions.

The Bank classifies its loans as "pass", "special-mention", "substandard", "doubtful" and "loss" by using the five-category classification system according to the requirements of the NAFR. Its five-category classification system may be different in certain respects from those of banks incorporated in certain other countries or regions. As a result, it may reflect a different degree of risk than what would be reported if the Bank were incorporated in those countries or regions.

The Bank may not be able to detect money laundering and other illegal or improper activities, which could expose it to additional liability and harm its business.

The Bank is required to comply with applicable anti-money laundering laws, anti-terrorism laws and other regulations in the PRC and other jurisdictions in which it has operations. These laws and regulations require the Bank to, among others, adopt and enforce "know your customer" policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. The Bank has implemented an anti-money laundering system in accordance with the PRC Law on Anti-money Laundering and other relevant rules and regulations of the PRC government supervisory bodies.

If the Bank fails to fully comply with the applicable anti-money laundering laws and regulations, the relevant government supervisory bodies have the power and authority to impose fines and other penalties on it. While the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking network for money laundering activities or by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering or other illegal or improper activities. To the extent the Bank may fail to fully comply with applicable laws and regulations, the relevant government agencies to whom the Bank reports have the power and authority to impose fines and other penalties on the Bank, which may materially and adversely affect the Bank's reputation, business, financial condition and results of operation. For instance, in October 2020, the Bank's Shijiazhuang Branch received a penalty notice from PBOC for its failure to comply with anti-money laundering background check requirements and it was fined RMB1 million.

The Bank's business is highly dependent on the proper functioning and improvement of its information technology systems.

The Bank is highly dependent on the ability of its information technology systems to accurately process a large number of transactions across numerous and diverse markets and products in a timely manner. The proper functioning of the Bank's financial control, risk management, accounting, customer service and other data processing systems, together with the communication networks among the Bank's various branches and sub-branches and its main data processing centres, are critical to the Bank's business operations and its ability to compete effectively. The Bank maintains backup data for key data processing systems and has established a disaster recovery centre to maintain principal functions in the event of a catastrophe or a failure of the Bank's primary systems. However, the Bank's operations may be materially disrupted if there is a partial or complete failure of any of these primary information technology systems or communications networks. Such failures could be caused by, among others, software bugs, computer viruses, attacks by computer hackers or conversion errors due to system upgrading. Any failure or delay in recording or processing the Bank's transaction data could expose the Bank to significant financial risk and subject the Bank to the risk of claims for losses and regulatory fines and penalties.

In particular, the secure transmission of confidential information is critical to the Bank's operations. The Bank's networks and systems may be vulnerable to unauthorised access and other security problems. There can be no assurance that the Bank's existing security measures will prevent unforeseeable security loopholes, including break-ins and viruses, or other disruptions such as those caused by defects in hardware or software and errors or misconduct of operators. Persons who circumvent the Bank's security measures could use the Bank's or the Bank's clients' confidential information illegally. Any material security loopholes or other disruptions could expose the Bank to risk of loss or regulatory actions, which may in turn harm the Bank's reputation or results of operations.

The Bank's ability to remain competitive will depend in part on its ability to upgrade its information technology systems on a timely and cost-effective basis. In addition, the information available to and received by the Bank through its existing information technology systems may not be timely or sufficient enough for it to manage risks and plan for, and respond to, market changes and other developments in its current operating environment. As a result, the Bank is making and intends to continue making investments to improve or upgrade its information technology systems. Any substantial failure to improve or upgrade its information technology systems effectively or on a timely basis could materially and adversely affect the Bank's competitiveness, business, financial condition and results of operations.

Internet banking services involve risks of security breaches.

Internet banking activities involve the electronic storage and transmission of confidential information, which are vulnerable to unauthorised access, computer viruses and other disruptions. These possible security breaches

could expose the Bank to liability and damage its reputation. Costs incurred in rectifying security breaches may be high and may materially and adversely affect the Bank's business, financial condition and results of operations. Rectifying security breaches may also result in interruptions, delays or termination of service to users accessing the Bank's internet banking services. Undetected defects in software products that the Bank uses in providing its internet banking services and the Bank's inability to sustain a high volume of internet traffic may have a material and adverse effect on the Bank's internet banking business. For further details relating to the information technology risks faced by the Bank, please see the above paragraph titled "*The Bank's business is highly dependent on the proper functioning and improvement of its information technology systems*".

If the Bank is unable to effectively control the non-performing loan ratio and assets quality, its financial condition and results of operations may be adversely affected.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the Bank's NPL were RMB78.46 billion, RMB76.83 billion, RMB74.62 billion and RMB74.30 billion, respectively, representing an NPL ratio of 1.73 per cent., 1.61 per cent., 1.52 per cent., and 1.49 per cent., respectively. The Bank's NPL ratio may increase in the future for a variety of reasons, including factors which are beyond the Bank's control, such as a slowdown in economic growth and other adverse macroeconomic trends in the PRC or a deterioration in the financial condition or results of operations of the Bank's borrowers, which could impair the ability of the Bank's borrowers to service their debt. For example, the Bank's SMEs customers may be particularly sensitive and vulnerable to the impact of certain events such as natural disasters and economic slowdown. There can be no assurance that the Bank will be able to maintain or lower its current NPL ratio in the future or that the quality of its existing or future loans and advances to borrowers will not deteriorate. As a result of the PRC government's economic stimulus programs, many PRC banks, including the Bank, experienced high growth in their loan balances in the past. This increase in bank loans may lead to elevated impaired loan ratios and loan loss provisions as well as increasing strain on the Bank's risk management resources, which may affect the quality of its loan portfolio.

The Bank's NPL ratio is affected by various factors, including the quality of the Bank's loan portfolio, the Bank's borrowers' financial condition, repayment ability and repayment intention, the realisable value of any collateral, the extent of any guarantees, the industry in which the borrower operates in, as well as general economic and business conditions. Many of these factors are beyond the Bank's control.

The Bank is subject to certain operational requirements as well as guidelines set by the PRC banking regulatory authorities, such as maintaining a satisfactory loan-to-deposit ratio and a capital adequacy ratio.

The Bank is subject to certain operational requirements and guidelines set by the PRC banking regulatory authorities, such as the NAFR. There can be no assurance that the Bank will be able to meet these operational requirements and guidelines in the future at all times, or that no fines or sanctions will be imposed on the Bank in the future if it fails to do so. If fines or sanctions are imposed on the Bank for breaches of these or other operational requirements and guidelines, the Bank's business, financial condition and results of operations may be materially and adversely affected.

The Group may not be able to satisfy the capital adequacy requirements established by the NAFR.

The Group is subject to capital adequacy guidelines set by the NAFR. On 7 June 2012, the CBRC (now the NAFR) promulgated the Measures on Capital Management of Commercial Banks (Trial) (商業銀行資本管理辦法(試行)) (the "**Capital Management Rules**") based on the reform of the banking industry and the existing regulatory framework of the PRC. The Capital Management Rules establish a unified regulatory system in respect of the capital adequacy ratio, clarify the definition of capital, expand the range of capital risk coverage, raise the bottom line for the capital adequacy ratio and set a six-year transition period (from 2013 to 2018) for banks to comply with capital adequacy ratio requirements. On 30 November 2012, the CBRC issued the Notice on Matters in relation to the Implementation of Transition Period Arrangements regarding the Measures on

Capital Management of Commercial Banks (Trial) (中國銀監會關於實施《商業銀行資本管理辦法（試行）》過渡期安排相關事項的通知), which provides the regulatory standards and implementation course for the transition period. On 26 October 2023, the NAFR promulgated the Measures on Capital Management of Commercial Banks (商業銀行資本管理辦法) (the "New Capital Management Rules") which became effective from 1 January 2024. As a result, the Bank is required to maintain a minimum core tier one capital adequacy of five per cent., a minimum tier one capital adequacy of six per cent. and a minimum capital adequacy of eight per cent. In addition, the Bank was recognised as a systemically important bank in China by the PBOC and NAFR for the third consecutive year in 2023. Each domestic systemically important bank is required to maintain a further capital surcharge above prevailing capital adequacy requirements as separately stipulated by the PBOC in conjunction with the NAFR. NAFR may further increase the minimum capital adequacy requirements or change the methodology for calculating regulatory capital or capital adequacy ratios, or the Group may otherwise be subject to new capital adequacy requirements or new capital measurement approaches, such as advanced capital measurement approach. The Group's inability to maintain these capital adequacy ratios may result in the NAFR taking corrective measures against the Group, including restricting its ability to distribute cash dividends and/or open new branches, which may affect the Group's business expansion or otherwise materially and adversely affect its business.

The Group's capital adequacy could be negatively affected by deterioration in the Group's financial condition, including an increase in the level of its impaired loans, or if its growth places capital demands in excess of what the Group is able to generate internally or raise in the capital markets or through alternative means. As at 30 June 2023, the Group's capital adequacy ratio, tier-1 capital adequacy ratio and core tier-1 capital adequacy ratio were 13.57 per cent., 10.87 per cent. and 9.16 per cent., respectively, which were in compliance with the relevant PRC laws and regulations.

Moreover, the Group has increased amount of credit loans to support development of national real economy, which resulted in the growth of risk-weighted assets from RMB6,182,036 million as at 31 December 2022 to RMB6,448,771 million as at 30 June 2023. There is no assurance that the Group's capital will not be affected in the future by developments that will prevent the Group from satisfying the current capital adequacy requirements, including but not limited to:

- continued increase of its risk-weighted assets as a result of the rapid expansion of its business;
- its inability to timely supplement or increase the Group's capital;
- losses resulting from deterioration in asset quality;
- changes in accounting rules or in the guidelines regarding the calculation of the capital adequacy ratios of commercial banks; and
- changes in definition of systemically important banks by the relevant regulator which may affect minimum capital adequacy requirements that the Group should satisfy.

Furthermore, the Group's ability to raise additional capital in the future may be limited by numerous factors, including but not limited to:

- its future financial condition, results of operations and cash flows;
- conditions prescribed by PRC law and regulatory approvals;
- its credit rating;

- general market conditions for capital-raising activities by commercial banks and other financial institutions; and
- domestic and international economic, political and other conditions.

As at the date of the Offering Circular, the Group has RMB80 billion of Tier 2 capital bonds in issue and has issued RMB80 billion in perpetual bonds in the onshore market. The Group also issues financial bonds from time to time to supplement its capital in accordance with applicable laws and regulatory approval. If the Group requires additional capital in the future, the Group may not be able to obtain such capital in a timely manner or at all. The Group may face difficulties in meeting these requirements in the future. If the Group is unable to meet the capital adequacy requirements for any reason, such as its inability to secure additional capital or an increase to the capital adequacy requirements by the relevant regulator, such regulator may take corrective measures against the Group. These measures could materially and adversely affect the Group's reputation, financial condition and results of operations.

Failure by the Bank to meet its environmental, social and governance (“ESG”) or corporate social responsibility (“CSR”) goals may have an adverse effect on the Bank’s performance.

The Bank takes its corporate social responsibilities seriously and seeks to serve the public, promote the people's livelihoods, and become a time-honored bank. Committed to establishing a high-level ESG management system, the Bank constantly improved its ESG governance structure, strengthened the implementation of ESG philosophies and innovated ESG practices to fully integrate ESG into corporate governance and operation management, so as to continuously improve the level of ESG management. As one of the first Chinese commercial banks proposing comprehensive green finance services, the Bank has built up a complete system of professional green finance products in recent years. The Bank has committed to serving the national strategy of "carbon peaking and carbon neutrality", and continued to make its asset and liability structure, product and service models, and corporate culture go green. With the constantly enhanced business processes, management policies, and information disclosure mechanisms, the Bank could provide financial support for economic activities aimed at environmental improvement, climate change response and efficient use of resources. Meanwhile, the Bank has been actively exploring ways to become a "bank of net zero" in terms of operation and asset portfolio.

Any failure by the Bank to meet any of the strategies, goals, processes and standards mentioned above, or any failure by the Bank to satisfy investor or other stakeholder expectations or standards in the execution of its ESG and/or CSR strategies, may affect the Bank’s current and future business performance, results of operations and reputation. These may in turn negatively affect the Bank’s ability to service the Notes and to satisfy its other obligations under the Notes.

RISKS RELATING TO THE GLOBAL ECONOMY AND THE PRC ECONOMY

The uncertainties in the global economy, the global financial markets and, in particular, in the PRC and in the industries in which the Bank’s loans are concentrated could materially and adversely affect the financial condition and results of operations of the Bank.

The global financial markets have experienced significant disruptions since 2008, and most of the world’s major economies have experienced recession. The recovery from the downturn has been challenging and unstable. The impact of uncertainty regarding the United States federal budget, the signs of cooling of the PRC economy, the volatility in the geopolitical environment in many parts of the world and other disruptions may continue to put pressure on global economic conditions and result in continuing uncertainty for the overall prospects for the global economy. Moreover, there are on-going concerns about the prolonged period of uncertainty around the exit of the United Kingdom from the European Union (“**Brexit**”), the political gridlock in the United States

over government spending and debt levels and the consequences for economic growth and investor confidence in the United States and raising of interest rates by the U.S. Federal Reserve. On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. In December 2020, the United Kingdom, the European Union and the European Atomic Energy Community concluded the EU–UK Trade and Cooperation Agreement (the “TCA”), which applied from 1 January 2021 and following a decision by the Council of the European Union, was ratified and entered into force on 1 May 2021. However, the TCA is limited in its scope to primarily the trade of goods, transport, energy links and fishing, and uncertainties remain relating to certain aspects of the UK’s future economic, trading and legal relationships with the EU and with other countries. Given the lack of precedent, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market. There is also considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world’s leading economies, including the PRC. While some governments worldwide are implementing or may implement “exit strategies” (in the form of reduced government spending, higher interest rates or otherwise) with respect to the economic stimulus measures adopted in response to the global financial crisis, such strategies may, for reasons related to timing, magnitude or other factors, have the unintended consequence of prolonging or worsening global economic and financial difficulties.

More recently, as a result of disruptions such as the COVID-19 outbreak, the interest rate hikes imposed by the U.S. Federal Reserve, the military conflict between Russia and Ukraine and the conflict in Israel and Gaza, as well as the economic slowdown in the PRC, there are no assurance that the Bank will be able to reflect its historical growth under such uncertain and unstable economic conditions.

In the first half of 2023, the global financial markets have experienced further turmoil with the collapse of Silicon Valley Bank, followed by Signature Bank, the crisis of Credit Suisse and the seizure of First Republic Bank, which has resulted in higher uncertainty in the financial services industry and has raised questions about the viability of other financial services firms and possibility of broader systemic risk. In addition, the response by government regulators and central banks to recent financial markets turmoil, including the response by Swiss authorities to the collapse of Credit Suisse and the seizure of First Republic Bank by U.S. regulators, has caused market participants to question how regulators and central banks will utilise resolution authority powers with respect to financial institutions or otherwise respond in the event of further turbulence or crisis in financial markets. In turn, the actual or perceived soundness of these financial institutions could have an adverse effect on the Group’s cost of borrowing and the cost of financing the Group’s operations and investments. For further details, please see *“Risks relating to the Global Economy and the PRC Economy – Any force majeure events, including future occurrence of natural disasters or outbreaks of contagious diseases in the PRC, may have a material and adverse effect on the Bank’s business operations, financial condition and results of operations”*. In light of the high level of interdependence of the global economy, any of the foregoing developments could have a material adverse effect on the PRC economy and financial markets, and in turn on the Bank’s business, financial condition and results of operations.

A significant majority of the Bank’s businesses, assets and operations are located in the PRC. Accordingly, its financial conditions, results of operations and business prospects are, to a significant degree, subject to the economic, political, legal and social conditions and developments in the PRC.

The PRC economy has historically been a planned economy. A substantial portion of productive assets in the PRC is still owned directly or indirectly by the PRC government. The PRC government also exercises significant control over the growth of the PRC economy through measures such as allocating resources, setting monetary policy and providing preferential treatment to particular industries or companies. These measures are aimed to benefit the overall economy of the PRC, but some of them may have negative effects on certain industries, including the commercial banking industry. For example, the Bank’s operating results may be

adversely affected by government control over capital investments or changes in interpretation of and application of applicable tax regulations. In addition, in recent years, the PBOC has instituted broad reform of the PRC's monetary policy. If the Bank is unable to adjust its operations in accordance with these reforms, its financial condition and results of operations could be materially and adversely affected.

Although the PRC's economic growth has increased compared to its level immediately after the global financial crisis, it has displayed signs of slowdown as evidenced by a decrease in the growth rate of the PRC's gross domestic product ("GDP") in recent years. This was caused by a combination of factors most of which are beyond the Bank's control, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally. According to the statistics released by the National Bureau of Statistics of China (the "NBS"), in 2020, the PRC government reported a GDP of RMB101.36 trillion, representing year-on-year growth of 2.2 per cent. at constant prices; and in 2021, the PRC government reported a GDP of RMB114.92 trillion, representing a stable recovery with year-on-year growth of 8.4 per cent. at constant prices; and in 2022, the PRC government reported a GDP of RMB121.02 trillion, representing a decrease in year-on-year growth to 3.0 per cent. at constant prices. Although the PRC government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy, there can be no assurance that those measures will be effective. In the meantime, the macroeconomic measures and monetary policies adopted by the PRC government in response to economic conditions, such as adjusting tax policies, benchmark interest rates or reserve requirement ratios, may have a material effect on the Bank's business, financial condition, results of operations and asset quality. As the PRC government continues to regulate the economy by using monetary and fiscal policies, the Bank's business, financial condition and results of operations may be materially and adversely affected.

Interpretation and implementation of the PRC laws and regulations may involve uncertainties.

The Bank is incorporated and exists under the laws of the PRC. The PRC legal system is based on written statutes. Since the late 1970s, the PRC has promulgated laws and regulations dealing with legal relations in respect of such economic matters as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view towards developing a comprehensive system of commercial law. However, as many of these laws and regulations are relatively new and continue to evolve, especially with respect to the PRC banking regulatory regime, these laws and regulations may be subject to different interpretations and enforced in different manners. As PRC laws and regulations could be subject to interpretation and enforcement in different manners, this may adversely affect the legal protections and remedies that are available to the Bank in its operations and to holders of the Notes.

For example, on 10 February 2023, the NDRC issued the NDRC Measures, which replaced the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the "NDRC Circular") issued by the NDRC on 14 September 2015. Effective from 10 February 2023, according to the NDRC Measures, domestic enterprises and/or their overseas controlled entities shall procure the registration of any issue of debt securities with term of one year or more outside the PRC with the NDRC prior to such issue, and (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the foreign debt registration certificate with respect to the relevant Notes in accordance with the NDRC Measures, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations. The NDRC Measures mentions some legal consequences of non-compliance with the pre-issuance registration. For example, if the enterprise borrows foreign debt in violation of the NDRC Measures, the examination and registration authority shall take disciplinary actions such as holding an interview and giving a

public warning against the relevant enterprise and its principal person-in-charge according to the seriousness of the circumstances, and if any intermediary agency knows or should have known that an enterprise is borrowing foreign debt in violation of the relevant provision of the NDRC Measures but still provides the relevant intermediary services to the enterprise, the examination and registration authority shall circulate a notification of violation of regulations, and consult the relevant department on punishing the relevant intermediary agency and relevant liable persons in accordance with the applicable laws and regulations. In the worst-case scenario, if pre-issuance registration is required but not complied with, it might become unlawful for the relevant Branch Issuer or the Bank, as the case may be, to perform or comply with any of its obligations under the relevant Notes and the relevant Notes might be subject to enforcement as provided in Condition 14 (*Events of Default*). Potential investors of the Notes are advised to exercise due caution when making their investment decisions.

Similarly, the NDRC Measures mentions some legal consequences of non-compliance with the post-issue reporting requirement. Failure to comply with the NDRC post-issue and continuing filing obligations (such as post-issue filing, pre-issuance approval expiration filing, periodical filing and major event filing, etc.) under Articles 24 and 26 of the NDRC Measures may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the “Credit China” website and the national enterprise credit information publicity system, among others.

The relevant Branch Issuer (acting through the Bank) or, as the case may be, the Bank, undertakes to (i) file or cause to be filed with the NDRC the requisite information and documents within the relevant prescribed timeframes from time to time after the relevant Issue Date in respect of the relevant Notes in accordance with the NDRC Measures and (ii) comply with the NDRC Measures and other obligations required by the NDRC as it applies to the relevant Notes. However, the NDRC Measures is new and its implementation may involve uncertainty.

While the NDRC Measures has set out the legal consequences for debtors and involved professional parties in cases of non-compliance of the NDRC Measures, the NDRC Measures is silent on whether any such non-compliance would affect the validity and enforceability of the Notes. There is no assurance that the failure to comply with the NDRC Measures would not result in adverse consequences on the relevant Branch Issuer’s or the Bank’s ability to perform in accordance with the Terms and Conditions of the Notes or the enforceability of the Notes.

On 11 January 2017, the PBOC promulgated the Circular on Issues concerning the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (中国人民银行关于全口径跨境融资宏观审慎管理有关事宜的通知) (the “**PBOC Circular**”). Under the PBOC Circular, financial institutions are required to file relevant operating rules and internal control policies and the details of the calculation of their outstanding foreign debt and foreign debt limit with PBOC or SAFE before making their first cross-border financing transaction and they are required to report to PBOC or SAFE of the amount of its capital fund and the financing agreement when a financing agreement is signed and before the drawdown of the loan or issue of debt securities, report its cross-border income after such drawdown, and report its cross-border payments after making interest or principal payments. In addition, financial institutions are also required to report to PBOC or SAFE on the fifth working day of each month on the foreign debt it has borrowed and the change in its outstanding foreign debt during the previous month. The Bank is one of the 27 designated banks required to carry out the aforesaid reporting procedures. The PBOC Circular is a new regulation and is subject to interpretation and application by relevant PRC authorities. The PBOC Circular applies to the issue of Notes under the Programme by the Bank or its onshore branches, but does not explicitly state whether it applies to offshore branches of financial institutions incorporated in the PRC.

Further, for the purpose of calculating the risk-weighted cross-border financing balance as prescribed in the PBOC Circular, the foreign debt (including but not limited to the Notes) of offshore branches of financial institutions in the PRC are excluded from the calculation unless PBOC requires that the foreign debt be included if issue proceeds of the Notes is remitted into the PRC. If reporting is required but not complied with, PBOC and/or SAFE may, among other things, (a) issue a notice of censure, (b) request rectification within a time limit, (c) impose a penalty according to the Law of People's Republic of China on the People's Bank of China and the Regulation of the People's Republic of China on the Management of Foreign Exchanges, (d) suspend cross-border financing of the institution, and (e) collect risk reserves from the institution. In addition, in the worst case scenario, if reporting is required but not complied with, it might become unlawful for the Issuer to perform or comply with any of its obligations under the Notes and the Notes might be subject to the enforcement as provided in Condition 14 (*Events of Default*).

The Bank is subject to the PRC government controls on currency conversion and future movements in foreign currency exchange rates.

The Bank receives a significant majority of its revenues in Renminbi. A portion of these revenues must be converted into other currencies to meet its foreign currency obligations.

The value of Renminbi against the U.S. dollar and other currencies fluctuates and is affected by many factors, including changes in political and economic conditions in the PRC and globally. Starting from 1994, the conversion of Renminbi into foreign currencies, including the Hong Kong dollar and the U.S. dollar, was based on rates set daily by the PBOC based on the previous business day's inter-bank foreign exchange market rates and then current exchange rates on the world financial markets. For more than ten years, the official exchange rate for conversion of Renminbi to U.S. dollar was generally stable.

On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of Renminbi appreciated by approximately 2 per cent. against the U.S. dollar. In July 2008, the PRC government announced that its exchange rate regime would change into a managed floating mechanism based on market supply and demand. Given domestic and overseas economic developments, the PBOC decided to further adjust the Renminbi exchange rate regime in April 2012 and March 2014 to enhance the flexibility of the Renminbi exchange rate. In August 2015, the PRC government thrice lowered the daily mid-point trading price of the Renminbi weaker against the U.S. dollar, which was the most significant downward adjustment of the Renminbi in more than a decade. Since April 2019, the value of Renminbi has depreciated in value against the U.S. dollar by more than five per cent. amidst an uncertain trade and global economic climate. In August 2019, the PBOC set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. Since June 2020, Renminbi has been experiencing another round of appreciation against U.S. dollar. However, as at 31 August 2023, the Renminbi was around 4.2 per cent. weaker against the U.S. dollar than it was a year ago. There is no assurance that the Renminbi will not experience significant fluctuations against the U.S. dollar in the future. The PRC government may also make further adjustments to the exchange rate system. Any appreciation of Renminbi against the U.S. dollar or any other foreign currency may result in a decrease in the value of the Bank's foreign currency-denominated assets. Conversely, any devaluation of Renminbi may adversely affect the value of the Bank's assets in Renminbi terms.

In addition, the Bank is required to obtain approval from SAFE before converting foreign currencies into Renminbi for non-current account transactions, such as the repayment of loan principal and investment in equities. All these factors could materially and adversely affect the Bank's business, financial condition, results of operations and compliance with capital adequacy ratios and operational ratios.

There can be no assurance of the accuracy or comparability of facts, forecasts and statistics contained in this Offering Circular with respect to the Bank, the PRC, its economy or its banking industry.

Certain facts, forecasts and statistics in this Offering Circular relating to the PRC, the PRC economy, the PRC and global banking industries and the Bank's market share and ranking are derived from various official and other publicly available sources which are generally believed to be reliable. However, the Bank cannot guarantee the quality and reliability of such source materials. In addition, these facts, forecasts and statistics have not been independently verified by the Bank, or any of its directors, employees, representatives, affiliates or advisers and, therefore, none of them makes any representation as to the accuracy or fairness of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up to date. The Bank has taken reasonable care in reproducing or extracting the information from such sources. However, because of possibly flawed or ineffective methodologies underlying the published information or discrepancies between the published information and market practice and other problems, these facts, forecasts and other statistics may be inaccurate or may not be comparable from period to period or be comparable to facts, forecasts or statistics produced for other economies and should not be unduly relied upon.

Any force majeure events, including future occurrence of natural disasters or outbreaks of contagious diseases in the PRC, may have a material and adverse effect on the Bank's business operations, financial condition and results of operations.

Any future force majeure events, such as occurrence of natural disasters or outbreaks of health epidemics and contagious diseases, including avian influenza, SARS, Ebola virus disease ("Ebola"), Middle East respiratory syndrome coronavirus ("MERS"), COVID-19, swine flu caused by the H1N1 virus, or H1N1 flu or variants thereof, may materially and adversely affect the Bank's business, financial condition and results of operations. Possible force majeure events may give rise to additional costs to be borne by the Bank and have adverse effects on the quality of its assets, business, financial condition and results of operations. An outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn adversely affect the Bank's business. There is no assurance that such outbreak will not lead to decreased demand for services the Bank provides; nor is there assurance that such outbreak's adverse impact on the PRC economy and the Bank's customers will not adversely affect the level of non-performing loans.

Moreover, the PRC has experienced natural disasters like earthquakes, floods and drought in the past few years. Any future occurrence of severe natural disasters in the PRC may adversely affect its economy and in turn the Bank's business. There can be no guarantee that any future occurrence of natural disasters or outbreak of COVID-19, avian influenza, SARS, Ebola, MERS, swine flu, H1N1 flu or other epidemics, or the measures taken by the PRC government or other countries in response to a future outbreak of avian influenza, SARS, Ebola, MERS, swine flu, H1N1 flu, COVID-19 or other epidemics, will not seriously interrupt the Bank's operations or those of its customers, which may have a material and adverse effect on its business, financial condition and results of operations.

RISKS RELATING TO THE PRC BANKING INDUSTRY

The PRC banking regulatory regime is continually evolving and the Bank is subject to future regulatory changes.

The Bank operates in a highly regulated industry and is subject to laws and regulations governing all aspects of its operations. The principal banking-related statutes and regulations are the PRC Commercial Banking Law

and the related implementation rules. The principal regulators of the PRC banking industry are the NAFR (formerly known as the CBIRC), the PBOC and SAFE.

The PRC banking regulatory regime has been evolving continuously. Some of the changes in the rules and regulations as well as their interpretations may result in additional costs or restrictions on the Bank's operations and activities. For example, the PBOC, as the central bank of the PRC, exercises significant influence over monetary policies, including setting the official benchmark interest rates that all the PRC commercial banks must follow. In addition, the Bank may be required to increase its deposit reserves in response to future changes in the PBOC rules and regulations. The Bank may be required to take additional steps to comply with future changes on a timely basis. For example, the PBOC may increase or decrease the reserve requirement ratio, which refers to the amount of funds that banks must hold in reserve against deposits made by their customers, or revise its calculation basis in the future. Increases in the bank reserve requirement ratio or expansion of the calculation basis of the reserve requirement may negatively impact the amount of funds available for loans to businesses provided by the Bank and therefore may adversely affect the Bank's ability to earn interest.

The Bank's business and operations are directly affected by changes in the PRC's policies, laws and regulations relating to the banking industry, such as those affecting the extent to which it can engage in specific businesses, as well as changes in other governmental policies. There can be no assurance that the policies, laws and regulations governing the banking industry will not change in the future or that any such changes will not materially and adversely affect the Bank's business, financial condition and results of operations nor can there be any assurance that the Bank will be able to adapt to all such changes on a timely basis. In addition, there may be uncertainties regarding the interpretation and application of new policies, laws and regulations, which may result in penalties and restrictions on the Bank's activities and could also have a significant impact on its business.

The increasingly competitive nature of the PRC banking industry and competition from non-traditional forms of banking, as well as competition for funds which may arise from the developing PRC capital markets, could adversely affect the Bank's business, financial condition, results of operations and prospects.

The PRC banking industry is becoming increasingly competitive. The Bank faces competition from large-scale commercial banks, national joint stock commercial banks, key urban commercial banks and foreign-invested banks. In addition, the Mainland and Hong Kong Closer Economic Partnership Arrangement, which allows Hong Kong banks to operate in the PRC, may also increase competition in the PRC banking industry. These banks and financial institutions compete with the Bank for substantially the same loan, deposit and fee customers. Some of these banks may have greater financial, management and technical resources than the Bank. Moreover, the PRC government has, in recent years, implemented a series of measures designed to further liberalise the banking industry, including those relating to interest rates and fee-and commission-based products and services, which are changing the basis on which the Bank competes with other banks for customers. The increased competition may:

- reduce the Bank's market share in its principal products and services;
- reduce the growth of the Bank's loan portfolio or deposit base and other products and services;
- reduce the Bank's interest income, increase its interest expenses and decrease its net interest margin;
- reduce the Bank's fees and commission income;
- increase the Bank's outgoings and expenses, such as marketing and administrative expenses;
- lead to a deterioration of the Bank's asset quality; and

- increase the turnover of and competition for senior management and qualified professional personnel.

The Bank may not always be able to maintain its competitive advantage or successfully compete in all the business areas in which it currently operates or will in the future operate.

On 1 July 2013, the General Office of the State Council of the PRC issued Guidance Letter regarding Financial Support for Promoting Economic Restructuring and Transformation (国务院办公厅关于金融支持经济结构调整和转型升级的指导意见) (the “**Guidance Letter**”). The Guidance Letter, among others, encourages investment by private-sector capital in financial institutions and the establishment of privately-owned banks. The Guidance Letter provides a policy direction to the increasing involvement of private-sector capital in the financial industry in the PRC.

The Bank may face increasing competition from privately-owned banks or financial companies dedicated to serving SMEs in the future. The Bank may also face competition for funds from other forms of investment alternatives as the PRC capital markets continue to develop. For example, as the PRC capital markets continue to develop and become a more viable and attractive investment alternative, the Bank’s deposit customers may elect to transfer their funds into bonds, equities and other capital market instruments, which may reduce its deposit base and materially and adversely affect its business, financial condition and results of operations.

Furthermore, the Bank faces competition from non-traditional forms of banking, including but not limited to internet finance such as “Yu’E Bao” (“余额宝”) and peer-to-peer lending and internet banking. Internet finance and internet banking have experienced rapid growth in recent years in the PRC. As such non-traditional forms of banking continue to gain importance, the increasing costs of maintaining physical banking outlets have made traditional forms of banking less profitable. There is no assurance that the Bank will continue to have sufficient resources, knowhow or technology to develop its internet banking business. In the event the Bank fails to adapt to internet finance, internet banking or other banking trends, the business, financial condition and results of operations of the Bank may be adversely affected.

The rate of growth of the PRC banking market may not be sustainable.

The prospective impact on the PRC banking industry of certain trends and events, such as the pace of economic growth in the PRC and the ongoing reform of the social welfare system, is currently not clear. Consequently, there can be no assurance that the growth and development of the PRC banking market will be sustainable.

PRC regulations impose limitations on the types of investments the Bank may make and, as a result, the Bank has a limited ability to seek optimal investment returns, to diversify its investment portfolio and to hedge the risks of its Renminbi-denominated assets.

As a result of PRC regulatory restrictions, substantially all of the Renminbi-denominated investment assets of PRC commercial banks are concentrated in limited types of investments permitted by the PRC government. These permitted investments include PRC treasury bonds, finance bonds issued in the National Inter-bank Bond Market policy banks, notes issued by the PBOC and Tier 2 capital instruments issued by PRC policy banks, commercial banks and insurance companies. These restrictions on the Bank’s ability to diversify its investment portfolio limit its ability to seek an optimal return on its investments. The restrictions also expose the Bank to significantly greater risk of investment loss in the event a particular type of investment the Bank holds suffers a decrease in value. For example, a general increase in interest rates may result in a significant decline in the value of the fixed income debt securities held by the Bank. In addition, due to the limited hedging tools available, the Bank’s ability to manage market and credit risks relating to Renminbi-denominated assets is limited, and any resulting decline in the value of its Renminbi-denominated assets will adversely affect the Bank’s financial condition and results of operations. This may negatively affect the Bank’s ability to service the Notes and to satisfy its other obligations under the Notes.

The Bank's results of operations may be adversely affected if the PBOC further expedites the deregulation of interest rates.

The PBOC has adopted reform measures to liberalise the PRC's interest rate regime. Effective on 8 June 2012, the PBOC allows financial institutions to set deposit interest rates at up to 110 per cent. of the PBOC benchmark deposit interest rates. As at 25 August 2015, the PBOC one-year Renminbi benchmark loan interest rate was 4.60 per cent. and the one-year Renminbi benchmark deposit interest rate was 1.75 per cent. On 25 October 2013, the PBOC introduced a new prime lending rate, officially known as the "loan prime rate", which is based on a weighted average of lending rates from nine commercial banks. Similarly, the PBOC has adopted measures to liberalise RMB-denominated deposits in commercial banks in China in recent years. As at 11 May 2015, the interest rate for RMB-denominated deposits cannot be set above 150 per cent. of the relevant PBOC benchmark rate. As at 24 October 2015, there is no longer a ceiling rate for the interest rate for RMB-denominated deposits.

In recent years, the PBOC has adjusted the benchmark interest rates several times. The PBOC may further liberalise the existing interest rate restrictions on Renminbi-denominated loans and deposits. If the existing regulations are substantially liberalised or eliminated, competition in the PRC's banking industry will likely intensify as the PRC's commercial banks seek to offer more attractive interest rates to customers. Further liberalisation by the PBOC will likely lead to an intensification of competition in the PRC banking industry and may result in the narrowing of the spread in the average interest rates between Renminbi-denominated loans and Renminbi-denominated deposits, thereby adversely affecting the Bank's business, financial condition and results of operations.

The effectiveness of the Bank's credit risk management is affected by the quality and scope of information available in the PRC.

National credit information databases developed by the PBOC have been in operation since January 2006. However, as the information infrastructure in the PRC is still under development and there remains limitations on the availability of information, national credit information databases are generally under-developed and are not able to provide complete credit information on many of the Bank's credit applicants. Until the PRC has more fully developed and implemented its nationwide unified credit information database on corporate borrowers, the Bank has to rely on other publicly available resources and its internal resources to supplement what is currently available on the nationwide unified credit information database for enterprises. These sources of data and information are not sufficiently complete or effective for the robust credit risk management system that the Bank attempts to build. Therefore, there can be no assurance that the Bank's assessment of the credit risks associated with any particular customer is based on complete, accurate and reliable information. As a result, the Bank's ability to effectively manage its credit risk may be materially and adversely affected.

RISKS RELATING TO THE FINANCIAL INFORMATION

Potential investors should not place undue reliance on the unaudited but reviewed or unaudited and unreviewed financial information included elsewhere in this Offering Circular and the financial information incorporated by reference that is not audited.

The section headed "*Summary Financial Information of the Bank*" contains the most recently published unaudited but reviewed consolidated semi-annual financial information of the Bank for the six months ended 30 June 2023 and the unaudited and unreviewed consolidated quarterly financial information of the Bank for the nine months ended 30 September 2023. This Offering Circular also incorporates by reference the most recently published unaudited but reviewed condensed interim financial statements of the Bank published from time to time after the date of this Offering Circular, together with any review reports prepared in connection therewith, as well as the most recently published unaudited and unreviewed consolidated quarterly reports, published subsequent to the date of this Offering Circular. The Bank publishes its unaudited but reviewed

condensed interim financial statements in respect of the six months ended 30 June of each financial year on the official website of the Shanghai Stock Exchange, and its unaudited and unreviewed consolidated quarterly reports in respect of periods ended 31 March and 30 September of each financial year on the official website of the Shanghai Stock Exchange.

The semi-annual interim reports have not been and will not be audited by the Bank's auditors and were and will be prepared under IAS 34. The semi-annual interim reports should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. The quarterly reports have not been and will not be audited or reviewed by the Bank's auditors and were and will be prepared under PRC GAAP. The quarterly reports should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an auditor or review. None of the Bank, the Group, the Arrangers, the Dealers or their respective directors, officers, employees, agents, affiliates or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such unaudited or, as the case may be, unreviewed consolidated interim financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Bank's financial condition and results of operations. The semi-annual interim reports or, as the case may be, the quarterly reports should not be taken as an indication of the expected financial condition or results of operations of the Bank for the relevant full financial year.

This Offering Circular does not include any information in relation to the differences between IAS 34 and IFRS or, as the case may be, PRC GAAP and IFRS. Had the unaudited but reviewed or, as the case may be, unaudited but reviewed condensed interim financial statements instead been prepared in accordance with IFRS, the presentation of the Bank's results of operations and financial position may have been materially different. Accordingly, in making an investment decision, potential investors should consult their own professional advisers for an understanding of the differences between IAS 34 and IFRS or, as the case may be, PRC GAAP and IFRS and how these differences might affect the financial information stated herein.

Historical consolidated financial information of the Bank is not indicative of its current or future results of operations.

The historical financial information of the Bank included in this Offering Circular is not indicative of its future financial results. Such financial information is not intended to represent or predict the Bank's results of operations of any future periods. The Bank's future results of operations may change materially if its future growth deviates from the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC rules and regulations and the competitive landscape of the banking industry.

The Bank's new accounting standard differs from its old standard, as a result of which certain historical financials may be difficult to compare.

From 1 January 2023, the Bank adopted new amendments to IFRS (including IASs and its amendments) that are effective in 2023 to its accounting policies, including the IFRS 17 – Insurance Contracts, the Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies, the Amendments to IAS 8 – Definition of accounting estimate, the Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from single transaction, International Tax Reform – Pillar Two Model Rules. The initial adoption of the above amendments did not have any material impact on the financial position and financial performance of the Bank.

As the financial information included in the Group's 2021 Financial Statements and 2022 Financial Statements has not been restated to reflect the adoption of the New Standards and Amendments, such financial information is not directly comparable with the financial information of the Group included in the Group's 2023 Interim

Financial Statements and the Group's 2023 Third Quarterly Financial Statements. Please refer to "*Summary Financial Information of the Bank*" in this Offering Circular for further details.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

If the Bank fails to complete the post-issuance report to the NDRC in connection with the Notes or fails to fulfil other regulatory obligations, NDRC or other relevant authorities may impose penalties or other administrative procedures on the Bank.

On 10 February 2023, the NDRC issued the NDRC Measures, which replaced the NDRC Circular. Effective from 10 February 2023, according to the NDRC Measures, domestic enterprises and/or their overseas controlled entities shall procure the registration of any issue of debt securities with term of one year or more outside the PRC with the NDRC prior to such issue, and (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the foreign debt registration certificate with respect to the relevant Notes in accordance with the NDRC Measures, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations. The NDRC Measures mentions some legal consequences of non-compliance with the pre-issuance registration. For example, if the enterprise borrows foreign debt in violation of the NDRC Measures, the examination and registration authority shall take disciplinary actions such as holding an interview and giving a public warning against the relevant enterprise and its principal person-in-charge according to the seriousness of the circumstances, and if any intermediary agency knows or should have known that an enterprise is borrowing foreign debt in violation of the relevant provision of the NDRC Measures but still provides the relevant intermediary services to the enterprise, the examination and registration authority shall circulate a notification of violation of regulations, and consult the relevant department on punishing the relevant intermediary agency and relevant liable persons in accordance with the applicable laws and regulations. In the worst-case scenario, if pre-issuance registration is required but not complied with, it might become unlawful for the relevant Branch Issuer or the Bank, as the case may be, to perform or comply with any of its obligations under the relevant Notes and the relevant Notes might be subject to enforcement as provided in Condition 14 (*Events of Default*). Potential investors of the Notes are advised to exercise due caution when making their investment decisions.

Similarly, the NDRC Measures mentions some legal consequences of non-compliance with the post-issue reporting requirement. Failure to comply with the NDRC post-issue and continuing filing obligations (such as post-issue filing, pre-issuance approval expiration filing, periodical filing and major event filing, etc.) under Articles 24 and 26 of the NDRC Measures may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the "Credit China" website and the national enterprise credit information publicity system, among others.

The relevant Branch Issuer (acting through the Bank) or, as the case may be, the Bank, undertakes to (i) file or cause to be filed with the NDRC the requisite information and documents within the relevant prescribed timeframes from time to time after the relevant Issue Date in accordance with the NDRC Measures and (ii) comply with the NDRC Measures and other obligations required by the NDRC as it applies to the relevant Notes. However, the NDRC Measures is new and its implementation may involve uncertainty. While the NDRC Measures has set out the legal consequences for debtors and involved professional parties in cases of non-compliance of the NDRC Measures, the NDRC Measures is silent on whether any such non-compliance would affect the validity and enforceability of the Notes. There is no assurance that the failure to comply with the

NDRC Measures would not result in adverse consequences on the relevant Branch Issuer's or the Bank's ability to perform in accordance with the Terms and Conditions of the Notes or the enforceability of the Notes.

In addition, when the Issuer is the Bank, there are other pre-issuance or post-issuance applying to the issuance of the Tranche of Notes to be issued, e.g. the PBOC Approval, PBOC Circular, NAFR Reporting and PBOC Reporting (as defined in the Terms and Conditions of the Notes). The Bank has undertaken in the Terms and Conditions of the Notes that it would obtain the approval by the PBOC before issuing a particular tranche of Notes, provide or cause to be provided a notification of the requisite information and documents in connection with the Notes to the PBOC, the NAFR (formerly known as the CBIRC) and/or SAFE within the prescribed timeframe after the relevant Issue Date. If the Bank fails to obtain any such approvals or fails to file or cause to be filed with the relevant authorities the requisite information and documents within the prescribed timeframe, there may be adverse consequence or penalties imposed on the Bank.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the “**FIRO**”) came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include the Bank to the extent it conducts licensed activities in Hong Kong. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Notes or the principal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes, all of which may adversely affect the value of the Notes, and the holders thereof may suffer a loss of some or all of their investment as a result. Holders of Notes may become subject to and bound by the FIRO.

On 17 January 2018, the HKMA announced a public consultation on a set of proposed rules to set out minimum loss-absorbing capacity (“**LAC**”) requirements for authorised institutions under FIRO. The LAC requirements have been proposed in order to ensure that the resolution regime can be used effectively and that authorised institutions have sufficient loss-absorbing capacity. On 14 December 2018, the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (Cap. 628B) came into operation as subsidiary registration under the FIRO.

The implementation of FIRO and LAC requirements remains untested. Therefore, the Bank is unable to assess the full impact of FIRO and the LAC requirements on the financial system generally, the Bank's counterparties, the Bank, any of its consolidated subsidiaries, its operations and/or its financial position.

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

A change in English law which governs the Notes may adversely affect Noteholders.

The Terms and Conditions of the Notes are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against the Group or its management residing in the PRC.

The Terms and Conditions of the Notes and the Programme documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters, Hong Kong courts may require certain additional procedures to be taken. In addition, most companies in the Group are incorporated in the PRC and a substantial amount of the Group's assets and companies are located in the PRC. Further, most of the Group's management reside in the PRC, together with their personal assets. Therefore, investors may encounter difficulties in effecting service of process from outside PRC upon the Group or its management.

Moreover, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other

jurisdictions. Therefore, it may not be possible for investors to effect service of process upon the Group or its management in the PRC.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**2019 Arrangement**”). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the “**Judicial Interpretation**”). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

As the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, the Noteholders' ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the Mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant People's Courts of the Mainland will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

The Notes may be represented by Global Notes or Global Note Certificates and holders of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Note Certificates. Such Global Notes or Global Note Certificates will be deposited with a common depositary for Euroclear and Clearstream, or lodged with a sub-custodian for or registered with the CMU (each of Euroclear, Clearstream, and the CMU, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global Note Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Note Certificates. While the Notes are represented by one or more Global Notes or Global Note Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Note Certificates, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, or, as the case may be, to the relevant paying agent, in the case of the CMU, for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Note Certificates. Holders of beneficial interests in the Global Notes or Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or a Global Note Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (i) equal to, or integral multiples of, the minimum denomination, and (ii) the minimum denomination plus integral multiples of an amount lower than the minimum denomination. Definitive Notes will only be issued if (a) the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announce(s) an intention to permanently cease business; or (b) any of the circumstances described in Condition 14 (*Events of Default*) occurs. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

Gains on the transfer of the Notes may become subject to income taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementation rules, as amended from time to time, any gain realised on the transfer of the Notes by non-PRC resident enterprises or individual holders may be subject to PRC enterprise income tax (“EIT”) or PRC individual income tax (“IIT”) if such gain is regarded as income derived from sources within the PRC. While the PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise Noteholders from the transfer of the Notes, its implementation rules have reduced the enterprise income tax rate to 10 per cent. In accordance with the PRC Individual Income Tax Law and its implementation rules (as amended from time to time), any gain realised by a non-PRC resident individual Noteholder from the transfer of the Notes may be regarded as being sourced from the PRC and thus be subject to IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident individual Noteholder from the transfer of the Notes. However, there remains uncertainty as to whether the gain realised from the transfer of the Notes would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and their respective implementation rules. If such gains are determined as income sourced in the PRC by the relevant PRC tax authorities, (i) the non-PRC resident enterprise Noteholders may be subject to EIT at the rate of 10 per cent. of the gains derived by such non-PRC resident enterprise Noteholders and (ii) the non-PRC resident individual Noteholders may be subject to IIT at the rate of 20 per cent. of the gains derived by such non-PRC resident individual Noteholders, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC resident enterprise or individual resident holders of the Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in the Notes may be materially and adversely affected.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the relevant Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong, the PRC, the jurisdiction where the Issuer is located or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance

with the Conditions. A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the relevant Issuer may have a lower market value than Notes that cannot be redeemed.

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes.

Notes may be issued with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, Notes may be issued with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment.

Notes may be issued where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Certain benchmark rates, including Euro Interbank Offered Rate (“EURIBOR”) and Hong Kong inter-bank offered rate (“HIBOR”), may be discontinued or reformed in the future.

The EURIBOR, HIBOR and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national, or other proposals, for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain “benchmarks”.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (“**€STR**”) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(n) (*Benchmark Replacement (Independent Adviser) (other than Floating Rate Notes which reference SOFR or SOFR Compounded Index)*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event (each as defined in the Terms and Conditions of the Notes) otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order

to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Terms and Conditions of the Notes) in certain circumstances the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

The use of risk-free rates - including those such as the Secured Overnight Financing Rate (“**SOFR**”), as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SOFR or the SOFR Compounded Index that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SOFR or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history.

Risk-free rates may differ from the London Interbank Offered Rate (“LIBOR”) and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 14 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SOFR or any related indices may make changes that could change the value of SOFR or any related index, or discontinue SOFR or any related index.

The Federal Reserve or the Bank of New York (or their successors) as administrators of SOFR (and the SOFR Compounded Index) may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse floating rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of such Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes.

Fixed or floating rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed or floating rate Notes may be less favourable than the then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index Linked Notes issued.

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

RISKS RELATING TO THE MARKET GENERALLY

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Series, such Series is to be consolidated with and form a single series with a Series of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Bank. If the Notes are traded at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although application will be made to the HKSE for listing of the Programme on the HKSE,

and approval in principle has been received from the SGX-ST in respect of the listing of the Programme, there is no assurance that such application will be accepted, that any particular Series of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade securities has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Series of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The relevant Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency equivalent yield on the Notes, (ii) the Investor’s Currency equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

A description of risks which may be relevant to an investor in Notes denominated in Renminbi (“**Renminbi Notes**”) is set out below.

There are restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes.

The PRC government regulates conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although the PBOC has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no

assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements (the “**Settlement Arrangements**”) on the clearing of Renminbi business with financial institutions (the “**Renminbi Clearing Banks**”) in a number of financial centres and cities, including but not limited to Hong Kong, it has established the Cross-Border Inter-Bank Payments System to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC, although PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks.

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBOC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to interest rate risks.

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside

the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes.

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Note Certificates held with the common depositary for Clearstream and Euroclear or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement, (ii) for so long as the Renminbi Notes are represented by Global Note Certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Remittance of proceeds in Renminbi into or out of the PRC.

If the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the PRC government will not impose any interim or long-term restrictions on capital inflow or outflow which may restrict cross-border Renminbi remittances, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. If the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The Pricing Supplement in respect of any Tranche of Notes may supplement, amend and/or replace any information in this Offering Circular.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1 Introduction

- (a) *Programme:* Shanghai Pudong Development Bank Co., Ltd. (the “**Bank**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$5,000,000,000 in aggregate principal amount of notes (the “**Notes**”).
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a pricing supplement (the “**Pricing Supplement**”) which supplements, amends and/or replaces these terms and conditions (the “**Conditions**”). Each Series of Notes may be issued by the Bank or any branch of the Bank located in Hong Kong, Macau or Taiwan, or any branch of the Bank located outside the PRC (each such branch of the Bank, a “**Branch Issuer**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated fiscal agency agreement dated 10 July 2020 and otherwise as further amended and/or supplemented from time to time (the “**Agency Agreement**”) between (i) the Bank (on behalf of itself and each Branch Issuer), (ii) The Bank of New York Mellon, London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), (iii) The Bank of New York Mellon, Hong Kong Branch as lodging and paying agent, transfer agent and registrar in respect of Notes cleared or to be cleared through the CMU (in such capacities, the “**CMU Lodging and Paying Agent**”, the “**CMU Transfer Agent**” and the “**CMU Registrar**”, which expressions include any successor lodging and paying agent, transfer agent and registrar appointed from time to time in connection with such Notes), (iv) The Bank of New York Mellon SA/NV, Luxembourg Branch as transfer agent and registrar in respect of Notes cleared or to be cleared through Euroclear Bank SA/NV and/or Clearstream Banking S.A. (in such capacities, the “**Principal Transfer Agent**” and the “**Principal Registrar**”, which expressions include any successor transfer agent and registrar appointed from time to time in connection with such Notes), the paying agents named therein (together with the Fiscal Agent and the CMU Lodging and Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Principal Transfer Agent and the CMU Transfer Agent, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the “**Registrars**” are to the Principal Registrar and the CMU Registrar and any reference to a “**Registrar**” is to any one of them; and references to the “**Agents**” are to the Paying Agents and the Transfer Agents and any reference to an “**Agent**” is to any one of them.

- (d) *Deed of Covenant*: The Notes may be issued in bearer form (“**Bearer Notes**”), or in registered form (“**Registered Notes**”). Registered Notes are constituted by an amended and restated new deed of covenant dated 10 July 2020 and otherwise as further amended and/or supplemented from time to time (the “**Deed of Covenant**”) entered into by the Bank (on behalf of itself and each Branch Issuer).
- (e) *The Notes*: All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection upon request by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Agents.
- (f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection upon request by Noteholders during normal business hours at the Specified Offices of each of the Agents.

2 Interpretation

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:
 - “**2006 ISDA Definitions**” means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);
 - “**2021 ISDA Definitions**” means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);
 - “**Accrual Yield**” has the meaning given in the relevant Pricing Supplement;
 - “**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;
 - “**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;
 - “**Additional Tax Amounts**” has the meaning given in Condition 13 (*Taxation*);
 - “**Business Day**” means:
 - (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
 - (b) in relation to any sum payable in Renminbi, any day (other than a Sunday or a Saturday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed; and
 - (c) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the

Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Fiscal Agent as appointed by the Issuer in respect of a Series of Notes pursuant to the terms of the Agency Agreement or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

“**Calculation Amount**” has the meaning given in the relevant Pricing Supplement;

“**Clearstream**” means Clearstream Banking S.A.;

“**CMU**” means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
 - (iii) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (iv) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (v) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
 - (vi) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vii) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and “**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

- (viii) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1) + [30 \times (M_2 - M_1)] + (D_2 - D_1)]}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30, provided, however, that in each such case the number of days in the Calculation Period is calculated

from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**First Interest Payment Date**” means the date specified in the relevant Pricing Supplement;

“**Fixed Coupon Amount**” has the meaning given in the relevant Pricing Supplement;

“**Holder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

“**Interest Determination Date**” has the meaning given in the relevant Pricing Supplement or, in the case of Notes to which Condition 7(f) (*Floating Rate Note Provisions – Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*) or Condition 7(g) (*Floating Rate Note Provisions – SOFR Compounded Index (Screen Rate Determination)*) applies, as otherwise specified in Condition 7(f) (*Floating Rate Note Provisions – Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*) or Condition 7(g) (*Floating Rate Note Provisions – SOFR Compounded Index (Screen Rate Determination)*), as the case may be;

“**Interest Payment Date**” means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified

Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“**ISDA**” means the International Swaps and Derivatives Association, Inc. (or any successor);

“**ISDA Definitions**” has the meaning given in the relevant Pricing Supplement;

“**Issue Date**” has the meaning given in the relevant Pricing Supplement;

“**Issuer**” means the Bank or, in respect of any Tranche of Notes issued by a Branch Issuer, such Branch Issuer as specified in the relevant Pricing Supplement;

“**Macau**” means the Macau Special Administrative Region of the PRC;

“**Margin**” has the meaning given in the relevant Pricing Supplement;

“**Maturity Date**” has the meaning given in the relevant Pricing Supplement;

“**Maximum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Minimum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**NAFR**” means the National Administration of Financial Regulation of the PRC or its relevant competent local counterparts, formed on the basis of the former China Banking and Insurance Regulatory Commission of the PRC;

“**NAFR Approval**” means the requisite approval obtained by the Bank in respect of a particular Tranche of Notes provided by the NAFR to the Bank;

“**NAFR Measures**” means the Implementing Measures of the China Banking and Insurance Regulatory Commission for Administrative Licensing Matters for Chinese-funded Commercial Banks (Order of the China Banking and Insurance Regulatory Commission [2022] No. 5) (《中國銀保監會中資商業銀行行政許可事項實施方法》) issued by the former China Banking and Insurance Regulatory Commission of the PRC, which came into effect on 2 September 2022, and any implementation rules issued by the NAFR from time to time;

“**NDRC**” means the National Development and Reform Commission of the PRC or its local counterparts;

“**NDRC Measures**” means the Administrative Measures for the Review and Registration of Medium and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號)) issued by the NDRC on 5 January 2023 and which came into effect on 10 February 2023, and any implementation rules, reports, certificates and guidelines and applicable policies issued by the NDRC from time to time;

“**Noteholder**”, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Pricing Supplement;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Pricing Supplement;

“**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which (x) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and (y) a day on which commercial banks are open for general business (including dealing in foreign currencies) in the city where the Fiscal Agent or the CMU Lodging and Paying Agent (as the case may be) has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, (a) a TARGET Settlement Day and (b) a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (iii) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (b) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Fiscal Agent or the CMU Lodging and Paying Agent (as the case may be) has its Specified Office; and
 - (iv) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“**PBOC**” means the People’s Bank of China of the PRC;

“**PBOC Approval**” means the requisite approval obtained by the Bank in respect of a particular Tranche of Notes provided by the PBOC to the Bank or the Branch Issuer (acting through the Bank);

“**PBOC Circular**” means the Macro-prudential Management of Cross-border Financing in Full Aperture (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) issued by the PBOC and which came into effect on 12 January 2017, and any implementation rules as issued by the PBOC from time to time;

“**PBOC Service Guidance**” means the Service Guidance on the Examination and Approval of the Interbank Bond Market or Issuance of Overseas Financial Bonds (No. 21010 of the Service Guidance on PBOC Administrative Licensing Matters) (在銀行間債券市場或到境外發行金融債券審批事項服務指南) issued by the PBOC and which came into effect on 29 December 2017, and any implementation rules as issued by the PBOC from time to time;

“**Permitted Security Interest**” means any Security Interest over any assets of the Bank as security for credit-linked debt securities, equity-linked debt securities or asset-backed securities issued by the Bank (including its branches);

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**PRC**” or “**China**” means the People’s Republic of China excluding Hong Kong, Macau and Taiwan;

“PRC Business Day” means a day on which commercial banks are open for business in the PRC;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (c) in relation to Renminbi, it means Hong Kong and/or any other relevant financial centre, as is specified in the relevant Pricing Supplement;

“Principal Subsidiary” means any Subsidiary of the Bank:

- (a) whose gross revenues (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or net profit (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than five per cent. of the consolidated gross revenues, the consolidated gross assets or consolidated net profit, as the case may be, of the Bank and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Bank, provided that:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Bank relate for the purpose of applying each of the foregoing tests, the reference to the Bank’s latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Bank; and
 - (ii) if at any relevant time in relation to the Bank or any Subsidiary no financial statements are prepared and audited, its gross revenues, gross assets and net profit (consolidated, if applicable) shall be determined on the basis of pro forma financial statements (consolidated, if applicable) prepared for this purpose; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (A) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary and (B) the transferee Subsidiary shall immediately become a Principal Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined pursuant to the provisions of sub-paragraph (A) above.

A certificate by a duly authorised officer of the Bank that in his/her opinion (making such adjustments (if any) as he/she shall deem appropriate) a Subsidiary is or is not or was or was not at any particular

time or during any particular period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Bank, the Branch Issuer, the Noteholders and the Couponholders;

“**Put Option Notice**” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder; “**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

“**Reference Price**” has the meaning given in the relevant Pricing Supplement;

“**Reference Rate**” means EURIBOR, HIBOR, SOFR, SOFR Compounded Index or any other applicable benchmarks as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

“**Regular Period**” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Pricing Supplement;

“**Relevant Indebtedness**” means any indebtedness, or any guarantee or indemnity, for money borrowed or raised which (i) has an original maturity of one year or above and (ii) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is issued outside the PRC and which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Pricing Supplement;

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“**SAFE**” means the State Administration of Foreign Exchange or its local counterparts;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Specified Currency**” has the meaning given in the relevant Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Pricing Supplement; “**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**T2**” means the real time gross settlement system operated by the Eurosystem or any successor system;

“**TARGET Settlement Day**” means any day on which T2 is open for the settlement of payments in euro;

“**Tax Jurisdiction**” means (a) the PRC and, as applicable, (b) where the Issuer is a Branch Issuer, the jurisdiction where such Branch Issuer is located, or in each case any political subdivision therein or any authority therein or thereof having power to tax;

“**Treaty**” means the Treaty on the Functioning of the European Union, as amended; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes or are Registered Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any Additional Tax Amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any Additional Tax Amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes;
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes;
- (ix) any reference (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Fiscal Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent, and all such references shall be construed accordingly; and
- (x) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3 Form, Denomination, Title and Transfer

- (a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes*: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.
- (c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.
- (d) *Title to Registered Notes*: Each Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially

with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.

- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of any Registrar or any Transfer Agent, together with such evidence as such Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the relevant Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “business day” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the relevant Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer, any Registrar or any Transfer Agent but against such indemnity as such Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of each Registrar. A copy of the current regulations will be mailed (free of charge) by a Registrar to any Noteholder who requests in writing a copy of such regulations.

4 Status of the Notes

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured

obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5 Covenants

- (a) *Negative pledge:* So long as any Note remains outstanding (as defined in the Agency Agreement), the Bank shall not, and the Bank shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto securing the Notes equally and rateably therewith or providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.
- (b) *Financial reports:* So long as any Note remains outstanding, the Issuer shall make publicly available and send to the Fiscal Agent and, upon request, to any Noteholder and Couponholder:
- (i) as soon as they are available and in any event not more than 120 days after the end of each financial year, a copy of the audited annual financial statements in English (audited by an internationally recognised firm of independent accountants) of the Bank; and
- (ii) as soon as practicable after their date of publication and in any event not more than 90 days after the end of each financial period, a copy of the semi-annual and quarterly financial statements (which comprise a consolidated balance sheet, consolidated income statement and consolidated cash flow statement) in the Chinese language prepared on a basis consistent with the audited financial statements of the Bank.
- (c) *Notification to the NDRC:* Where the NDRC Measures applies to the Tranche of Notes to be issued, the Branch Issuer (acting through the Bank) or, as the case may be, the Bank undertakes to:
- (iii) file or cause to be filed with the NDRC the requisite information and documents within the relevant prescribed timeframes from time to time after the relevant Issue Date in accordance with the NDRC Measures; and
- (iv) comply with the NDRC Measures and other obligations required by the NDRC as it applies to such Tranche of Notes.
- (d) *Notification to the PBOC:* Where the PBOC Circular applies to the Tranche of Notes to be issued, the Bank undertakes to provide or cause to be provided a notification of the requisite information and documents in connection with such Tranche of Notes to the PBOC and/or SAFE within the prescribed timeframe after the relevant Issue Date in accordance with the PBOC Circular (the “**PBOC Post-issue Filing**”). The Bank shall complete the PBOC Post-issue Filing and obtain such document(s) evidencing due filing with the PBOC and/or SAFE within the prescribed timeframe (if any) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Bank shall within 15 PRC Business Days after completion of such PBOC Post-issue Filing give notice to the Noteholders and Couponholders in accordance with Condition 20 (*Notices*).
- (e) *Reporting to the NAFR:* Where the NAFR Measures applies to the Tranche of Notes to be issued, the Bank undertakes to complete the reporting in connection with such Tranche of Notes to the NAFR (if applicable) within the prescribed timeframe after the relevant Issue Date in accordance with the NAFR Approval (the “**NAFR Reporting**”). The Bank shall complete the NAFR Reporting and obtain such document(s) evidencing due reporting with the NAFR within the prescribed timeframe (if any) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Bank shall

within 15 PRC Business Days after completion of such NAFR Reporting give notice to the Noteholders and Couponholders in accordance with Condition 20 (*Notices*).

- (f) *Reporting to the PBOC*: Where the PBOC Service Guidance applies to the Tranche of Notes to be issued, the Bank undertakes to complete the reporting in connection with such Tranche of Notes to the PBOC (if applicable) within the prescribed timeframe after the relevant Issue Date in accordance with the PBOC Approval (the “**PBOC Reporting**”). The Bank shall complete the PBOC Reporting and obtain such document(s) evidencing due reporting with the PBOC within the prescribed timeframe (if any) and shall comply with all applicable PRC laws and regulations in connection with the Notes. The Bank shall within 15 PRC Business Days after completion of such PBOC Reporting give notice to the Noteholders and Couponholders in accordance with Condition 20 (*Notices*).

6 Fixed Rate Note Provisions

- (a) *Application*: This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest*: The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount*: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount*: This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest for such Interest Period and the Calculation Amount by the relevant Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Fiscal Agent, the CMU Lodging and Paying Agent, the Registrar (in the case of Registered Notes), the Noteholders and the Couponholders in accordance with Condition 20 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so requires, such exchange or other relevant authority as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange or other relevant authority.

- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

So long as the Notes are represented by a Global Note or Global Note Certificate, interest shall be calculated in respect of any period by applying the Rate of Interest to the total aggregate outstanding nominal amount of the Notes represented by such Global Note or Global Note Certificate and not by reference to the Calculation Amount.

7 Floating Rate Note Provisions and Index-Linked Interest Note Provisions

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination (other than Floating Rate Notes which reference SOFR or SOFR Compounded Index):* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SOFR, SOFR Compounded Index or any related index is specified as the Reference Rate in the relevant Pricing Supplement) determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Issuer shall appoint an Independent Adviser (as defined in Condition 7(m)(i)) and the Independent Adviser shall, upon taking instructions from the Issuer, determine such rate at such time and by reference to such sources as it determines appropriate;
- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of sub-paragraph (i) above, such rate does not appear on that page or, in the case of sub-paragraph (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) if the Pricing Supplement specify either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions:
- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity, if applicable, is a period specified in the relevant Pricing Supplement;
- (C) the relevant Reset Date, unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions;
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
- (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,
- provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Issuer shall appoint an Independent Adviser and the Independent Adviser shall, upon taking

instructions from the Issuer, determine such rate at such time and by reference to such sources as it determines appropriate.

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Pricing Supplement and:
 - (1) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;
 - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
 - (3) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Pricing Supplement and:
 - (1) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;
 - (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
 - (3) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement; and
- (G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement;

- (ii) references in the ISDA Definitions to:
 - (A) “**Confirmation**” shall be references to the relevant Pricing Supplement;
 - (B) “**Calculation Period**” shall be references to the relevant Interest Period;
 - (C) “**Termination Date**” shall be references to the Maturity Date; and
 - (D) “**Effective Date**” shall be references to the Interest Commencement Date; and
- (iii) if the Pricing Supplement specify “2021 ISDA Definitions” as being applicable:
 - (A) “Administrator/Benchmark Event” shall be disapplied; and
 - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be “Temporary Non-Publication Fallback – Alternative Rate” in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to “Calculation Agent Alternative Rate Determination” in the definition of “Temporary Non-Publication Fallback – Alternative Rate” shall be replaced by “Temporary Non-Publication Fallback – Previous Day’s Rate”.
- (e) *Index-Linked Interest*: If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.
- (f) *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*:
 - (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and the “Reference Rate” is specified in the relevant Pricing Supplement as being “Compounded SOFR”.
 - (ii) Where “Compounded SOFR” is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
 - (iii) For the purposes of this Condition 7(f):

“**Benchmark**” means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(f).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in

the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(f)(iv) below will apply.

“**Compounded SOFR**” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards to 0.00001 per cent.):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“**D**” is the number specified in the relevant Pricing Supplement (or, if no such number is specified, 360);

“**d_o**” is the number of U.S. Government Securities Business Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

“**I**” is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “p” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

“**n_i**” for any U.S. Government Securities Business Day “i” in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”);

“**Observation Period**” in respect of an Interest Period means the period from, and including, the date falling “p” U.S. Government Securities Business Days preceding the first day in such Interest

Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling “p” U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the “Lag Period” or the “Observation Period” (as applicable) in the relevant Pricing Supplement or if no such period is specified, five U.S. Government Securities Business Days;

“SOFR” with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator’s Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the “SOFR Determination Time”); or
- (ii) Subject to Condition 7(f)(iv) below, if the rate specified in paragraph (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator’s Website;

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, or any successor source;

“SOFR_i” means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day “i”; and

“U.S. Government Securities Business Day” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 7(f)(iv), including any determination with respect to a tenor, rate or adjustment or of the

occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

For the purposes of this Condition 7(f)(iv):

“Benchmark” means, initially, Compounded SOFR, as such term is defined above; **provided that** if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then **“Benchmark”** shall mean the applicable Benchmark Replacement.

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect

the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (iv) in the case of clause (i) or (ii) of the definition of “**Benchmark Transition Event**”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (v) in the case of clause (iii) of the definition of “**Benchmark Transition Event**”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(f)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the CMU Lodging and Paying Agent, and, in accordance with Condition 20 (*Notices*), the Noteholders and Couponholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f); and
- (ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (g) *SOFR Compounded Index (Screen Rate Determination):*

This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and

“**SOFR Compounded Index Determination**” is specified in the relevant Pricing Supplement as being applicable.

Where “**SOFR Compounded Index Determination**” is specified in the relevant Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards to 0.00001 per cent.):

$$\left(\frac{\text{SOFR Compounded Index End}}{\text{SOFR Compounded Index Start}} - 1 \right) \times \frac{360}{d}$$

and plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent on each Interest Determination Date, where:

“**d**” is the number of calendar days from (and including) the day on which the relevant SOFR Compounded Index Start is determined to (but excluding) the day on which the relevant SOFR Compounded Index End is determined;

“**Index Days**” means U.S. Government Securities Business Days;

“**Interest Determination Date**” is as specified in the applicable Pricing Supplement, but, unless otherwise specified, means in respect of any Interest Period, the date falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period (or the date falling the Relevant Number of Index Days prior to the Interest Payment Date prior to such earlier date, if any, on which the Notes are due and payable);

“**Relevant Number**” is as specified in the applicable Pricing Supplement, but, unless otherwise specified shall be five;

“**SOFR Compounded Index**” means the Compounded SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFR Compounded Index End**” means the relevant SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

“**SOFR Compounded Index Start**” means the relevant SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

If, with respect to any Interest Period, the relevant rate is not published for the SOFR Compounded Index either on the relevant SOFR Compounded Index Start or SOFR Compounded Index End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if SOFR Compounded Index Determination was not specified in the applicable Pricing Supplement and as if Compounded SOFR (as defined in Condition 7(f)) (Floating Rate Note Provisions – Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)) had been specified instead in the relevant Pricing Supplement, and “Observation Shift” had been specified as the Observation Method in the relevant Pricing Supplement, and where the Observation Period for the purposes of that definition in Condition 7(f) (Floating Rate Note Provisions – Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)) shall be deemed to be the same as the Relevant Number specified in the relevant Pricing

Supplement. For the avoidance of doubt, if a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 7(f)(iv) shall apply.

- (h) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. If the relevant Pricing Supplement does not specify any Minimum Rate of Interest and the Rate of Interest as determined by the Calculation Agent according to this Condition 7 is a negative value, the Rate of Interest shall be zero per cent. per annum.
- (i) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (j) *Calculation of other amounts:* If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer and the Paying Agents as soon as practicable after such determination. Notice thereof shall also promptly be given by the Issuer to the Noteholders and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/ or quotation and if the rules of such authority, stock exchange or quotation system require such notification. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall notify the Issuer and the Paying Agents only of the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination, and the Issuer shall promptly give notice of the same to the Noteholders and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and if the rules of such authority, stock exchange or quotation system require such notification.
- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Bank, the Branch Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Determination of Rate of Interest following acceleration:* If (i) the Notes become due and payable in accordance with Condition 14 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period

during which the Notes become due and payable is to be determined by reference to any of Conditions 7(f) (*Floating Rate Note Provisions – Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*) and 7(g) (*Floating Rate Note Provisions – SOFR Compounded Index (Screen Rate Determination)*), then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Conditions.

- (n) *Benchmark Replacement (Independent Adviser) (other than Floating Rate Notes which reference SOFR or SOFR Compounded Index)*: Other than in respect of Notes for which SOFR or SOFR Compounded Index is specified as the Reference Rate in the relevant Pricing Supplement, notwithstanding the provisions of Condition 7(c), if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred (or will occur on or prior to the Interest Determination Date relating to the next succeeding Interest Period), when the Rate of Interest (or any relevant component part thereof) remains to be determined by reference to the Reference Rate, then the following provisions shall apply:
- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer’s agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the “**Alternative Benchmark Rate**”) and, in either case, an alternative screen page or source (the “**Alternative Relevant Screen Page**”) and the applicable Adjustment Spread, all by no later than three (3) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the “**Interest Determination Cut-off Date**”) for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(n)).
 - (ii) In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Fiscal Agent, the Calculation Agent or the Noteholders for any determination made by it pursuant to this Condition 7(n);
 - (iii) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
 - (iv) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page prior to the Interest Determination Cut-off Date in accordance with sub-paragraph (i) and (ii) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this sub-paragraph (iii) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (iii), the Reference Rate applicable to such Interest Period shall be equal to the

Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(n);

- (v) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page (in each case as adjusted by the applicable Adjustment Spread determined as provided in sub-paragraph (v) below) shall subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of this Condition 7(n));
- (vi) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, shall determine (A) the Adjustment Spread to be applied to the Successor Rate or Alternative Benchmark Rate (as applicable) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, and such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of the Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (vii) if a Successor Rate or an Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or, failing which, the Issuer, may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, as are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of the Successor Rate, Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), which changes shall (subject to the subsequent operation of this Condition 7(n)) apply to the Notes for all future Interest Periods, without any requirement for the consent or approval of Noteholders;
- (viii) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread give notice thereof and of any Benchmark Amendments pursuant to sub-paragraph (vi) above to the Calculation Agent, the Fiscal Agent and the Noteholders in accordance with Condition 20 (*Notices*); and
- (ix) no later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Benchmark Rate and, (z) the relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(n); and

- (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such relevant Successor Rate, Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread.

The Successor Rate or Alternative Benchmark Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination thereof) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

For the purposes of this Condition 7(n):

- (i) “**Adjustment Spread**” means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, which in each case is to be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:
 - (A) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
 - (B) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, is the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate;
- (ii) “**Benchmark Event**” means:
 - (A) the Reference Rate has ceased to be published for a period of at least five Business Days; or
 - (B) the making of a public statement by the administrator of the Reference Rate that it has ceased, or will cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or
 - (C) the making of a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or
 - (D) the making of a public statement by the supervisor of the administrator of the Reference Rate that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in circumstances where the same shall be applicable to the Notes; or
 - (E) the making of a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of its underlying market, in circumstances where the same shall be applicable to the Notes; or
 - (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made

to any Noteholder using the Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

provided that in the case of paragraphs (B) to (E) above, the Benchmark Event shall occur on:

- (1) in the case of (B) above, the date of the cessation of the publication of the Reference Rate;
- (2) in the case of (C) above, the discontinuation of the Reference Rate;
- (3) in the case of (D) above, the date on which the Reference Rate is prohibited from use or becomes subject to restrictions or adverse consequences (as applicable); or
- (4) in the case of (E) above, the date on which the Reference Rate is deemed no longer to be representative,

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (1), (2), (3) or (4) above, as applicable);

(iii) “**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

(iv) “**Successor Rate**” means the reference rate (and related alternative screen page or source, if available) that is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

8 Zero Coupon Note Provisions

- (a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that

day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuer has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9 Dual Currency Note Provisions

- (a) *Application:* This Condition 9 is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

10 Redemption and Purchase

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments – Bearer Notes*) and Condition 12 (*Payments – Registered Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (unless the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable), on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:
 - (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided for or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 13 (*Taxation*)) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
 - (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would

be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 10(b), the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/ or quotation and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may

have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 10(a) (*Scheduled redemption*) to 10(e) (*Redemption at the option of Noteholders*) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase:* The Branch Issuer, the Bank or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (i) *Cancellation:* All Notes so redeemed or purchased by the Branch Issuer, the Bank or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11 Payments – Bearer Notes

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for their distribution to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.*

- (d) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (e) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (f) *No commissions chargeable:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (g) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “Relevant Coupons”) being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.
- (h) *Unmatured Coupons void:* If the relevant Pricing Supplement specifies that this Condition 11(g) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are

applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (i) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (j) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (k) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (l) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12 Payments – Registered Notes

This Condition 12 is only applicable to Registered Notes.

- (a) *Principal*: Payments of principal shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest*: Payments of interest shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency, and (in the case of interest payable on redemption) upon

surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (Taxation), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (Taxation)) any law implementing an intergovernmental approach thereto.
- (d) *No commissions chargeable:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12 arriving after the due date for payment or being lost in the mail.
- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the relevant Registrar’s Specified Office on the fifth Business Day (in the case of Renminbi) and the 15th day (in the case of a currency other than Renminbi, whether or not such 15th day is a Business Day) before the due date for such payment (the “Record Date”). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

So long as the Global Note Certificate is held on behalf of Euroclear, Clearstream, CMU or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

13 Taxation

- (a) *No tax withholding save as required by law:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law.
- (b) *Withholding for PRC enterprise income tax:* Where such withholding or deduction is made by the Issuer as a result of the Issuer being deemed to be a PRC tax resident by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax at the rate applicable in the PRC on the date of issue of the first Tranche of the Notes (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by the Noteholders and Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.
- (c) *Additional Tax Amounts:* In the event that the Issuer is required to make a deduction or withholding (i) by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax in excess of the Applicable Rate; or (ii) by or within a Tax Jurisdiction (other than the PRC), the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note or Coupon:
- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.
- (d) *Taxing jurisdiction:* If any Issuer becomes subject at any time to any taxing jurisdiction other than the Tax Jurisdiction(s), references in these Conditions to the Tax Jurisdiction(s) shall be construed as references to the Tax Jurisdiction(s) and/or such other jurisdiction.

14 Events of Default

If any of the following events occurs:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and in the case of interest, such failure continues for a period of seven days; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Covenant or the Agency Agreement and such default remains unremedied for 45 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or

- (c) *Cross-acceleration of Bank or Subsidiary:*
- (i) any indebtedness for money borrowed of the Bank or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such indebtedness for money borrowed becomes due and payable prior to its stated maturity otherwise than at the option of the Bank or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such indebtedness for money borrowed or raised; or
 - (iii) the Bank or any of its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any indebtedness for money borrowed,
- provided that* the amount of indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee or indemnity referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.\$25,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Bank or any of its Principal Subsidiaries; or
 - (e) *Insolvency etc:* (i) the Bank or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Bank or any of its Principal Subsidiaries or the whole or a material part of the undertaking, assets and revenues of the Bank or any of its Principal Subsidiaries, (iii) the Bank or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee or indemnity of any indebtedness given by it or (iv) the Bank or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business, except (x) in the case of any Subsidiary of the Bank, where the cessation is for the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, merger or consolidation whereby the business, undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Bank and/or another Subsidiary, or (y) on terms approved by an Extraordinary Resolution of the Noteholders; or
 - (f) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Bank or any of its Principal Subsidiaries; or
 - (g) *Analogous event:* any event occurs which under the laws of the relevant Tax Jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) (*Security enforced*) to (f) (*Winding up etc*) above; or
 - (h) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant, then any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality. Notice of any such declaration shall promptly be given by the Issuer to the Noteholders and Couponholders in accordance with Condition 20 (*Notices*). In any event, the Issuer shall notify the Fiscal Agent, the Noteholders and Couponholders promptly upon becoming aware of the occurrence of any Event of Default.

15 Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16 Replacement of Notes and Coupons

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the relevant Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17 Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor Fiscal Agent, CMU Lodging and Paying Agent, Principal Registrar, CMU Registrar or Calculation Agent and additional or successor Paying Agents; provided, however, that:

- (a) the Issuer shall at all times maintain a Fiscal Agent and a Principal Registrar;
- (b) the Issuer shall at all times maintain a CMU Lodging and Paying Agent and a CMU Registrar in relation to Notes accepted for clearance through the CMU;
- (c) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

18 Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of not less than 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders or Couponholders, to any such modification unless (i) it is of a formal, minor or technical nature, (ii) it is made to correct a manifest error or (iii) it is a modification which neither contradicts these Conditions nor is materially prejudicial to the interests of the Noteholders. Any determination as to material prejudice applying to the interests of the Noteholders pursuant to this Condition 18 shall be made by the Bank and none of the Agents shall have any responsibility or liability whatsoever with respect to such determination.
- (c) In addition, pursuant to Condition 7(f) (*Floating Rate Note Provisions – Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*) and Condition 7(n) (*Floating Rate Note Provisions – Benchmark Replacement (Independent Adviser) (other than Floating Rate Notes which reference SOFR or SOFR Compounded Index)*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders or the Couponholders.

19 Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and, if applicable, the timing for notification or, as the case may be, reporting to the NDRC, the PBOC, SAFE, NAFR and/or such other applicable competent authority) so as to form a single series with the Notes.

20 Notices

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in English in the South China Morning Post and in Chinese in the Hong Kong Economic Journal or, if such publication is not practicable, in an English and/or Chinese language newspaper, as the case may be, with general

circulation in Hong Kong. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. In addition, notices to the Holders of Registered Notes shall be valid if published in English in the South China Morning Post and in Chinese in the Hong Kong Economic Journal or, if such publication is not practicable, in an English and/or Chinese language newspaper, as the case may be, with general circulation in Hong Kong. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of (i) Euroclear or Clearstream, or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions, or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU.

21 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23 Governing Law and Jurisdiction

- (a) *Governing law:* The Notes, the Deed of Covenant and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Deed of Covenant and the Agency Agreement are governed by English law.
- (b) *Jurisdiction:* The courts of Hong Kong have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes, the Deed of Covenant and the Agency Agreement.
- (c) *Appropriate forum:* The Issuer agrees that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Service of process:* The Issuer agrees that the documents which start any proceedings relating to a Dispute (“**Proceedings**”) and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the principal place of business of Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch at 30/F., SPD Bank Tower, One Hennessy, 1 Hennessy Road, Hong Kong, or to such other person with an address in Hong Kong and/or at such other address in Hong Kong as the Issuer may specify by notice in writing to the Noteholders. Nothing in this Condition 23(d) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 23(d) applies to Proceedings in Hong Kong and to Proceedings elsewhere.
- (e) *Consent to enforcement etc.:* The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.
- (f) *Waiver of immunity:* To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream or the CMU (together, the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Bank believes to be reliable, but none of the Bank nor any Dealer or the Arrangers takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Bank nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, amongst other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, “**CMU Instruments**”) which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the Hong Kong Monetary Authority, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU’s custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the “**income proceeds**”) by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream, in any Notes held in the CMU, will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

Book-Entry Ownership

Bearer Notes

The Bank has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Bank may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depository for Euroclear and Clearstream or a sub-custodian for the CMU. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream.

Registered Notes

The Bank may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Note Certificate. The Bank may also apply to have Notes to be represented by a Global Note Certificate accepted for clearance through the CMU. Each Global Note Certificate will have an International Securities Identification Number (“**ISIN**”) and a Common Code. Investors in Notes of such Series may hold their interests in a Global Note Certificate through Euroclear, Clearstream or the CMU (if applicable).

Each Global Note Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Note Certificate, as set out under “*Subscription and Sale*”.

All Registered Notes will initially be in the form of a Global Note Certificate. Individual Certificates will be available, in the case of Notes initially represented by a Global Note Certificate, in amounts specified in the applicable Pricing Supplement.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”), without interest coupons, or a permanent global note in bearer form (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”) and/or a sub-custodian for the HKMA as operator of the CMU and/or any other relevant clearing system.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent or the CMU Lodging and Paying Agent; and
- (ii) receipt by the Fiscal Agent or the CMU Lodging and Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership or the CMU Issue Position Report (as defined in the rules of the CMU) **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Local Time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (Local Time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Local Time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (“**Definitive Notes**”):

- (a) on the expiry of such period of notice as may be specified in the Pricing Supplement; or
- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the Pricing Supplement specifies “in the limited circumstances specified in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream or the HKMA as operator of the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent and the CMU Lodging and Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Local Time) on the 30th day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Local Time) on such 30th day (in the case of (a) above) or at 5.00 p.m. (Local Time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (Local Time) on such due date (in the case of (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent or the CMU Lodging and Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Local Time) on the 30th day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Local Time) on such 30th day (in the case of (a) above) or at 5.00 p.m. (Local Time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances specified in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream or the HKMA as operator of the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent or the CMU Lodging and Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Local Time) on the 30th day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Local Time) on such 30th day (in the case of (a) above) or at 5.00 p.m. (Local Time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (Local Time) on such due date (in the case of (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or CMU and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or CMU and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the United States Internal Revenue Code.”

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form (“**Individual Note Certificates**”); or a global Note in registered form (a “**Global Note Certificate(s)**”), in each case as specified in the relevant Pricing Supplement.

Each Note represented by a Global Note Certificate will be registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream and/or, in respect of CMU Notes, a sub-custodian for the HKMA as operator of the CMU and/or any other relevant clearing system, and the relevant Global Note Certificate will be deposited on or about the issue date with the common depository for Euroclear and/or Clearstream and/or, in respect of CMU Notes, or a sub-custodian for the HKMA as operator of the CMU and/or any other relevant clearing system.

If the relevant Pricing Supplement specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being “Global Note Certificate exchangeable for Individual Note Certificates”, then the Notes will initially be in the form of a Global Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Global Note Certificate”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream or the HKMA as operator of the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Principal Registrar or the CMU Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be

registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the relevant Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Principal Registrar or the CMU Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been issued and delivered by 5.00 p.m. (Local Time) on the 30th day after they are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or
- (b) any of the Notes evidenced by a Global Note Certificate has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note Certificate on the due date for payment in accordance with the terms of the Global Note Certificate,

then, at 5.00 p.m. (Local Time) on such 30th day (in the case of (a) above) or at 5.00 p.m. (Local Time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream and/or the CMU operator (or any other relevant clearing system) as being entitled to interest in the Notes (each an "**Accountholder**") shall acquire under the Deed of Covenant rights of enforcement against the relevant Issuer ("**Direct Rights**") to compel the relevant Issuer to perform its obligations to the Holder of the Global Note Certificate in respect of the Notes represented by the Global Note Certificate, including the obligation of the relevant Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Note Certificate may have under the Global Note Certificate and under the Deed of Covenant. Payment to the Holder of the Global Note Certificate in respect of any Notes represented by the Global Note Certificate shall constitute a discharge of the relevant Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the relevant Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Note Certificate.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Holders of the Notes of the same Series in the manner provided for in the Conditions or the Global Note Certificate for notices to be given by the relevant Issuer to Noteholders.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Summary of Provisions relating to the Notes while in Global Form

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the HKMA as operator of the CMU, will be that depositary, common depositary or sub-custodian, as the case may be.

In relation to any Tranche of Notes represented by a Global Note Certificate, references in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name such Global Note Certificate is for the time being registered in the Register which, for so long as the Global Note Certificate is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the HKMA as operator of the CMU, will be such depositary or common depositary (or a nominee for such depositary or common depositary, or such sub-custodian), as the case may be.

Each of the persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as the holder of a Note represented by a Global Note or a Global Note Certificate must look solely to Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for his share of each payment made by the relevant Issuer to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream or such clearing system (as the case may be). The extent to which, and the manner in which, such persons may exercise any rights arising under the Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, such persons shall have no claim directly against the relevant Issuer in respect of payments due under the Notes for so long as the Notes are represented by such Global Note or Global Note Certificate and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Note Certificate.

If a Global Note or a Global Note Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Note Certificate and the relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Note Certificate must look solely to the CMU for his share of each payment so made by the relevant Issuer in respect of such Global Note or Global Note Certificate.

Conditions applicable to Global Notes

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Note Certificate (except with respect to Global Note held through the CMU) which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of

payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that the payment is noted in a schedule thereto.

Calculation of Interest: The calculation of any interest amount in respect of Notes represented by the Global Note or Global Note Certificate will be calculated on the aggregate outstanding nominal amount of the Notes represented by the Global Note or Global Note Certificate and not by reference to the Calculation Amount.

Payment Business Day: In the case of a Global Note, or a Global Note Certificate, the applicable Payment Business Day shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “Clearing System Business Day” means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

In respect of a Global Note or Global Note Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Note Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Note Certificate shall be required for such purpose. For the purposes of this paragraph, “Clearing System Business Day” means a day on which the CMU is operating and open for business.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), the bearer of the Temporary Global Note or Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and the Put Option Notice, give written notice of such exercise to the Fiscal Agent or (as the case may be) the CMU Lodging and Paying Agent in accordance with the rules and procedures of the relevant clearing system, specifying the principal amount of Notes in respect of which the relevant put option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) in relation to some only of the Notes, where such Notes are held with Euroclear and/or Clearstream or the CMU, the Temporary Global Note or Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream or the CMU (as the case may be) (to be reflected in the records of Euroclear and Clearstream or the CMU (as the case may be) as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Note Certificate is, (i) deposited with a depositary or a common depositary for Euroclear and/or Clearstream

and/or any other relevant clearing system (other than the CMU, in respect of which see (ii) below), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream and/or any other relevant clearing system or (ii) deposited with a sub-custodian for the CMU, notices to the holders of Notes of the relevant Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

[MiFID II Product Governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**EU Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Prohibition of Sales to UK Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by

virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**Singapore Securities and Futures Act Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.)]¹

[**Paragraph 21 of the Hong Kong SFC Code of Conduct** – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on “*Important Notice to Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct*” appearing on pages [●] to [●] of the Offering Circular, and CMIIs (as defined in the Offering Circular) should refer to the section on “*Important Notice to CMIIs (including private banks) Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct*” appearing on pages [●] to [●] of the Offering Circular.]

This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (“**Professional Investors**”) only.

Notice to Hong Kong investors: The Issuer and the Bank confirm that the Notes are intended for purchase by Professional Investor only and will be listed on The Stock Exchange of Hong Kong Limited (the “HKSE”) on that basis. Accordingly, the Issuer and the Bank confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this Pricing Supplement, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Pricing Supplement to Professional Investors only have been reproduced in this Pricing Supplement. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Bank or the Group or quality of disclosure in this Pricing Supplement. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this Pricing Supplement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Pricing Supplement.

The Offering Circular dated [date] (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Issuer, the Bank and the Group. The Issuer and the Bank accept full responsibility for the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Pricing Supplement dated [●]

SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD./
[specify relevant branch]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due [●]
under the U.S.\$5,000,000,000 Medium Term Note Programme

Legal Entity Identifier (LEI) Code of the Bank: 300300C1031031001330

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated [date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [date] and the documents incorporated by reference thereto [and the supplemental Offering Circular dated [date]].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the pricing supplement of the Notes and must be read in conjunction with the Offering Circular dated [date] and the documents incorporated by reference thereto [and the supplemental Offering Circular dated [date]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]

- | | | |
|---|---|--|
| 1 | Issuer: | Shanghai Pudong Development Bank Co., Ltd./[specify relevant branch as Issuer] |
| 2 | [(i) Series Number:] | [●] |
| | (ii) Tranche Number: | [●] (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible). |
| | (iii) Date on which the Notes become fungible | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [identify earlier Tranches] on [[●]/the |

		Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below [which is expected to occur on or about [●]].]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	(i) [Series]:	[●]
	(ii) Tranche:	[●]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
	(ii) Net proceeds:	[●] (Required only for listed issues)
6	(i) Specified Denominations ^{1 2 3} :	[●]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
8	Maturity Date:	[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] ⁴ [If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[Specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest]

¹ Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

² If the specified denomination is expressed to be EUR100,000 or its equivalent in other currencies and multiples of a lower principal amount (for example EUR1,000), insert the additional wording as follows: EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]. No Notes in definitive form will be issued with a denomination above [EUR199,000]. In relation to any issue of the Notes which are a “Global Note exchangeable for Definitive Notes” in circumstances other than “in the limited circumstances specified in the Global Notes”, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

³ For so long as any Notes are listed on The Stock Exchange of Hong Kong Limited (the “HKSE”) and the rules of the HKSE so require, such Notes will be traded on the HKSE in a minimum board lot size of at least HK\$500,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the Singapore Exchanges Securities Trading Limited (the “SGX-ST”) and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies).

⁴ Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

		[Other (<i>Specify</i>)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par][Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (<i>Specify</i>)]
11	Change of Interest or Redemption/ Payment Basis:	[<i>Specify details of any provision for convertibility of the Notes into another interest or redemption/payment basis</i>]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(<i>further particulars specified below</i>)]
13	[Date of [Board] approval for issuance of Notes obtained]	[●] (<i>N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes</i>)
14	Listing:	[The Stock Exchange of Hong Kong Limited ("HKSE")/the Singapore Exchange Securities Trading Limited (the "SGX-ST")/Other (specify)/None] (<i>For Notes to be listed on the HKSE, insert the expected effective listing date of the Notes</i>)
15	Method of distribution:	[Syndicated/Non-syndicated]
16	[Date of regulatory approval for issuance of Notes obtained:	Pre-issuance registration certificate/NDRC approval dated [●] from the NDRC/NAFR approval dated [●] from the NAFR/PBOC approval dated [●] from the PBOC]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi- annually/quarterly/monthly/other (<i>specify</i>)] in arrear]
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [<i>specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"</i>]/not adjusted] ¹
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount ²

¹ Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to adjustment in accordance with the Modified Following Business Day Convention.

² For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest RMB0.01, RMB0.005 for the case of Renminbi-denominated Fixed Rate Notes and to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

- (iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (Fixed)/other]
- (vi) Determination Dates: [[●] in each year *(insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 18 **Floating Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Period: [●]
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (iii) Specified Interest Payment Dates: [●]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (iv) First Interest Payment Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (vi) Additional Business Centre(s): [Not Applicable/give details]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [[Name] shall be the Calculation Agent *(no need to specify if the Issuing and Paying Agent is to perform this function)*]
- (ix) Screen Rate Determination:
- Reference Rate: *[For example, EURIBOR, CNH HIBOR, SOFR or SOFR Compounded Index]*

- [Observation Method: [Lag / Observation Shift]¹
 - Lag Period: [5 / [•] U.S. Government Securities Business Days/other (give details)]
 - Observation Shift Period: [5 / [•] U.S. Government Securities Business Days/other (give details)]
(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)
 - D: 360
 - SOFR Compounded Index Determination: [Applicable/Not Applicable]
 - Relevant Decimal Place: 5 (subject to the rounding provisions in the Conditions)
 - Relevant Number of Index Days²: [5/[•]] (unless otherwise specified in Pricing Supplement, the Relevant Number shall be 5)
- Interest Determination Date(s): [•]
- Relevant Screen Page: [For example EURIBOR 01]
- Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
- Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
- (x) ISDA Determination: [Applicable/Not Applicable] (If not applicable delete the remaining sub-paragraphs of this paragraph)
 - ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)
 - Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
 - Compounding: [Applicable/Not Applicable] (If not applicable delete the remaining sub-paragraphs of this paragraph)
 - Compounding Method: [Compounding with Lookback
 - Lookback: [•] Applicable Business Days
 - [Compounding with Observation Period Shift]

¹ Observation Method should only be included when SOFR or SOFR Compounded Index is selected as the Reference Rate.

² Index Days is defined in the Conditions as five U.S. Government Securities Business Days.

	<ul style="list-style-type: none"> • Observation Period Shift: [•] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [[•] / Not Applicable]
	[Compounding with Lockout
	<ul style="list-style-type: none"> • Lockout: [•] Lockout Period Business Days • Lockout Period Business Days: [[•]/Applicable Business Days]
• Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
○ Index Method:	Compounded Index Method with Observation Period Shift
	<ul style="list-style-type: none"> • Observation Period Shift: [•] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [[•] / Not Applicable]
(xi) Linear interpolation:	[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (<i>specify for each short or long interest period</i>)]
(xii) Margin(s):	[+/-][•] per cent. per annum
(xiii) Minimum Rate of Interest:	[•] per cent. per annum
(xiv) Maximum Rate of Interest:	[•] per cent. per annum
(xv) Day Count Fraction:	[•]
(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]/[see Annex]
19 Zero Coupon Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
(iii) Day Count Fraction in relation to Early Redemption Amount:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(iv) Any other formula/basis of determining amount payable:	<i>[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g)]</i>
20 Index-Linked Interest Note/other variable-linked interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

- (i) Index/Formula/other variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [•]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iv) Interest Determination Date(s): [•]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Interest or calculation period(s): [•]
- (vii) Specified Period: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (viii) Specified Interest Payment Dates: [•]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (ix) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (x) Additional Business Centre(s): [•]
- (xi) Minimum Rate/Amount of Interest: [•] per cent. per annum
- (xii) Maximum Rate/Amount of Interest: [•] per cent. per annum
- (xiii) Day Count Fraction: [•]
- 21 **Dual Currency Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

22 **Call Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]

23 **Put Option:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]

24 **Final Redemption Amount of each Note:** [•] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: *[give or annex details]*
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
- (iii) Provisions for determining Final Redemption Amount where [•]

calculated by reference to Index and/or Formula and/or other variable:

- (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [●]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) [Payment Date]: [●]
- (vii) Minimum Final Redemption Amount: [●] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [●] per Calculation Amount

25 Early Redemption Amount

- (i) Early Redemption Amount (Tax) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable (*if the Early Redemption Amount is the principal amount of the Notes*)/specify the Early Redemption Amount if different from the principal amount of the Notes or specify its method of calculation]
- (ii) Early Termination Amount per Calculation Amount payable on mandatory redemption on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable (*if the Early Termination Amount is the principal amount of the Notes*)/specify the Early Termination Amount if different from the principal amount of the Notes or specify its method of calculation]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26 Form of Notes:

Bearer Notes:¹

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

¹ Bearer Notes issued in compliance with the D Rules must initially be represented by a Temporary Global Note.

		[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] ¹
		[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] ²
		Registered Notes:
		[Global Note Certificate exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Note Certificate] ³
27	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/ <i>give details.</i>] <i>[Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 18(vi) and 20(x) relate]</i> <i>[Also ensure London is a Financial Centre for all Notes in which The Bank of New York Mellon, London Branch acts as Issuing and Paying Agent]</i>
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details.</i>]
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	[Not Applicable/ <i>give details</i>]
30	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/ <i>give details</i>]
31	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
32	Any applicable currency disruption/fallback provisions:	[Not Applicable/ <i>give details</i>]
33	Other terms or special conditions:	[Not Applicable/ <i>give details</i>]

¹ if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]", the Temporary Global Note shall not be exchangeable on [●] days' notice.

² if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]", the Permanent Global Note shall not be exchangeable on [●] days' notice.

³ if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]", the Global Note Certificate shall not be exchangeable on [●] days' notice.

DISTRIBUTION

- 34 (i) If syndicated, names of Managers: [Not Applicable/give names]
(ii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- 35 If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
- 36 Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
- 37 Private Bank Rebate/Commission: [Applicable/Not Applicable]
- 38 U.S. Selling Restrictions: Reg. S Category [1/2]
(In the case of Bearer Notes) – [C RULES/D RULES/TEFRA not applicable]
(In the case of Registered Notes) – Not Applicable¹
- 39 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a KID will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
- Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a KID will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
- 40 Additional selling restrictions²: [Not Applicable/give details]

OPERATIONAL INFORMATION

- 41 ISIN Code: [●]
- 42 Common Code: [●]
- 43 CMU Instrument Number: [●]
- 44 Any clearing system(s) other than Euroclear/Clearstream and the CMU and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- 45 Delivery: Delivery [against/free of] payment
- 46 Additional Paying Agent(s) (if any): [●]

GENERAL

- 47 Private Bank Rebate/Commission: [Applicable/Not Applicable]
- 48 The aggregate principal amount of the Notes issued has been translated into [Not Applicable/U.S.\$[●]]

¹ TEFRA not applicable may only be used for Registered Notes, or Bearer Notes with a maturity of 365 days or less (taking into account any unilateral rights to extend or rollover). Bearer Notes with a maturity of more than 365 days (taking into account unilateral rights to extend or rollover) that are held through the CMU must be issued in compliance with the C Rules, unless at the time of issuance the CMU, the CMU Lodging and Paying Agent has procedures in place so as to enable compliance with the certification requirements under the D Rules.

² The Singapore selling restrictions may be amended if sales are made only to institutional or accredited investors.

United States dollars at the rate of [●],
producing a sum of (for Notes not
denominated in United States dollars):

- 49 Ratings: The Notes to be issued have [not] been rated:
[S&P: [●]];
[Moody' s: [●]];
[Fitch: [●]];
[Other: [●]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

HONG KONG SFC CODE OF CONDUCT

- 50 Rebates: [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
- 51 Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: *[Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide]* / [Not Applicable]
- 52 Marketing and Investor Targeting Strategy: *[if different from the Offering Circular]*

[USE OF PROCEEDS

Give details if different from the “Use of Proceeds” section in the Offering Circular.]

[STABILISATION

In connection with this issue, *[insert name of Stabilisation Manager]* (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be

discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms [required for [issue and admission to trading on the SGX-ST] / [listing on the HKSE]] of the Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of Shanghai Pudong Development Bank Co., Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of:

[SPECIFY ISSUER]

By:
Duly authorised

Name:

Title:

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Bank's consolidated capitalisation and indebtedness as at 30 June 2023. Please read this table in conjunction with the Bank's unaudited but reviewed consolidated financial information in respect thereof and the accompanying notes included elsewhere in this Offering Circular.

	As at 30 June 2023
	<i>(RMB in millions)</i>
Liabilities	
Debt securities issued	1,272,371
Other liabilities ⁽¹⁾	6,939,068
Total liabilities	8,211,439
Equity	
Share capital	29,352
Other equity instruments	112,691
Capital reserves	81,762
Other comprehensive income	(609)
Surplus reserves	188,929
General risk reserve	101,496
Retained earnings	199,479
Equity attributable to Bank's shareholders	713,100
Non-controlling interests	7,980
Total equity	721,080
Total capitalisation ⁽²⁾	8,932,519

Notes:

- (1) Calculated as the difference between total liabilities and debt securities issued.
- (2) Total capitalisation equals the sum of total liabilities and total equity.

Save as disclosed in "Recent Developments - 2023 Third Quarter Results" in this Offering Circular, there has been no material change in the total capitalisation and indebtedness of the Bank since 30 June 2023.

USE OF PROCEEDS

The net proceeds of any Notes issued under the Programme shall be used for the working capital and general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

DESCRIPTION OF THE BANK

Overview

The Bank is a national joint-stock commercial bank founded on 28 August 1992. The Bank commenced business on 9 January 1993 and was listed on the Shanghai Stock Exchange (Stock Code: 600000.SS) on 10 November 1999, becoming the first commercial bank listed on the Shanghai Stock Exchange following the promulgation of the PRC Securities Law.

The Bank's principal business activities are corporate banking, retail banking and financial market and financial institution business. As at 30 June 2023, the Bank had 42 tier-one branches (including the Hong Kong Branch, Singapore Branch and London Branch) and a total of 1,747 banking outlets, covering 31 provinces, autonomous regions and municipalities directly under the central government, Hong Kong, Singapore and London. The Bank is strategically focused in economically developed areas with higher levels of income, including the Yangtze River Delta region, the Pearl River Delta region, the Beijing-Tianjin-Hebei metropolitan region and the Yangtze River economic zone.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the Bank held RMB7,958.2 billion, RMB8,136.8 billion, RMB8,704.7 billion and RMB8,932.5 billion in total assets, respectively, RMB4,430.2 billion, RMB4,691.0 billion, RMB4,798.4 billion and RMB4,866.9 billion in gross loans and advances to customers, respectively, and RMB4,122.4 billion, RMB4,463.6 billion, RMB4,893.8 billion and RMB5,069.5 billion in total deposits from customers, respectively. For the years ended 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023, the Bank's net profit attributable to shareholders of the Bank amounted to RMB58,261 million, RMB53,003 million, RMB51,171 million, RMB30,174 million and RMB23,138 million, respectively. In February 2023, the Bank ranked 27th on the Top 500 Banking Brands list released by the British magazine *The Banker*, with a brand value of U.S.\$11,074 million, being eleventh among the Chinese banks on the list. In June 2023, the Bank ranked 115th on the Forbes Global 2000 list, being 16th among Chinese enterprises and ninth among the Chinese banks on the list. In July 2023, the Bank ranked 18th on the Top 1000 World Banks list released by *The Banker*, being ninth among the Chinese-funded banks on the list. In August 2023, the Bank ranked 260th on the Fortune Global 500 list, being eighth among the Chinese banks on the list, demonstrating its sound competitiveness. Furthermore, it is one of the few domestic joint-stock commercial banks rated above investment grade by each of the Big Three credit rating agencies. It ranked seventh among the "Top 100 Shanghai Enterprises" and fifth among the "Top 100 Shanghai Service Enterprises" by the Shanghai Enterprise Federation in 2021.

As at the date of this Offering Circular, the Bank has a Long-Term Issuer Default Rating of BBB by Fitch Ratings, issuer credit ratings of BBB (long-term) and A-2 (short-term) by S&P Global Ratings and deposit ratings of Baa2 (long-term) and Prime-2 (short-term) by Moody's Investors Service. All of the Bank's rating outlooks are stable. These ratings reflect the Bank's consistent execution of its business strategy and solid financial performance over the past years.

As a dedicated financial service provider, the Bank is also committed to corporate citizenship and fulfilling its social responsibility. In 2022, the Bank received the "1st Shanghai Charity Awards" under the category of Charitable Enterprises by Shanghai Municipal People's Government. The Bank was also named among the "Fortune China ESG Impact List" by the Fortune magazine in the same year. In 2020, the Bank was granted the "Excellent Case of Social Responsibility Communication" by the China Banking and Insurance News. In 2019, the Bank received the "Best Green Finance Achievements Award" and was named a Model Enterprise in the overall evaluation of green banks by the China Banking Association. In 2019, the Bank also received the "China Social Responsibility Annual Case Award" by China Financial Publishing House. In 2018, the Bank

received the “Best Contribution Award for Targeted Poverty Alleviation” and “Best Outlet Award for Special CSR Contribution” granted by the China Banking Association.

The table below sets forth the key financial ratios of the Bank for the periods indicated:

	As at 31 December			As at 30 June
	2020	2021	2022	2023
Return on average total assets (%) ⁽¹⁾	0.79	0.67	0.62	0.27
Weighted return on average equity (%) ⁽²⁾ ...	10.81	8.75	7.98	3.73
Net interest margin (%) ⁽³⁾	2.02	1.83	1.77	1.53
Non-interest income to operating income (%) ⁽⁴⁾	29.43	28.81	29.13	33.76
Cost-to-income ratio (%) ⁽⁵⁾	23.78	26.17	27.89	26.59

Notes:

- (1) net profit/asset average balance, asset average balance = (total assets at the beginning of the period+ total assets at the end of the period)/2.
- (2) Weighted return on average equity = net profit attributable to ordinary shareholders of the parent company/weighted average net assets attributable to ordinary shareholders of the parent company. It is calculated according to the Rules for Information Disclosure by Companies Offering Securities to the Public No.9 – Calculation and Disclosure of ROE and Earnings Per Share (Revised in 2010).
- (3) Net interest margin = net interest income/average balance of total interest-earning assets. Average balance is average daily balance derived from the Bank’s management accounts.
- (4) Non-interest income to operating income = non-interest income/operating income.
- (5) Cost-to-income ratio = general and administrative expenses/operating income.

Milestones

The following are the milestone events in the development history of the Bank:

1992	Established with the approval of the PBOC.
1993	Commenced business on 9 January 1993, with headquarters in Shanghai.
1999	Became the first joint-stock commercial bank to list on the PRC A-share market with the approval of both the PBOC and CSRC.
2002	Became the first publicly-listed PRC bank to introduce foreign strategic investors.
2008	The first SPD Rural Bank was established.
2010	Entered into strategic cooperation with China Mobile Limited (“ China Mobile ”), representing the first strategic cooperation between a commercial enterprise and a financial institution in the PRC. Total assets of the Bank exceeded RMB2,000 billion for the first time, joining the ranks of large and medium banks.
2011	The Hong Kong Branch was established, marking an important first step of the internationalisation of the Bank.
2012	SPDB Financial Leasing Co., Ltd commenced business, witnessing the further transformation of the Bank into a modern financial service institution.

- SPD Silicon Valley Bank, a joint venture between the Bank and SVB Financial Group (Silicon Valley Bank) (NASDAQ: SIVB), commenced operations, being, at that time, the first Sino-foreign bank to be approved for establishment in a period of over ten years.
- 2013 Ranked in the Fortune 500 for the first time, placing 460th.
Among the first batch of banks to be approved for establishing a branch in the China (Shanghai) Pilot Free Trade Zone (“**Shanghai FTZ**”).
The Bank’s first overseas representative office, London representative office, opened.
Operating revenue of the Bank exceeded RMB 100 billion for the first time.
- 2014 First tranche of RMB15 billion 6.00 per cent. preference shares issued in the PRC.
The Bank’s first overseas issuance in Hong Kong of 4.08 per cent. bonds in aggregate principal amount of RMB1 billion.
The Bank received approval from both the CBRC (now the NAFR) and the SFC to acquire AsiaVest Partners Limited, which was subsequently renamed SPDB International Holdings Limited (“**SPDB International**”).
- 2015 Second tranche of RMB15 billion 5.50 per cent. preference shares issued in the PRC.
SPDB International commenced operations in Hong Kong as a Hong Kong-incorporated investment bank.
- 2016 The Bank was the first Chinese financial institution to issue green bonds in China’s interbank bond market, when it issued RMB20 billion of green bonds.
The Bank completed acquisition of a 97.33 per cent. equity interest in Shanghai International Trust Co., Ltd. (“**Shanghai Trust**”) at an aggregate consideration of approximately RMB16.4 billion, paid by way of 999,510,332 ordinary shares issued by the Bank, and Shanghai Trust became the subsidiary of the Bank on the same day.
The Bank received approval from the CBRC (now the NAFR) to dispose of its 20 per cent. equity interest in Fubon Bank (China) Co., Ltd. (富邦華一銀行有限公司) to Fubon Bank Co., Ltd. at a consideration of RMB2,133 million. As a result, the Bank no longer holds any equity interest in Fubon Bank (China) Co., Ltd.
- 2017 The Singapore Branch obtained the bank licence in Singapore and commenced operations in Singapore on 12 April 2017. The establishment of London Branch was authorised in December 2017.
- 2018 The London Branch commenced operations in February 2018.
- 2019 Launch of the Bank’s first digital employee “Xiaopu” which is a humanised user interface which provides financial services.
- 2020 The Bank and Huawei released the Bank of Things White Paper, which first proposed a brand-new financial service model and design system for “intelligent things” in the industry, ushering in a new era of “bank of things” services.
The Bank and the Tsinghua University co-founded the Digital FinTech Joint Research Centre in Beijing.
- 2021 The Bank opened its first overseas innovation centre in Singapore, making Singapore its fintech beachhead to South-east Asia.

The Bank and China Academy of Information and Communication Technology co-founded the Digital Finance Innovation Centre.

Strengths

After years of continuous development, the Bank has grown into a commercial bank with important influence locally and abroad. In 2023, the Bank ranked 27th on the Top 500 Banking Brands list released by the British magazine *The Banker*, with a brand value of U.S.\$11,074 million, being seventh among the Chinese-funded banks on the list. The Bank ranked 18th on the Top 1000 World Banks list released by *The Banker* in 2022, being ninth among the Chinese-funded banks on the list. The Bank also ranked 108th on the *Forbes Global 2000* list, being 20th among Chinese-funded enterprises and ninth among the Chinese banks on the list. The Bank ranked 226th on the *Fortune Global 500* list, being eighth among the Chinese-funded banks on the list, demonstrating its sound competitiveness. Furthermore, it is one of the few domestic joint-stock commercial banks rated above investment grade by each of the three renowned credit rating agencies. The Bank has transformed itself from a traditional commercial bank which was dominated by a single capital intermediary into a comprehensive financial group which provides more comprehensive financial services. The Bank's operations cover service areas such as banking, trust, leasing, fund, overseas investment banking, currency brokerage, technology banking, wealth management subsidiaries, and rural banks. In addition, breakthroughs have been made in the domestic and overseas layout of the organisation. The Bank's plan for internationalisation was also significantly accelerated with the Hong Kong Branch, the Singapore Branch and the London Branch operating well while simultaneously promoting the "Belt and Road" and planning to expand within Europe. As at 30 June 2023, the Bank has established branches and banking outlets in 31 provinces, autonomous regions and municipalities directly under the central government, Hong Kong, Singapore and London.

Strong support from substantial shareholders and geographic advantages allow the Bank to establish itself as the flagship Shanghai bank.

Headquartered in Shanghai, the Bank is well positioned to take advantage of the opportunities presented by the development of Shanghai as an international financial centre and to expand its financial institution and financial market business. The Bank enjoys strong long-term support from its largest substantial shareholders, Shanghai International Group Ltd. ("**Shanghai International Group**") and China Mobile Communication Group Guangdong Limited ("**China Mobile Guangdong**"). As one of the main financial platforms of the Shanghai municipal government, the Bank believes that it stands to benefit substantially from and leverage the favourable conditions brought by Shanghai's development as a global financial centre to foster its long-term development. The development of the Shanghai FTZ has also provided growth opportunities for the Bank's corporate banking business. As a result, the Bank is able to directly benefit from the favourable strategies and policies attributable to the reform of state-owned financial assets initiated in Shanghai to promote its business.

The Bank has established itself as an influential commercial bank in the PRC after years of continuous development. As a first-tier joint-equity commercial bank in the PRC, the Bank has developed sound cooperation with its shareholders. In 2018, based on China Mobile's "Big Connection" strategy and the Bank's "Intelligent Connectivity" strategy, the two sides opened a new chapter of strategic cooperation. Adhering to the common aspiration of creating greater value for the Bank's customers and society, the Bank will continue its cooperation with China Mobile to build a new ecosystem together.

The Bank has transformed itself into a comprehensive financial institution. Following the successful acquisition of Shanghai Trust, the Bank has extended its business to cover retail banking, investment banking, trust and fund management, leasing, foreign-currency swaps and other financial services. The Bank has increased its network coverage by enlarging its footprint in China and in foreign countries.

The Bank's strategic cooperation with China Mobile has served as a driver for the Bank's corporate banking business, while the cross-selling opportunities and the sharing of customers, particularly high-end customers, of the Bank and China Mobile have promoted the growth of the Bank's retail banking business. The Bank has also become a pioneer in the mobile banking industry through in-depth cooperation with China Mobile. As the first bank in the PRC to introduce mobile banking, the Bank has led various innovations such as mobile payments, WeChat banking and is actively promoting the adoption of industry-wide standards for mobile banking.

With a focus on more economically developed regions, the Bank has established an extensive distribution network and a diversified service channel throughout the PRC.

The Bank has an extensive distribution network with Shanghai as the business centre. It endeavours to further develop its financial services businesses to keep pace with Shanghai's growth into an international finance hub. Its network is predominantly concentrated in more economically developed regions with higher levels of income including the Yangtze River Delta region, the Pearl River Delta region, the Beijing-Tianjin-Hebei metropolitan region and the Yangtze River economic zone. As at 30 June 2023, the Bank had 42 tier-one branches (including the Hong Kong Branch, Singapore Branch and London Branch) and a total of 1,747 banking outlets, covering 31 provinces, autonomous regions and municipalities directly under the central government, Hong Kong, Singapore and London. As at 30 June 2023, the Bank's private banking customers exceed 42,000 (monthly average daily financial assets of RMB6 million or above), and the financial assets under the Bank's management from private banking customers amounted to approximately RMB620 billion. The Bank has also introduced quality investment products of the Shanghai Trust to optimise its private wealth management products and provide integrated group product services to serve the needs of the Bank's personal high-net-worth and high-end customers who seek customised wealth management services.

To extend the scope of its services, the Bank has also built a diversified service channel through automated teller machines ("ATMs") and its electronic banking service platform. As at 30 June 2023, the Bank had 2,694 self-service outlets and 4,125 ATMs. The Bank's extensive distribution network and diversified service channels provide it with the competitive measures and resources for sustainable development.

The Bank has achieved steady development through adopting a customer-oriented strategy.

By adopting a customer-oriented strategy, the Bank has fostered the business growth of its customers, which in turn allows the Bank to expand its corporate and retail banking businesses, achieving steady growth. The Bank has a strong corporate and retail banking customer base. As at 31 December 2022, the Bank had approximately 2.14 million corporate customers and around 143 million personal customers. As at 30 June 2023, the corporate loans offered by the Bank accounted for 55.05 per cent. of the total loans offered by the Bank, and the personal loans offered by the Bank accounted for 37.57 per cent. of the total loans offered by the Bank. As at 30 June 2023, the total corporate loans offered by the Group reached RMB2,739.85 billion, up by RMB141.80 billion or 5.46 per cent. as compared with 31 December 2022, and the total retail loans offered by the Group reached RMB1,869.91 billion, down by RMB22.49 billion or 1.19 per cent. as compared with 31 December 2022. The Bank also distinguishes its corporate business by offering innovative and tailor-made catering the needs of its customers' needs, notably in the development of the Bank's international banking business.

The Bank has achieved leading profitability and continues to strengthen its business structure and capital base.

The Bank has maintained its asset quality through various means of realising and managing non-performing assets, with an NPL provision coverage ratio of 170.45 per cent. as at 30 June 2023. As at 31 December 2020, 2021 and 2022 and 30 June 2023, the Bank's NPL were RMB78.46 billion, RMB76.83 billion, RMB74.62 billion and RMB74.30 billion, respectively, representing an NPL ratio of 1.73 per cent., 1.61 per cent., 1.52 per cent. and 1.49 per cent., respectively; its total capital adequacy ratio was 14.64 per cent. 14.01 per cent., 13.65

per cent. and 13.57 per cent. respectively. In addition, the Bank strives to enhance its capital adequacy ratio in order to strengthen its risk management capabilities, with the issuance of the Bank's first tranche of RMB15 billion preference shares and the second tranche of RMB15 billion preference shares in the PRC in November 2014 and March 2015, respectively. The Bank also has access to various sources of funding to increase its capital base and support its business development. Over the years, it has issued different types of debt products in the capital markets, including tier 2 capital bonds, convertible bonds and perpetual bonds.

All-round digital operation and continued innovation.

Adhering to the customer-oriented philosophy, the Bank pays close attention to technological innovation, research and development and forges its technological competitiveness.

With years of development, the Bank has rolled out various intelligent technological support for customers. It takes the lead to realise intelligent voice interactive application in the industry and introduces speed recognition, face recognition, fingerprint recognition, etc. It was among the first of its kind in the industry to introduce the i-Counter Smart Counter to support its all-round corporate and retail, cash and non-cash services. Its intelligent wealth management robot system provides mobile internet analysis based on big data and one-key asset diagnosis and open the new era of wealth management and intelligent investment. Its intelligent customer services provide consultation and advice for customers in real time relying on intelligent interaction and knowledge graph analysis. It has launched the first digital finance safety tool "cloud voice and mobile SIM shield" in the industry jointly with strategic partner China Mobile to safeguard customer's assets. It also launched the "Governmental e-loan", characterised by "free deposit, flexible loan and repayment, lending by second", which connects supply chain platform with governmental purchase systems.

The Bank also takes the lead in its innovative cooperation amongst peers. It was the first in the industry to launch an Application Programming Interface ("API") Bank, delivering convenient services, serving the real economy and exploring innovation opportunities in inclusive finance space. The Bank has established six innovation labs with Baidu, Huawei, iFlytek, China Mobile, Temenos and 360 Enterprise Security to perform in-depth research on deep machine learning, open source technology, intelligent Voice User Interface ("VUI"), 5G financial innovation, technology ecosystem and cyber security. It aims to build an Online-to-Offline ("O2O") ecosystem platform integrating digital marketing, service and analysis, providing all-round digital services to small and micro business and end consumers. It strives to enhance industry-university-research-application collaboration and construct a platform for communication, acceleration, investment and incubation. In addition, the Bank has established the Intelligent Financial Innovation Alliance whose first members include Shanghai Clearing House, Baidu, IFLYTEK and etc.

The Bank's experienced management team leads the Bank in maintaining its core competitiveness.

The Bank's management team has an average of over 30 years of experience in the PRC's financial services industry and has a proven track record in asset quality improvement and business development. The Bank believes that its management team is able to lead the Bank in maintaining its core competitiveness and achieving steady development.

Strategy

In order to establish a scientific and effective strategic response mechanism, seize the growing opportunities and actively respond to the challenges brought by a complex business environment, the Bank has designed a series of development strategies with a focus on the strategic goal of "growing into a globally competitive, top-notch joint-stock commercial bank which moves early to secure a leading position in promoting the finance sector toward high-quality development in the new era", in order to promote the Bank as a leading institution for the high-quality development of the financial industry. In line with its business development, the Bank has

set up a series of conceptual framework, business philosophy and fundamental principles in order to devise concrete measures and roadmaps to implement its strategic goals.

The Bank takes “serving the implementation of national strategies and the overall development of economy and society” as its paramount mission, keeps up with the trends of how the Chinese economy will transform and upgrade and strive to serve the new development pattern featuring a strong domestic market and the positive interplay between domestic circulation as well as a host of major national strategies such as the integrated development of Yangtze River Delta, the coordinated development of Beijing-Tianjin-Hebei Region, and the development of Guangdong-Hong Kong-Macao Greater Bay Area. It vigorously supports the key infrastructure projects on the national and regional levels as well as the development of undertakings in favor of people’s wellbeing, facilitates the country’s development of a modern industry system, boosts the upgrading of the economic system, and constantly gives full play to the credit resources and comprehensive financial services. As a bank headquartered in Shanghai, it greatly supports the city and the building of Pudong into a leading zone of socialist modernisation and engages in “three major tasks”, “five centres”, and other important matters. The Bank has continued to increase support for key areas and weak links important to social development, such as manufacturing, micro and small enterprises, scientific and technological innovation, green and low-carbon development, rural revitalisation, and consumption in the fields concerning people's livelihood, thus contributing to the realisation of the first centenary goal in China.

In 2022, the Bank drafted development strategies from the height of ensuring the political, people-oriented and professional nature of financial work. With the strategic goal of "growing into a globally competitive, top-notch joint-stock commercial bank which moves early to secure a leading position in promoting the finance sector toward high-quality development in the new era", it upheld the concept of long-termism and aligned itself with the world's best to strengthen the leading role of its strategic goal and overall planning. While moving faster to bolster up weak links, gain competitive edges, and lay a solid foundation, the Bank fulfilled the political, economic and social responsibilities of state-owned financial enterprises, and well balanced the relations of safety, liquidity and profitability in operations. The Bank put forward a path of development, which advocates the high-quality development as the main task, puts service as the core, adopts a market-oriented approach, and relies on customer experience and digital technology to enhance the core competitiveness, industry-wide leading edge, and global influence. While quickening up three major transformations, that is, "carbon peaking and carbon neutrality", asset-light operation and digitalisation, the Bank strives to become a trustworthy, preferred bank in the eyes of customers, a high-quality blue chip of the capital market, an attentive employer that shares development results with employees, a systemically important bank that boasts of operational compliance, and a respectable and trusted corporate citizen, to align corporate value with social value.

To achieve these objectives, the Bank will implement the following strategies:

Accelerating comprehensive customer management.

Focusing on two major indicators of Finance Product Aggregate (“FPA”) and Assets Under Management (“AUM”), the Bank will improve comprehensive financial service capabilities so as to further expand the customer base. Aware of the core needs of customers from different ecospheres and industrial chains, it will strengthen the integrated operation of various products and services, improve the transaction credit system, and form a closed loop of transaction credit. With these steps, the Bank will endeavour to build a customer-centered "ecosphere and chain"-based business mode.

Raising the level of integrated operation at a faster pace.

The Bank will reshape or optimise business processes in light of what customers need, continuously boosting its capabilities for process design, optimisation and integration. With the goal of product servitisation and service productisation, it will enhance the professional planning ability that is systematic and consistent. Efforts will be made to accelerate the process of product standardisation, modularisation and componentisation, with

the focus placed on boosting the Bank's system integration capability. Meanwhile, the Bank will actively build the coordinated organisational capacity to promote integrated development across the board in a balanced and sustainable manner.

Increasing the supply of high-quality assets.

To actively support the formation of a modern industrial system in China, the Bank will intensify support for key areas and weak links in the real economy such as manufacturing, green economy, inclusive finance, rural revitalisation, real estate and household consumption, while steadily optimising the asset structure. With the "ecosystem and chain"-based business mode as the core, the Bank will tap deeply into comprehensive financial service needs of various customers in the Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei region and other regions as well as strategic emerging industries.

Sparing no effort to take in more settlement deposits.

Digital means will be used to empower the integration of resources available across the Group, and the systematic and ecological business mode will be created to strengthen product supply for all types of customers. By accelerating the iteration of products and services, process optimization and experience enhancement, the Bank will enhance customer and transaction stickiness, improve capital retention, and obtain stable and sustainable sources of settlement deposits.

Making featured business brands stronger at a faster pace.

The Bank will strengthen professional capacity building and continue to enhance the comprehensive contribution of such business forms as green finance, technological innovation finance, free trade finance and pan-investment banking. It will overhaul the wealth management business mode and expand the outlet capacity vigorously; innovate the exclusive business mode used to serve ultra-high net-worth customers in the long run to enhance the core competitiveness of the private banking brand; and work to see featured businesses such as SPDB Risk Hedging, custody and wealth management get stronger, grow bigger in terms of market share and contribute more revenue.

Strictly maintaining the bottom line of risk compliance and internal control.

The Bank will enhance proactive, around-the clock risk prevention and control capabilities and put in place various kinds of precautions to lay a solid foundation for high quality development. Intensified efforts will be made to dispose of existing risks and switch the focus from NPL disposal to asset operation. The integration of front, middle and back-office systems will be enhanced to improve the efficiency of process-based risk control and tighten comprehensive risk management. Besides, the reform of compliance systems and mechanisms will be advanced to continuously improve the audit monitoring and supervision system.

Continuously improving the efficiency of basic management.

The Bank will continuously improve scientific management and meticulous management, and get various aspects of basic work done properly, including asset and liability management, operation, consumer protection, cooperation with integrated law enforcement and inspection by the PBOC and data governance. In the meantime, information technology will be used to better empower business development, support the planning for industrial digital finance and innovation based on Software as a service ("SaaS"), deliver a better experience for customers and employees, and enhance the efficiency of collaborative operation. Steady progress will be made towards the group-wide and international operation of the Bank.

Recent Developments

2023 Third Quarter Results

On 27 October 2023, the Bank published the unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2023 on the website of Shanghai Stock Exchange. A summary of such financial information has been set forth in “*Summary Financial Information of the Bank*” in this Offering Circular.

The unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2023 have not been audited or reviewed by a certified public accountant, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. None of the Bank, the Group, the Arrangers, the Dealers or their respective directors, officers, employees, agents, affiliates or advisers makes any representation or warranty, express or implied, regarding the sufficiency of such unaudited and unreviewed consolidated quarterly financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Bank’s financial condition and results of operations. In addition, the unaudited and unreviewed consolidated quarterly financial information of the Bank as at and for the nine months ended 30 September 2023 should not be taken as an indication of the expected financial condition or results of operations of the Bank for the full financial year ending 31 December 2023.

Changes in the List of Directors, Supervisors and Senior Management Personnel of the Bank

Since 30 June 2023, there have been further changes in the list of directors, supervisors and senior management personnel of the Bank as disclosed on the website of the Shanghai Stock Exchange. For further details relating to the current list of directors, supervisors and senior management personnel of the Bank, please see “*Directors, Supervisors and Senior Management*” in this Offering Circular.

Principal Business Activities

The Bank’s principal business activities in the PRC include corporate banking business, retail banking business and financial market and financial institution business.

For the years ended 31 December 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023, the Bank’s total operating income was RMB196,384 million, RMB190,982 million, RMB188,622 million, RMB98,644 million and RMB91,230 million, respectively. The following table sets forth the geographical concentration of the Bank’s total operating income and total external interest income for the years and periods indicated, respectively:

	For the year ended 31 December						For the six months ended	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Headquarter	86,386	43.99	78,730	41.22	76,816	40.72	34,992	38.36
Yangtze River Delta Region	38,009	19.35	40,095	20.99	39,685	21.04	20,052	21.98
Pearl River Delta and West Side of Taiwan Strait	12,736	6.49	13,883	7.27	13,431	7.12	6,202	6.80

	For the year ended 31 December						For the six months ended	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Bohai Rim.....	15,574	7.93	15,538	8.14	15,405	8.17	7,094	7.78
Central China.....	15,573	7.93	15,778	8.26	12,961	6.87	5,969	6.54
Western China	9,724	4.95	9,745	5.10	11,792	6.25	5,589	6.13
North-eastern China.....	4,858	2.47	4,016	2.10	4,359	2.31	2,086	2.29
Overseas institutions and subsidiaries.....	13,524	6.89	13,197	6.91	14,173	7.51	9,328	10.22
Total.....	196,384	100.00	190,982	100.00	188,622	100.00	91,230	100.00

Note:

(1) The amounts contained in this table are prepared in accordance with PRC GAAP.

Corporate Banking Business

Adhering to its customer-oriented approach, the Bank deepens the customer management, works hard to serve the real economy, and provides all-round financial services for customers including but not limited to commercial credit, transaction banking, investment banking, electronic banking, cross-border business, and offshore business. Meanwhile, it vigorously managed corporate customers as a digital ecology, made vigorous financial innovation, and saw its key business indicators stabilizing and picking up. As at 31 December 2022, the Bank had approximately 2.14 million corporate customers. For the year ended 31 December 2022, the Bank's corporate banking business segment achieved a net income of RMB61,843 million. The Bank continues to push forward the multi-level, classified customer operation, and consolidated the customer base.

Corporate deposit and loan business

The Bank keeps optimising the structure of its credit customers through supporting upgraded industries, traditional competitive industries, strategic emerging industries, modern services and green industries. At the same time, it strictly curbs financing to industries with heavy pollution, high energy consumption and overcapacity.

As at 30 June 2023, the total corporate deposits placed with the Bank stood at RMB3,600.68 billion, representing an increase of RMB107.82 billion or 3.09 per cent. as compared with 31 December 2022. As at 30 June 2023, the total corporate loans offered by the Bank were RMB2,739.85 billion, representing an increase of RMB141.80 billion or 5.46 per cent. as compared with 31 December 2022. The NPL ratio for the corporate loans offered by the Bank was 1.49 per cent. as at 30 June 2023, representing a decrease of 0.03 per cent. from the end of 2022. Corporate loans have historically constituted the largest component of the Bank's loan portfolio. The Bank's corporate loans consist of short-term loans and medium-and long-term loans. These corporate loan products mainly take the form of general corporate loans, discounted bills and trade finance. As at 30 June 2023, the corporate loans offered by the Bank accounted for 55.05 per cent. of the total loans offered by the Bank.

The Bank lends to corporate borrowers in a wide range of industry sectors and across nearly all geographic regions of the PRC. The following table sets forth information on the balance of the corporate loan offered by the Group by product types as at the dates indicated:

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	<i>(RMB in millions)</i>			
Loans and advances to corporate customers				
General Corporate loans	2,248,168	2,261,151	2,392,505	2,514,216
Trade finance	57,619	146,577	205,553	225,638
Total	2,305,787	2,407,728	2,598,058	2,739,854

Investment banking business

The Bank offers a wide range of investment banking services including debt financing, asset-backed structured financing, green finance, and M&A advisory services. The Bank acted as the lead underwriter for the issue of RMB500 million asset-backed notes by Shanghai PD Luqiao Construction Co., Ltd. in 2012, which was among the first batch of its kind in the PRC. The Bank was the sole lead underwriter for the transaction. In 2015, the Bank's subsidiary SPDB International Holdings Limited ("**SPDB International**") commenced operations in Hong Kong which further advanced the Bank's provision of service in the investment banking area. SPDB International is registered for Type 1 "Dealing in Securities", Type 6 "Advising on Corporate Finance" regulated activities with the SFC through its subsidiary, SPDB International Capital Limited and Type 4 "Advising on Securities", Type 9 "Asset Management" regulated activities through its subsidiary, SPDB International Investment Management Limited.

In 2020, to support the national pandemic control efforts, the Bank has underwritten the first anti-COVID-19 bond in the PRC. To serve the implementation of major national strategies, the Bank has underwritten the first medium term note for the SOE mixed-ownership reform in the PRC and the first pooled commercial paper for high-tech enterprises in the Yangtze River Delta. To develop inclusive finance, the Bank has devised and issued its first standardised bill, which was also one of the first products of its kind across the PRC. In 2021, the Bank was awarded the "Model Underwriter of Financial Bonds" by the Shanghai Stock Exchange. It was also awarded "Bond Market Leader of the Year", "Top 10 Settlers" and "Model Asset Custodian" by China Central Depository & Clearing Co., Ltd. and Top 10 Investment Banking Innovations by the Chinese Banker in 2021. In 2022, the Bank served as the sole lead underwriter of the first carbon asset bonds in the Chinese interbank bond market, being 2022 Anhui Energy SCP004 (Carbon Asset), with an issuance size of RMB1 billion. The Bank expects that the investment banking business will continue to be an important part of its business. For the six months ended 30 June 2023, the Bank underwrote 808 bonds as a lead underwriter, and the lead underwriting amount reached approximately RMB344 billion.

Transaction banking

The Bank's transaction banking segment serves all sorts of customers at the Bank. The Bank focuses on the digitalisation drive across the Bank and its subsidiaries. The Bank explores new business forms and models to digitalise service delivery, serves the real economy with the industry-leading inclusive finance and technology finance, and makes intensive efforts to enrich the transaction banking service brands. During the year ended 31 December 2022, the Bank's active payment and settlement customers exceeded 400,000, and the volume of cross-border RMB collection and payment business went beyond RMB990 billion. As at 31 December 2022, the combined balance of corporate wealth products was RMB132.4 billion, including the combined balance of third-party products sold by proxy worth RMB7 billion, an increase of RMB2.8 billion or 68 per cent. from the beginning of the year.

International business vehicles

The Bank made steady strides in international operations. Relying on overseas branches, Free Trade Zone (“FTZ”) branches, and offshore business presence, it puts in place and optimises the international business platform. Meanwhile, it actively aligns with the opening-up strategy of the PRC, and devotes itself to providing a wide range of financial services as actually needed by the “going global” Chinese enterprises, the Belt and Road Initiative implementation, and the FTZ construction. The Bank has gripped market opportunities to develop international business vehicles (including offshore, FTZ branches, and overseas branches), with an emphasis on developing core customers and accelerating optimisation of the business structure. As at 31 December 2022 and 30 June 2023, the total assets of the Bank’s international business vehicles amounted to RMB355.22 billion and RMB378.21 billion, respectively, generating a cumulative operating income of RMB4.91 billion during the year ended 31 December 2022 and of RMB2.18 billion during the six months ended 30 June 2023.

Strategic customer management

The Bank created a "one solution for one customer" management pattern and formed a differentiated management strategy based on multiple dimensions of strategic customers (groups) such as industry characteristics, treasury management, payment & collection, supply chains of upstream and downstream industries, and product empowerment needs. Capitalizing on the platform advantages of the Head Office, it created the circle of group customers, the circle of industries, and the circle of supply chains to drive ecosystem-based operation and high-value customer acquisition.

As at 31 December 2022, the Bank’s outstanding corporate deposits denominated in RMB and foreign currencies from strategic customers of the headquarter stood at RMB867.7 billion; and the outstanding corporate loans denominated in RMB and foreign currencies (including commercial papers) were RMB630.8 billion. The outstanding corporate deposits from strategic customers of branches denominated in RMB amounted to RMB522.2 billion; and the outstanding corporate loans of these customers denominated in RMB stood at RMB595.8 billion.

As at 30 June 2023, the outstanding corporate deposits placed with the Bank by the strategic customers of the headquarter denominated in RMB amounted to RMB852.6 billion; and the outstanding corporate loans offered by the Bank to the strategic customers of the headquarter denominated in RMB amounted to RMB668.5 billion. The outstanding corporate deposits from strategic customers of branches denominated in RMB amounted to RMB551.3 billion; and the outstanding corporate loans of these customers denominated in RMB stood at RMB646.6 billion.

Inclusive finance

The Bank has earnestly implemented the general requirements put forth by the Communist Party of China Central Committee (the “CPC Central Committee”) and the State Council for developing inclusive finance. It kept expanding the reach and coverage of inclusive finance services by pressing ahead with the supply-side reform of inclusive finance, enabling inclusive finance to go digital, intensifying product innovation, making up for institutional shortcomings, and capitalizing on policy synergy. While steadily promoting the high-quality development of inclusive finance, it also fully implemented various regulatory requirements. In short, new progress was achieved in developing inclusive finance. In 2022, the NPL ratio and interest rate were both in line with the regulatory requirements for "two controls". As at 30 June 2023, the Bank's balance of inclusive loans under the standard of "two increases" stood at RMB400.1 billion and the number of micro and small enterprises receiving such loans hit 302,000.

The Bank continues to improve the inclusive finance mechanisms and systems by listing credit plans and risk limits separately and formulating differentiated industry investment policies. It improved the effectiveness of financial services for micro and small enterprises overall through a series of measures, including continuing

subsidies and fee reductions, optimising special assessments for inclusive finance, introducing a non-performing tolerance mechanism for inclusive loans to micro and small enterprises, implementing liability exemption on the premise of diligent duty performance effectively, and encouraging the supply of inclusive loans. The Bank continued to promote the digital operation mode of inclusive finance, upheld the business strategies of "bulk customer acquisition, standardised operation, digital support and intelligent risk control", and upgraded the "SPD e-Finance 2.0" inclusive customer service system and the intelligent risk control system for small enterprises. Remarkable results were achieved in the application of relevant innovations.

Retail Banking Business

Guided by the Bank's core "customer-centric and market-oriented" principles, the Bank continues to accelerate business restructuring and strategic transformation of retail banking business, to enhance the development of products system and to implement classified and categorised management of customers. The Bank continues to maintain a rapid development of retail banking business. The Bank's retail banking business mainly consists of personal loans and strategic transformation of retail finance business, personal deposits, wealth management and private banking, foreign exchange services, bank debit cards and bank credit cards.

The Bank made retail banking business one of its priorities, continuously improved its product, service and risk prevention systems, built an extensive cooperation ecosystem, and promoted wealth management, credit cards, retail credit, private banking and other business forms toward fast development. In the meantime, it empowered retail customer management with cutting-edge technologies, transformed retail banking business with digital means, created comprehensive services and ultimate experience, and made teams more professional, products more innovative, and risk control more compliant to meet diversified customer needs. As at the end of 2022, the Bank's retail deposit balance exceeded RMB1.3 trillion mark and the retail loan balance stood at RMB1,877,119 million. The Bank produced a net operating income of RMB66.73 billion in retail banking business during the year ended 31 December 2022.

For the six months ended 30 June 2023, the Bank's net operating income of its retail banking business hit RMB33.31 billion. As at 30 June 2023, the balance of the current retail deposits placed with the Bank and the balance of the retail loans (including credit card loans) offered by the Bank recorded RMB1,380 billion and RMB1,854.9 billion, respectively.

Personal customers and deposits

The Bank accepts deposits in Renminbi as well as certain major foreign currencies. The Bank mainly offers current deposits and time deposits to its retail banking customers.

In 2022, the Bank improved the layered management system for retail customers, created a closed loop of digital management, built a platform operation ecosystem online, and improved the intelligent service capability of outlets offline, in a bid to optimize customer service experience and create greater value for customers. Meanwhile, it deepened the management of payroll, wealth management, payment and settlement and other customer groups, took in more settlement deposits, and consolidated the advantages in deposit costs, to promote the balanced and sustainable growth of deposits. As at 31 December 2022, there were 143 million personal customers (including credit card holders) across the Bank; the assets of retail customers under management kept growing steadily to a balance (including market value) of RMB3.95 trillion; the balance of personal deposits reached RMB1,309.16 billion, representing an increase of RMB306.99 billion or 30.63 per cent. over 31 December 2021.

As at 30 June 2023, the number of the Bank's personal customers (including credit card customers) reached approximately 151 million retail customers, and the balance of personal deposits placed with the Bank reached

RMB1,376.04 billion, representing an increase of RMB66.88 billion or 5.11 per cent. as compared with 31 December 2022.

Wealth management business

The Bank owns the bank wealth management license as well as asset management licenses held by companies it mainly invests in, which include trust and PE licenses held by Shanghai Trust and its asset management subsidiary, fund and fund asset management licenses held by AXA SPDB Investment Managers Co., Ltd., Tullett Prebon SITICO (China) Limited, and its asset management subsidiary, overseas investment banking licenses (investment banking and brokerage) held by SPDB International and its brokerage subsidiary, and overseas asset management licenses held by the asset management subsidiary of SPDB International and the Hong Kong subsidiary of Shanghai Trust. In January 2022, SPDB Wealth Management, the wholly-owned subsidiary of the Bank, commenced for business.

Pursuing a customer and value-oriented approach, the Bank's wealth management business created open product shelves, the fund business line forged a featured brand by extending multi-pronged presence, and the insurance business line deepened cooperation with industry leaders to sharpen its competitive edge. Proceeding from asset allocation, the Bank promoted the refined management of wealth management business, built a professional team, and forged core competitiveness in wealth management. While accelerating the process of retail digitalization 3.0, it promoted the deep integration of technology and business to improve the quality of wealth management services. The Mobile Banking app launched the brand new 11.8 version, the Fortune column worked with partners to build an ecosystem of integrated financial services, and the digital and remote asset management modules used both AI and humans for customer service to create a closed-loop mode of online and offline marketing. As at 31 December 2022, the Bank's balance of AUM from personal customers (including market value) reached RMB3.95 trillion, and its wealth management income amounted to RMB5.05 billion during the year ended 31 December 2022. As at 30 June 2023, the Bank's balance of AUM from personal customers (including market value) reached RMB3.81 trillion, and that its funds and insurance business lines maintained market-leading main indicators.

Private banking business

The Bank began its private banking business in 2011. In 2015, the Bank launched the Sunshine Private Fund, the Precious Metal No. 1 Fund and other innovative products. It also introduced high-quality investment products of the Shanghai Trust to optimise its product line and provide group-based and integrated product services for its customers. Leveraging the Bank's Hong Kong private banking centre, the Bank launched offshore businesses, including universal life insurance, insurance policy loans and other overseas investment products. Through optimising its private banking investment accounts management, the Bank enhanced customer satisfaction and made business breakthroughs in its offshore business. Relying on the Bank's leading edge in corporate banking and retail banking, this business segment pools together advantages available across the Bank to devise a joint service mode that features investment and financing integration, domestic and foreign integration, and corporate and retail banking integration. It strives to improve the high-net-worth customer management system, and endeavours to create a butler-style private banking service system.

In 2022, the private banking business tapped deeply into customer management, exploited the advantages of "one bank" operation, and got more out of corporate-personal business cooperation and group-wide collaboration. The Bank established a mart of privately offered products to enrich the open-ended products available on the shelf of private banking. It also improved the quality of private banking services in all aspects, optimized the digital and intelligent development of private banking, and increased the comprehensive contribution of private banking customers at a faster pace. As at 31 December 2022, the Bank had over 28,000 private banking customers (monthly average daily financial assets of RMB8 million or above) and managed their financial assets worth over RMB530 billion.

As at 30 June 2023, the Bank's private banking customers exceed 42,000 (monthly average daily financial assets of RMB6 million or above), and the financial assets under the Bank's management from private banking customers amounted to approximately RMB620 billion.

Retail credit business

The Bank continues to diversify the retail credit product lineup, strengthens the building of digital risk control capabilities, and optimises the business operation mechanisms. Loans to retail customers include personal housing loans, personal business loans, credit card and overdrafts and others. The Bank's retail loans have experienced substantial growth in recent years. In 2022, the Bank focused on serving people's livelihood improvement and supporting the real economy. It allocated more resources to key areas and weak links important to economic and social development such as consumer finance, micro and small finance, green finance and auto finance to further enhance people's well-being. The Bank helped to enhance the quality and quantity of household consumption. Focusing on six major consumption scenarios, that is, smartphones, old-age pension, education, automobile, tourism and home furnishings, it rolled out a string of innovative products such as "Mega Small Loan" and auto finance, to incorporate financial credit services into daily consumption scenarios. Keenly aware of what customers would need, the Bank optimized policy measures, innovatively used digital means, and leveraged the driving role of data drive to do better in supporting and serving micro and small enterprises with financial strength.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the balance of the retail loans offered by the Group totalled RMB1,792,278 million, RMB1,890,620 million, RMB1,892,400 million and RMB1,869,912 million, respectively. As at the end of 31 December 2022, the Bank's balance of retail loans (excluding credit cards) was RMB1,443,426 million, of which the balance of housing loans was RMB865,791 million.

Credit card business

The Bank's credit card centre was established in 2004, being one of the earliest credit card centres. Since its establishment, the Bank has issued various kinds of credit cards to meet various needs of its customers. In addition, in response to varying needs of different market segments, the Bank has issued a large number of co-branded credit cards with reputable enterprises in sectors including, for example, airline, hotels, merchandise and telecommunications.

In 2022, the Bank centered on the main tasks of "putting compliance first, pursuing a risk-based approach, engaging in intensive operation, and seeking steady development" to promote consumer services in a featured non-banking ecosystem and introduce a set of special marketing activities in the Yangtze River Delta. Relying on the "66"-themed activities, it helped boost consumer confidence in the region, advocated the concept of green travel, continued to promote the "Good Morning SPD" brand, made refined planning for mobile travel scenarios, and continued to deepen customer management with digital means. The "Joyful SPD Credit Card" app unveiled six innovative initiatives, that is, personalizing the way of service presentation, constructing diverse consumption scenarios, meeting the needs of special customer groups, strengthening connections with customers, and creating new scenarios for voice services, to effectively meet the financial needs of customers through digital means. As at 31 December 2022, the app has registered approximately 21.54 million monthly active users ("MAUs").

The Bank developed credit card business through multiple channels. As at 31 December 2022, the Bank had 51.33 million credit cards in circulation, representing an year on year increase of 5.98 per cent.; the balance of credit card loans amounted to RMB433,693 million, representing an year on year increase of 4.22 per cent.; the "Joyful SPD Credit Card" app had 25.08 million MAUs, representing an year on year increase of up 24.16 per cent. During the year ended 31 December 2022, the Bank's credit card transactions amounted to RMB2,417,472 million, representing a year-on-year increase of 9.11 per cent.; and the credit card business generated a total income of RMB43,733 million, which increased by 14.85 per cent. compared to the same period in 2021.

As at 30 June 2023, the Bank had approximately 49.82 million credit cards in circulation. For the six months ended 30 June 2023, the Bank's credit card transactions amounted to RMB1,168.10 billion and the business generated a total income of RMB20,924 million.

Attributable to its sound services, the Bank was awarded Outstanding Contribution Award for Customer Service" by China UnionPay at the 2020 Interbank Service Symposium and its Credit Card Center was awarded "Best Frictionless Sales Management Program in China" by The Asian Banker in 2021. In 2022, the Bank's Credit Card Center was granted the Green Development Award in the 17th People's Corporate Social Responsibility Award selection by People.cn.

Debit card and payment settlement business

The Bank offers a variety of debit card products to its customers. During the year ended 31 December 2022, the Bank worked with 285 partners to issue co-branded cards and themed cards, by launching the card number and face customization service, and optimising the online card claiming and mailing service. It joined hands with China UnionPay to launch ahead of any other banks in China two apps (SPD Bank and Joyful SPD Credit Card) based on the Cloud QuickPass online payment platform, providing users with high-quality payment experience. As at 31 December 2022, 97,063,200 cards were issued in total. The Bank's acquiring business served the real economy on the premise of operational compliance and risk control; the retail banking fulfilled social responsibility by reducing fees and boosting consumption; and the corporate banking promoted the development of payment innovation business, enhanced the acquiring business capacity, and better served the operation of the real economy. In the development of digital platforms, the Bank continued to optimize the unified acquiring platform and build a middle and back-office management platform to further improve merchant management capabilities. With respect to of e-CNY business, the interim management measures for internal business was formulated to carry out e-CNY business in all pilot areas delineated by the People's Bank of China.

As at 30 June 2023, the total number of the debit cards issued by the Bank in circulation has reached approximately 100,393,000. The Bank relies on online and offline channels such as APIs, smart terminals, official accounts, applets, and apps to satisfy the sales and collection needs arising from different industries and digitalise a host of sectors including utility bills payment, transportation, retail, health, and education. In the process, the Bank has provided consumers with a convenient and easy-to-use payment experience.

Financial Market and Financial Institution Business

In line with the regulatory requirements, the Bank, always being customer-centric, has stepped up product and business innovation, grasped market opportunities to optimize asset allocation strategies and advance innovation and transformation, and kept raising the business standard and investment & trading capabilities in the financial market business. For the year ended 31 December 2022, the Bank continued to enhance operational efficiency on the premise of ensuring liquidity security and risk control compliance across the board. As at 31 December 2022, the scale of fund assets operated by the Bank reached RMB2.5 trillion. During the year ended 31 December 2022, the Bank's financial market business realised a net operating income of RMB36.6 billion, representing a decrease of 3.28 per cent. as compared with the year ended 31 December 2021.

As at 30 June 2023, the scale of fund assets operated by the Bank maintained at RMB2.5 trillion. During the six months ended 30 June 2023, the Bank's financial market business realised a net operating income of RMB19.02 billion.

Financial institution business

The Bank, centring on customers, has continued to increase the products for financial institution customers and optimise the industry distribution of customers by refining the industry-specific business strategies. As at 31

December 2022, the Bank entered into partnerships with over 3,100 corporate financial institutions, attaining an industry coverage of 64 per cent.; the online interbank platform served over 2,600 customers, with functions, products, and service capabilities continuously diversified to further raise online service standards; and the "Bund 12 Interbank Cooperation Salon" was continuously promoted. The Bank promoted cooperation in various innovative businesses with financial peers, factor markets and other institutions around hot topics such as financial product innovation, support for enterprises in their resumption of work and production, and pilot run of personal old-age pension, in an effort to further enhance the influence of its interbank cooperation brand.

Investment transaction

In terms of the interbank business, the Bank has actively increased the allocation of acceptable assets and standardised assets such as asset securitisation business, while promoting the inclusive finance assets backed securities ("ABS") investments to strengthen the support of inclusive finance.

In terms of bond trading, the Bank tried to grasp market timing and swings and grip every possible market opportunity, and shored up the spread income and portfolio income steadily. While expanding the macro hedging strategies at home and abroad, it maintained the bond lending business within the first echelon of market players.

In terms of the bill business, the Bank worked hard to enhance the comprehensive contribution of the business line, with the volume of business conducted through online channels growing rapidly.

In terms of the agency business, the Bank relied on the transformation and upgrading drive to make the "SPDB Risk Hedging" brand strong, released the Blue Book on Market Outlook of SPDB Risk Hedging in 2022, and provided customers who sought risk hedging with market trend analysis. The efficient output of research results directly to customers turned out another value-added service in the agency business. Seizing the market opportunities related to interest rate, exchange rate, precious metals and commodities, the Bank made all-round and three-dimensional integrated innovations, maintained a leading position in transactions on exchange across the market, and improved its overall influence in the market continuously.

Attributable to its sound performance, the Bank was awarded Top 10 Inclusive Finance Service Innovations and Top 10 Financial Market Innovations of the China Financial Innovation Awards by the Chinese Banker in 2021. In 2022, the Bank was awarded by National Interbank Funding Center as Core Dealer, Money Market Dealer, Bond Market Dealer, Derivatives Market Dealer, NCD Issuer and Market Co-builder; and it received the Innovation of the Year Award for Bond Underwriting, X-Repo, X-Bond, X-Bargain, Bond Strategy Trading, X-Lending, X-Swap, iDeal and Automated Trading. The Bank was also awarded Bond Market Leader of the Year, Model Financial Bond Issuer, Model Bond Underwriter, Model Underwriter of Local Counter Bond Business, Top 100 Proprietary Settlers, Model Contributor to International Business and Model Underwriter of ChinaBond Green Index by China Central Depository & Clearing Co., Ltd. in 2022.

Asset management

The Bank provides a range of asset management solutions to corporate clients. The Banks continues to expand its lineup of products in line with new asset management regulations, so as to guarantee the adequate product supply. Pursuing a customer-centric approach, the Banks strives to serve customers and meet their diversified needs. During the year ended 31 December 2022, SPDB Wealth Management Co., Ltd., a wholly-owned subsidiary of the Bank, was officially inaugurated, which represented an important step for the Bank to fully implement the new regulations for asset management and accelerate the high-quality transformation and development of its wealth management business. After its opening for business, SPDB Wealth Management got various aspects of work done in an orderly manner. On the product side, it accelerated innovation, safeguarded supply, and continued to enrich product types, by launching a number of net-worth products that were well received in the market. On the asset side, it increased support for the real economy, kept increasing the

proportion of investments in standardised assets, and stabilised the performance of net-worth products through various measures. With these efforts, SPDB Wealth Management strove to generate sound investment returns for investors. As at 31 December 2022, wealth management products of SPDB Wealth Management totalled RMB839,303 million.

Asset custody

The Bank provides an array of custody services to securities investment funds, enterprise annuity, National Council for Social Security Fund, insurance companies, qualified foreign institutional investors (QFII), qualified domestic institutional investors (QDII) and other bank clients, including assets custody, capital clearing, accounting, transaction monitoring, performance appraisal and reporting service. Custody services provided by the Bank include those relating to securities corporate clients' assets, foundation assets, building maintenance funds, housing funds, staff mutual-aid funds, securities investment funds, trust assets and transactional funds.

The Bank is continually seeking to pursue innovations in its custody services and has made developments in the areas of financial product funds escrow, QFII/QDII trust custody, supervision and/ or custody of internet platform funds, custody of funds of margin financing and securities lending, single-purpose prepaid funds depository etc. The Bank also successfully launched the first custody business nationwide of collective QDII trusts: Greater China QDII. Grasping the opportunity of opening-up of custody services for single-purpose prepaid funds, the Bank has signed the first single-purpose prepaid card funds depository deal.

In 2022, the Bank focused on key custody business in valuation category, accelerated the restructuring pace, prioritised digital operation and multi-dimensional empowerment, and promoted the high-quality and sustainable development of custody business steadily. As at 31 December 2022, the asset custody business had a scale of RMB15.18 trillion. For the year ended 31 December 2022, the Bank's asset custody business generated a total of RMB2,735 million of custody fee income.

As at 30 June 2023, the asset custody business had a scale of RMB16.15 trillion. For the six months ended 30 June 2023, the Bank's asset custody business generated a total of RMB1,188 million of custody fee income.

In 2020, the Bank was granted Gamma Award for Banking Asset Custody Bank in China by the Securities Times. In 2022, the Bank was granted Model Asset Custodian by China Central Depository & Clearing Co., Ltd. for the second consecutive year.

Overseas Operations

As part of its strategy to become a modern financial services institution, the Bank has intensified its efforts to develop its overseas operations. So far the Bank's overseas operations are mainly conducted through the Hong Kong Branch. The Bank also established an overseas representative office in London in October 2013.

In 2014, the Bank received approval from both the CBRC (now the NAFR) and the SFC to acquire AsiaVest Partners Limited, which was subsequently renamed SPDB International. On 25 March 2015, SPDB International commenced operations in Hong Kong as a Hong Kong-incorporated investment bank wholly-owned by the Bank. It is engaged in the business of investment banking and fund management. It is registered for Type 1 "Dealing in Securities" and Type 6 "Advising on Corporate Finance" regulated activities with the SFC through its subsidiary, SPDB International Capital Limited and Type 4 "Advising on Securities" and Type 9 "Asset Management" regulated activities through its subsidiary, SPDB International Investment Management Limited. SPDB International will serve as the Bank's cross-border investment and financing services platform and investment banking services platform and represents a great stride in the Bank's internationalisation and integration efforts.

In April 2017, the Singapore Branch commenced business. The London Branch of the Bank was authorised by the Financial Conduct Authority in December 2017 and commenced operations in February 2018.

Major Loan Customers

As at 31 December 2022, the aggregate amount of loans offered by the Bank to its single largest customer accounted for approximately 2.54 per cent. of its net capital, and the aggregate amount of loans offered by the Bank to its top ten customers constituted approximately 12.76 per cent. of its net capital. As at 30 June 2023, the aggregate amount of loans offered by the Bank to its single largest customer accounted for approximately 2.32 per cent. of its net capital, and the aggregate amount of loans offered by the Bank to its top ten customers constituted approximately 14.40 per cent. of its net capital.

Marketing

The Bank has built up a multi-layer marketing system with the participation of the headquarters, branches and sub-branches. The Bank focuses its marketing efforts on first-tier cities in the PRC where the majority of its target customers are located, including cities in the Yangtze River Delta region. The Bank also pays attention to second-tier cities with relatively developed economies in central and western PRC.

In addition to optimising its physical network of branch outlets, the Bank has also improved its electronic marketing by taking advantage of its advanced IT platform services, such as mobile phone banking, internet banking and telephone banking, and have obtained positive results in promoting retail banking products and services through those channels.

Distribution Network

The Bank delivers its products and services through a variety of distribution channels. The Bank has branch outlets in substantially all major cities in the PRC. In addition, the Bank is increasingly promoting the use of alternative electronic banking channels, such as internet banking and telephone banking. The Bank believes that its network of branch outlets and electronic banking channels enable the Bank to efficiently provide its customers with banking services.

Branch Outlets

The Bank continues to improve the geographic layout of its branches by establishing outlets in provincial capitals, further increasing the pace of branch development in economically developed prefecture-level cities and increasing the density of outlets in key areas. As at 30 June 2023, the Bank had 42 tier-one branches (including the Hong Kong Branch, Singapore Branch and London Branch) and 1,747 banking outlets in 31 provinces, autonomous regions and municipalities directly under the central government, Hong Kong, Singapore and London.

Automatic Service Machines and Self-Service Banking Centres

In an effort to provide additional convenient services to customers, reduce operating costs and improve profitability at branch levels, the Bank is continually expanding its self-service banking centres and automatic service machines connected to the China UnionPay network, in parallel with enhanced risk prevention of self-service banking. The Bank also made efforts to expand the distribution network of self-service banks and equipment and raise the rate of transactions substituted by self-service equipment. In addition, the Bank has introduced the i-Counter Smart Counter, in replacement of traditional bank counter services, which integrates the use of new technologies such as biometrics, audio, video and 4G wireless network to provide intelligent and efficient banking services to customers.

As at 30 June 2023, the Bank had approximately 2,694 self-service outlets and 4,125 ATMs. In November 2013, the Bank pioneered the cash withdrawal booking service through the mobile application WeChat, allowing customers to withdraw cash from the Bank's ATM machines using a booking code sent through WeChat, removing the need to use a debit card. As at 30 June 2023, the replacement rate for transactions via e-channels is approximately 99.4 per cent.

Electronic Banking

The Bank has accelerated the innovation of electronic banking. In particular, through cooperation with China Mobile and China Mobile Guangdong, the Bank's second strategic investor and second largest shareholder, the Bank has made great strides in the area of mobile banking. In 2022, the Bank worked towards the strategic goal of growing into a globally competitive, top-notch joint-stock commercial bank. Specifically, it allowed AI innovation to further play its enabling role, put customer experience in the first place, and reshaped business processes, so as to enhance the user experience and service efficiency, both online and offline.

As at 30 June 2023, the number of the Bank's personal online banking customers reached 40.98 million, the number of the Bank's personal mobile banking customers reached 75.75 million, and the number of personal customers using the Bank's card-bound internet payment service reached 59.21 million.

The Bank has won various awards for its electronic banking platform. In 2018, The Bank's "Shanghai Pudong Development Bank New Generation Information System Project" was awarded the second prize for the Bank Technology Development Award by the CBRC. In addition, the Bank's "Machine Learning Technology based on Big Data IT Operational Analysis System" and "Mobile Banking System Based on Intelligent Interaction" were both awarded the third prize for the 2018 Bank Technology Development Award by PBOC. In 2019, the Bank's "Whole-process Intelligent Risk Control Innovation Platform for Retail Banking Wealth and Payment Business" project won the second prize of the 2019 Shanghai Financial Innovation Achievement Award by the Shanghai Municipal People's Government. In 2020, the Bank won the second prize of "Best Application Achievement Award" in the 2020 FinTech Application Achievement Contest in the Chinese Banking Industry by the China Banking Association and Best Smart Service Award for Mobile Banking in 2021 by China Financial Certification Authority. In 2022, the SPD Bank app was granted the Best Personal Mobile Banking Award by China Financial Certification Authority, the Year of Joint Promotion of Digital Finance and www.cebnet.com, and the Excellent Case Award for User Experience Industry Applications by China Quality Management Association for Electronics Industry, as tasked by the Ministry of Industry and Information Technology.

Employees

As at 30 June 2023, the Bank (excluding its subsidiaries) had a total number of 60,632 employees, 86.23 per cent. of whom have a bachelor's degree or above. The Bank places great emphasis on the training of its employees and building a high-quality professional workforce with most up-to-date industry knowledge to facilitate the development of the Bank.

Competition


The current PRC banking industry is facing fierce competition and undergoing continuous reform. The Bank currently competes principally with large-scale commercial banks, national joint stock commercial banks, key urban commercial banks and foreign-invested banks in the PRC. In addition, the Bank may face increasing competition from privately-owned banks or financial companies dedicated to serving SMEs and competition for funds from other forms of investment alternatives as the PRC capital markets continue to develop. The Bank also faces competition from non-traditional forms of banking, including but not limited to internet finance and internet banking.

Information Technology

The Bank's information technology systems provide critical support to many aspects of its business operations, including customer services, transaction processing, risk management and financial management. The Bank believes that the establishment of an advanced information technology system that complements its overall business strategies will greatly improve its efficiency, the quality of its customer service, as well as risk and financial management. The Bank fully understands the importance of sophisticated information technology infrastructure and systems to the effective management and successful development of its business, and has invested and will continue to invest heavily in its information technology systems.

The Bank expects to continue to capitalise on information technology to drive its business in the future. In addition to the upgrades and improvements the Bank has made in recent years to its information technology systems, the Bank will continue to upgrade and integrate its information technology systems to facilitate operational efficiency, risk management and business development.

Intellectual Property

The Bank conducts business under “浦發銀行”, “SPD Bank” and  brand names and logos. The Bank has registered these brand names and logos and other related logos in the PRC. The Bank is also the registered owner of the domain name “www.spdb.com.cn”.

Properties

The Bank's headquarters is located at No. 12, Zhongshan Dong Yi Road, Shanghai. In addition to its headquarters, its branches and sub-branches are located in premises owned or leased by it in cities across the PRC.

Legal and Regulatory Proceedings

The Bank faces risks of legal proceedings in the ordinary course of its respective business, most of which are initiated by the Bank to enforce loan recovery, plus litigation and arbitration resulting from disputes with customers.

As at 30 June 2023, the Bank was involved in various outstanding litigation cases where the Bank was the defendant or the third-party defendant, with corresponding amount involved about RMB4,864 million and RMB331 million, respectively. The management of the Bank is of the view that these legal actions will not have any material impact on either operating results or the financial position of the Bank.

The Bank is also subject to some regulatory proceedings and fines. For further details, please see “*Risks Relating to the Bank's Business – The Bank may be subject to litigation and regulatory investigations or proceedings and may not be successful in defending itself against such litigation, investigations or proceedings.*”

FUNDING AND CAPITAL ADEQUACY

Funding

The Bank's funding is primarily derived from deposits placed with the Bank by corporate and retail customers. The Bank also derives funding from shareholders' equity, debt instrument issuance and interbank borrowings.

The following table sets forth a breakdown of the Bank's customer deposits classified by product type and business lines as at the dates indicated:

Item	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Current deposits								
1. Corporate deposits	1,606,179	39.40	1,745,409	39.64	1,656,442	34.32	1,803,629	36.06
2. Retail deposits.....	304,281	7.46	340,312	7.73	413,721	8.57	403,064	8.06
Time deposits								
1. Corporate deposits	1,508,210	37.00	1,631,948	37.06	1,836,412	38.05	1,797,049	35.93
2. Retail deposits.....	655,153	16.07	682,684	15.50	917,007	19.00	995,714	19.90
Other deposits	2,661	0.07	2,703	0.07	2,896	0.06	2,343	0.05
Total	4,076,484	100.00	4,403,056	100.00	4,826,478	100.00	5,001,799	100.00

Capital Adequacy

The following table sets forth information relating to the capital adequacy of the Bank as at 30 June 2023 calculated in accordance with the relevant provisions in the Capital Management Rules as promulgated by the NAFR:

	<i>(RMB in millions unless otherwise stated)</i>
1. Core tier 1 capital-net	590,704
2. Tier 1 capital-net.....	701,243
3. Capital-Net	874,948
Total risk-weighted assets.....	6,448,771
Core tier 1 capital adequacy ratio (%)	9.16
Tier 1 capital adequacy ratio (%).....	10.87
Capital adequacy ratio (%)	13.57

ASSETS AND LIABILITIES

The following discussions and analysis should be read in conjunction with the Bank's audited consolidated financial statements for the years ended 31 December 2020, 2021 and 2022 and the unaudited but reviewed consolidated financial for the six months ended 30 June 2022 and 2023, included elsewhere in this Offering Circular. The Bank's audited consolidated financial statements for the years ended 31 December 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023 have been prepared in accordance with IFRS. Unless otherwise stated, all financial data discussed in this section are consolidated financial data.

ASSETS

As at 30 June 2023, the Group's total assets were RMB8,932,519 million, representing an increase of RMB227,868 million or 2.62 per cent. as compared with 31 December 2022.

Loans

As at 30 June 2023, the Group's gross loans and advances to customers amounted to RMB4,977,453 million, representing an increase of RMB76,791 million or 1.57 per cent. as compared with 31 December 2022.

Distribution of Loans by Product Type

The following table sets forth the distribution of the Group's gross loans and advances to customers by product type as at the indicated dates:

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	<i>(RMB in millions)</i>	(%)	<i>(RMB in millions)</i>	(%)	<i>(RMB in millions)</i>	(%)	<i>(RMB in millions)</i>	(%)
Corporate loans	2,305,787	50.86	2,407,728	50.31	2,598,058	53.02	2,739,854	55.05
Retail loans	1,792,278	39.53	1,890,620	39.50	1,892,400	38.61	1,869,912	37.57
Discounted bills	435,908	9.61	487,692	10.19	410,204	8.37	367,687	7.38
Total	4,533,973	100.00	4,786,040	100.00	4,900,662	100.00	4,977,453	100.00

Distribution of Loans by Industry

The following table sets forth information on the Group's gross loans and advances to customers by industry sector as of the dates indicated:

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	<i>(RMB in millions)</i>	(%)	<i>(RMB in millions)</i>	(%)	<i>(RMB in millions)</i>	(%)	<i>(RMB in millions)</i>	(%)
Corporate loans								
Manufacturing	392,385	8.65	433,936	9.07	472,245	9.64	542,672	10.89
Wholesale and retail	207,798	4.58	177,773	3.71	159,972	3.26	170,001	3.42
Real estate	346,486	7.64	331,015	6.92	322,036	6.57	317,475	6.38
Construction	160,798	3.55	165,645	3.46	157,220	3.21	176,713	3.55

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>
Transportation, warehouse and postal service.....	157,478	3.47	185,778	3.88	190,118	3.88	188,658	3.79
Lease and commercial services	361,907	7.98	421,641	8.81	469,945	9.59	507,928	10.20
Water conservancy, environment and public facilities management	173,871	3.84	180,796	3.78	191,308	3.90	187,988	3.78
Mining	95,167	2.10	78,343	1.64	70,194	1.43	76,945	1.55
Electricity, heat, gas, water production and supply.....	116,544	2.57	146,184	3.05	161,222	3.29	163,471	3.28
Agriculture, forestry, farming and fishery	20,172	0.44	17,243	0.36	14,202	0.29	11,306	0.23
Information transmission, software and information technology services.....	58,820	1.30	63,203	1.32	66,636	1.36	67,624	1.36
Education.....	15,480	0.34	14,668	0.31	14,937	0.30	16,889	0.34
Healthcare and social welfare.....	19,417	0.43	15,819	0.33	12,665	0.26	13,260	0.27
Research and technology services	30,262	0.67	37,850	0.79	31,425	0.64	36,536	0.73
Culture, sport and entertainment	20,221	0.45	17,770	0.37	19,094	0.39	21,744	0.44
Financial services.....	104,093	2.30	108,267	2.26	235,797	4.81	233,396	4.69
Hotels and catering services	8,285	0.18	7,707	0.16	6,652	0.14	5,467	0.11
Residential services, repairs and other services.....	2,357	0.05	3,217	0.07	1,850	0.04	1,642	0.03
Public administration, social assurance and social organisation	2,223	0.05	710	0.01	362	0.01	139	0.01
Others	12,023	0.27	163	0.01	178	0.01	-	0.00
	<u>2,305,787</u>	<u>50.86</u>	<u>2,407,728</u>	<u>50.31</u>	<u>2,598,058</u>	<u>53.02</u>	<u>2,739,854</u>	<u>55.05</u>
Discounted bills	<u>435,908</u>	<u>9.61</u>	<u>487,692</u>	<u>10.19</u>	<u>410,204</u>	<u>8.37</u>	<u>367,687</u>	<u>7.38</u>
Retail loans	<u>1,792,278</u>	<u>39.53</u>	<u>1,890,620</u>	<u>39.50</u>	<u>1,892,400</u>	<u>38.61</u>	<u>1,869,912</u>	<u>37.57</u>
Total	<u>4,533,973</u>	<u>100.00</u>	<u>4,786,040</u>	<u>100.00</u>	<u>4,900,662</u>	<u>100.00</u>	<u>4,977,453</u>	<u>100.00</u>

Distribution of Loans by Geographic Area

The following table sets forth the geographical concentration of the Group's gross loans and advances to customers as at the dates indicated:

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>
Headquarter	622,092	14.04	568,205	12.11	553,520	11.54	525,325	10.79
Yangtze River Delta.....	1,365,333	30.82	1,464,815	31.23	1,538,543	32.06	1,601,801	32.91
Pearl River Delta and West Side of Taiwan Strait	491,756	11.10	567,961	12.11	611,277	12.74	638,209	13.11
Bohai Rim.....	562,422	12.70	608,632	12.97	631,186	13.15	617,590	12.69
Central China.....	519,030	11.72	544,401	11.61	515,155	10.74	504,845	10.37
Western China	525,264	11.86	570,532	12.16	570,421	11.89	579,031	11.90
North-east China.....	179,284	4.05	194,080	4.14	189,937	3.96	190,968	3.92
Overseas and subsidiaries ..	165,749	3.74	174,862	3.73	190,514	3.97	212,118	4.36
Elimination	(702)	-0.02	(2,534)	-0.05	(2,203)	-0.05	(2,983)	-0.06
Total.....	4,430,228	100.00	4,690,954	100.00	4,798,350	100.00	4,866,904	100.00

Note:

(1) The amounts contained in this table are prepared in accordance with PRC GAAP.

Borrower Concentration

The table below shows the amount of loans granted to the Group's top ten customers as at 30 June 2023.

Customer name	Amount	Percentage of total loans
	<i>(RMB in millions)</i>	<i>(%)</i>
Customer A	18,944	0.38
Customer B	17,685	0.36
Customer C	16,135	0.32
Customer D	11,381	0.23
Customer E.....	10,939	0.22
Customer F.....	10,441	0.21
Customer G	10,012	0.20
Customer H	8,628	0.17
Customer I.....	7,252	0.15
Customer J	6,237	0.12
Total.....	117,654	2.36

Loan Quality

The Bank's loans and other assets are classified in compliance with the NAFR and PBOC guidelines. The table below sets out the five-tier classification of the loans offered by the Bank.

Tier	Summary Description
Pass	Loans for which borrowers can fulfil the contractual obligation, and there is no reason to believe their ability to repay the principal and interest of loans in full and on time is in doubt.
Special Mention	Loans for which borrowers are able to service the loans currently, although the repayment might be adversely affected by some factors.
Substandard	Loans for which borrowers' ability to service loans is apparently in doubt and borrowers cannot rely on their proceeds from normal operations to repay the principal and interest of loans in full. Certain losses might be incurred by the Bank even when guarantees are executed.
Doubtful	Loans for which borrowers cannot repay the principal and interest of loans in full and significant losses will be incurred by the Bank even when guarantees are executed.
Loss	Principal and interest of loans cannot be recovered or only a small portion can be recovered after taking all possible measures or necessary legal procedures.

The following table shows the distribution of the Group's gross loans and advances to customers by loan classification as at the indicated dates:

Item	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
Pass.....	4,338,449	95.69	4,605,516	96.22	4,718,603	96.29	4,795,716	96.35
Special mention.....	117,063	2.58	103,695	2.17	107,440	2.19	107,435	2.16
Substandard	33,191	0.73	35,937	0.75	34,688	0.71	26,986	0.54
Doubtful.....	27,480	0.61	23,222	0.49	25,813	0.52	33,548	0.67
Loss	17,790	0.39	17,670	0.37	14,118	0.29	13,768	0.28
Total.....	4,533,973	100.00	4,786,040	100.00	4,900,662	100.00	4,977,453	100.00

LIABILITIES

As at 30 June 2023, the Group's total liabilities were RMB8,211,439 million, representing an increase of RMB213,563 million or 2.67 per cent. as compared with 31 December 2022.

Item	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>	<i>(RMB in millions)</i>	<i>(%)</i>
Deposits from customers....	4,122,407	56.37	4,463,608	59.85	4,893,812	61.19	5,069,529	62.70
Deposits and placements from banks and other financial institutions.....	1,365,572	18.67	1,106,775	14.84	1,026,800	12.84	1,037,711	12.84
Financial assets sold under repurchase agreement.....	232,346	3.18	174,219	2.34	350,168	4.38	373,094	4.61
Others ⁽¹⁾	1,592,616	21.78	1,713,937	22.98	1,727,096	21.59	1,604,635	19.85
Total liabilities.....	7,312,941	100.00	7,458,539	100.00	7,997,876	100.00	8,211,439	100.00

Note:

- (1) Other liabilities include borrowing from central bank, financial liabilities at fair value through profit or loss, derivative financial liabilities, income tax payable, debt securities issued, deferred income tax liabilities, lease liabilities, provisions and others.

RISK MANAGEMENT

The Bank establishes a well-structured risk governance framework with clearly defined responsibilities to specify the division of duties among the board of directors of the Bank (the “**Board of Directors**”), the board of supervisors of the Bank (the “**Board of Supervisors**”), senior management, and functional departments in terms of risk management, builds a risk management architecture that matches the risk profile of the primary-level outlets, and puts in place a multi-level and interconnected operation mechanism with effective checks and balances, all of which ensure that the policies, systems, and processes related to comprehensive risk management can be implemented at the head office and branches of all levels. The Board of Directors takes the ultimate responsibility for the Bank's efforts in this regard. The Board of Supervisors assumes the supervisory responsibility for comprehensive risk management. The senior management carries out comprehensive risk management by implementing the resolutions of the Board of Directors and receiving the oversight of the Board of Supervisors.

As a special enterprise engaged in currencies and credit, the Bank faces the following major risks in operation: credit risk, liquidity risk, market risk (including interest rate risk and exchange rate risk, etc.), operational risk (including settlement risk, technical risk, and system risk, etc.) as well as compliance risk, legal risk, IT risk, strategic risk, reputational risk, country risk, etc. The Bank aims to strike an appropriate balance between risk and return and minimise potential adverse impact on the Banks’s financial performance. It strives to improve its full-round risk management capability, refine the risk management system, strengthen the risk mechanism as well as the policy and credit line system. It closely follows up with the macro-economic and financial situation, implements the requirements set forth by financial regulators, and prudentially conducts credit approval to protect its asset quality and security.

Credit Risk

Credit risk is the risk of loss that a customer or counterparty may fail to fulfil an obligation or commitment to the Group.

To manage its credit risk, the Bank formulated the new three-year risk appetite of the head office for 2022-2024, issued the Risk Appetite Management Measures of Shanghai Pudong Development Bank, established a ladder-type indicator system for risk appetite monitoring, set up a new mechanism for risk appetite assessment, and strengthened the transmission and implementation of various management requirements for risk appetite. As a result, the risk appetite management became more refined. In addition, the Bank exploited the rigid constraints of industry limits to promote the effective implementation of credit policies. By optimising the industry limit management system, it put in place the limit management mode, which supported the control of industry classification and proportion and the monitoring of industry aggregate and concentration. Credit policies, along with supply classification and limit management measures for industries with overcapacity, were used to guide the adjustment of the asset structure continuously.

The Bank has also enhanced its credit extension management in the following ways. Firstly, the Bank closely followed up with the macro-economic and financial situation, earnestly implemented the requirements set forth by financial regulators, prudentially conducted credit approval to protect its asset quality and security, and kept inspecting the quality of credit businesses to shore up its risk control capabilities. Secondly, the Bank continued to carry out credit management in a more intensive way. Driven by the "unification on six fronts", it started from penetrating evaluation, professional appraisal, team building, and system building to consolidate the management foundation in every aspect and provide an institutional guarantee for high-quality development. Thirdly, the Bank stuck to supporting the real economy, carried out industry approval in four major areas, conducted research on the industries affected by the "carbon peaking and carbon neutrality" goal and the hotspot areas of the national economy, and made headway in adjusting the credit structure and better allocating assets. Fourthly, the Bank actively guided the supply of acceptable assets, exercised risk control and formulated plans

for key areas, strategic customers, and major projects as early as possible, and comprehensively improved the quality and efficiency of the entire business process, thus enhancing the operational efficiency across the board. Fifthly, the Bank made every effort to enhance professional competence and ensured all credit-granting personnel could steadily sharpen their necessary skills and capabilities for transformation and development through such methods as practice assessment, hierarchical training, online teaching and communication with internal and external experts. Lastly, the Bank kept conducting onsite inspections on credit extension management of its branches and sub-branches, enhancing the quality and compliance control over credit business.

The Bank continued to create a risk forewarning system that can send "precise signals", cover "full processes", and emphasise "application", making risk forewarning more comprehensive, effective and timely. Firstly, precautions were adopted against customers triggering red warnings to prohibit new credits from being extended to them. Secondly, a routine risk forewarning management mechanism was established to cover domestic and overseas operations of the Group and monitor customer risks in a real-time manner. Thirdly, the risk forewarning results were exported to the first line of defense for the purposes of embedding early warnings into business processes and bringing forward the timing of risk control. Fourthly, a group-level risk forewarning feedback mechanism was established to cover consolidated institutions and overseas institutions, which could effectively predict the negative impact of cross-border and cross-industry transmission of risks, enhance the efficiency of the Bank's response to risk warnings, and strengthen its risk resilience. Fifthly, efforts were made to optimize risk warning signals, enhance the accuracy of such signals, and improve the efficiency of using these signals.

In terms of asset resolution, the Bank made greater efforts in collecting and resolving NPLs, striving to dispose of risk-bearing loans more efficiently. It made full use of diversified disposal means such as cash recovery, debt-to-equity swap, debt repayment with non-cash assets, debt restructuring, loss write-off, asset securitization, risk elimination and exit, and developed the debt liquidation plan for each account and advanced the implementation. The Bank also intensified the supervision and guidance of key branches, business fields, and projects in terms of non-performing asset ("NPA") disposal, continuously refined the asset resolution mechanism, and strove to enhance the performance in NPA disposal. Further, the Bank followed the guidance of related policies, intensified the use of innovative means, expanded disposal channels, and increased collaboration among different business segments, with an aim to streamline the NPA disposal process towards the meticulous and normative operation.

For the year ended 31 December 2022, based on the Administrative Measures of SPDB on Write-off of Asset Losses, the total amount of loss loan assets as approved by the Bank's Board of Directors and imposed with the accounting treatment for write-off was RMB64.8 billion. According to the principle of "account cancellation, case recording and existence of right", the Bank continued to maintain the right of recourse to minimise the credit fund loss. In the same year, to intensify NPA recovery and disposal in an all-around way, the Bank made better use of diversified means, such as increasing cash recovery, strengthening cooperation among business segments, introducing more disposal channels, and piloting personal loan transfer. Throughout the year ended 31 December 2022, the Bank recovered NPAs worth RMB36,653 million.

Liquidity Risk

The Bank's liquidity risk management is intended to meet the obligations to serve customers for withdrawal and payment, to achieve the balance between the total amount and structure of assets and liabilities; to reduce the liquidity cost, avoid liquidity crisis of the Bank, and to effectively respond to systematic liquidity risk by active management.

The Bank kept layered and proactive management of liquidity risk in line with the principle of aggregate balance and structural equilibrium; it carried out real-time monitoring on daily position accounts in local and foreign

currencies, and made centralized allocation of positions in local and foreign currencies; it established a beforehand declaration system for large-amount positions, and established a monitoring mechanism for total liquidity level; it prepared a cash flow gap table on a daily basis, used the gap management method to predict cash flow gap changes in future assets and liabilities' on-and-off-balance sheet items, and promptly conducted liquidity risk assessment for assets and liabilities' on-and-off-balance sheet items; the Bank also considered its own liquidity risk policies and risk limit requirements to make active financing arrangement and make adjustments to asset and liability portfolios, enabling the business size, structure and pace to meet liquidity security requirements.

The Bank also maintained stable liquidity, continued meeting the regulatory requirements for liquidity risk, kept abreast of the regulation effects of credit policies and monetary policies, promptly adjusted the direction, size and structure of cash flow gap, and actively prevented liquidity risk based on its own structure of asset and liability and general capital balance. Firstly, through refined operation, the Bank raised the proportion of general deposits significantly and enhanced the stability of liabilities. Secondly, the Bank never overstepped the bottom line for liquidity risk security, to ensure the safety of provisions. Combined with business development, it continuously improved the position forecasting mechanism, enhanced the position forecasting accuracy, tightened intraday position monitoring; it stepped up active risk forewarning and forecasting, closely monitored liquidity risk-related indicators, revealed relevant risks in a timely manner, made strategic adjustments, to ensure that the bank-wide liquidity risk indicators could stay within the risk appetite set out by the Board of Directors; and it regularly conducted stress tests and emergency drills to better cope with liquidity risk events. Thirdly, the Bank strengthened liquidity analysis and forecast to achieve dynamic monitoring and forward-looking risk management. It tracked the liquidity trend, managed the maturities of bank-wide assets and liabilities on a rolling basis, prevented and controlled liquidity risk from the source, took the initiative to allocate assets and liabilities, and harnessed asset and liability management tools to guide business development in line with asset-liability allocation strategies. Hence, the scale and term structure of assets and liabilities could meet liquidity risk management requirements, and strike a balance among liquidity, safety and profitability.

As at 30 June 2023, the Bank's asset liquidity ratio for Renminbi and foreign currency stood at 48.34 per cent., representing a decrease of 2.51 per cent. from 31 December 2022. The Bank's excess reserve in the PBOC amounted to RMB143,283 million, RMB73,454 million, RMB105,479 million and RMB63,627 million as at 31 December 2020, 2021 and 2022 and 30 June 2023, respectively.

Market Risk

Market risk is the risk of losses of on and off-balance sheet businesses arising from adverse movements in market prices, such as interest rates, exchange rates, price of stock and commodity. Both the Bank's trading book and banking book are exposed to market risk, which mainly consists of interest rate risk, currency risk and commodity price risk.

The Bank adapted itself to changes in the market, business landscape, and regulatory requirements, by continuing to optimise market risk management and enhance risk management capabilities. Firstly, it stepped up efforts to guard against financial market risk, closely monitored the trends of the financial market, improved the management of market risk limits, strengthened the internal control management of business lines, and coordinated the first and second lines of defense for joint risk prevention and control. Secondly, it optimised the management of market risk capital limits and further played the role of market risk appetite indicators in the risk forewarning, assessment and transmission of trading business. Thirdly, it enhanced the market risk management capability and built the market risk system (version 2.0) to fully support the risk monitoring of trading business, bank-wide stress testing, and Basel III market risk measurement.

As at 31 December 2022, the Bank's consolidated market risk capital was RMB3,887.63 million under the standardized approach and capitals occupied by interest rate risk, exchange rate risk, options risk, commodity

risk, stock risk and specific risk capital were RMB1,829.97 million, RMB865.78 million, RMB277.08 million; RMB329.39 million, RMB41.01 million and RMB544.40 million, respectively.

Operational Risk

Operational risk refers to the risk of losses caused by an imperfect or problematic internal procedure, staff or IT system and external events. Operational risk includes legal risk but excludes strategy risk and reputational risk.

With increasing external fraud risk and regulatory punishments as well as increasingly rich and complicated businesses and business procedures, the Bank witnessed mounting operational risk in 2022. Relevant departments and branches developed corrective measures to address some key risk indicators with abnormal changes. To implement regulatory requirements and push forward the Basel III project, the Bank continued to improve the operational risk management mechanism through a number of measures, including overseeing and providing guidance for the analysis of the causes of operational risk forewarning indicators and the adoption of rectification measures, implementing iterative optimisation of the operational risk matrix, and cleaning and replenishing historical data on operational risk, so as to comprehensively improve the quality of operational risk data. Meanwhile, the Bank carried out intensified supervision, inspections, reminders and training for primary-level institutions and subsidiaries, and put forth suggestions for rectifying the problems identified. As a result, operational risk was controllable at large in 2022.

Other Risks

Compliance risk

Centering on the 14th Five-Year Plan, the Bank continued to promote three key tasks, that is, implementation of various policies across the board, abnormal employee behavior management and key business monitoring, made progress in the implementation of compliance mechanisms, continuously strengthened the foundation of internal control management and improved the compliance and internal control management, and carried out compliance training and warning education, in a bid to further firmly raise compliance awareness.

Anti-money laundering (“AML”)

Pursuing a risk-based approach and focusing on regulatory requirements for AML, the Bank paid close attention to refined management. For the year ended 31 December 2022, the Bank continued to improve the AML management mechanism, increased the input of AML resources, optimized the existing due diligence system, leveraged the driving force of financial technology, and advanced digital transformation, to comprehensively improve the quality and efficiency of AML efforts. Meanwhile, the Bank optimized its organizational structure for compliance management, assigned concrete AML-related internal control responsibilities with business segments and front-line institutions, and clearly defined the qualifications and career development paths for full-time and part-time AML employees, thus providing strong support for the formation of an elite AML team. Besides, the Bank independently developed an enterprise-level component for AML and customer information quality verification using financial technology to continuously improve the quality and efficiency of customer due diligence management at the level of underlying data, thus building a solid defense line for AML. The Bank strictly acted on the plans of the PBOC to crack down on money laundering crimes and actively cooperated with the competent authorities of the PRC to clamp down on various criminal activities such as telecommunication fraud, virtual currency, and illegal fundraising. It successfully prevented or intercepted a number of major illegal and criminal activities, effectively protecting the public's funds, fully performing the AML duties of financial institutions and doing its bit to maintain financial stability.

Legal risk

Assuming the primary responsibility for strengthening the rule of law, the Bank improved the work mechanism of general legal counsel and carried out corporate governance according to the law on all fronts. It improved the internal policy management system, carried out legal compliance inspections, and promoted branches to operate in compliance with pertinent laws and regulations. The Bank continued to carry out legal reviews properly, examined legal risk points in key areas, and supported sound business development in accordance with the law. The Bank made strides in digitalizing legal management and improving the management of contracts, litigation cases and intellectual property rights. It continued to build a legal team and a think tank of internal and external lawyers with intensified efforts. The Bank also raised the rule of law awareness through all-staff training and warning education, and engaged in financial law dissemination among the public through multiple channels.

Information technology risk

The Bank continued refining the IT risk management mechanism. In 2022, the Bank conducted special IT risk assessments on the outsourcing of technological development, business continuity management and many other aspects, and put forward suggestions on enhancing IT risk management and control. Efforts were made to optimize and continue monitoring IT risk indicators, to further strengthen the business continuity management of the head office and branches, and to do better in coping with business discontinuity events.

Business continuity risk

The Bank continuously strengthened business continuity management, systemically identified each important business and the key resources it relied on, and boosted the ability to prevent and dispose of business interruption risks through a number of measures such as optimising business continuity strategies, improving business continuity plans, building backup information systems and business sites with intensified efforts, and conducting business continuity drills, so as to ensure the stable operation of all important businesses.

Strategic risk

Sticking to the strategic management process of "strategy–planning–budget–appraisal", the Bank advanced the formulation, promotion and implementation of strategies and plans, and enhanced the leading role of strategies in its development. In the face of the severe external situations, the Bank thoroughly implemented core instructions of the CPC Central Committee and the State Council, regulatory requirements and the plans of the CPC Shanghai Municipal Committee and Shanghai Municipal People's Government to put stability in the first place, seek progress amid stability, and further improve the quality of development. Overall, the Bank's strategic mentality fitted well with the situation changes and national strategies, with increasing force of strategy execution and ability to control strategic risk.

Reputational risk

Pursuant to various regulatory requirements, the Bank persistently improved its reputational risk management mechanism, carried out reputational risk screening and training, intensified the public opinion management at key nodes, and reinforced the full-process management of reputational risk, thus improving the digitalized management of reputational risk. Besides, it stepped up new media management and application, which continuously enhanced the scale and influence of positive publicity.

Country risk

In 2022, to cope with the soaring country risk and geopolitical conflicts around the world, the Bank kept improving its country risk management capabilities and took a number of effective measures in building an internal rating model for country risk, comprehensively optimising the country risk limit system, formulating a country risk stress testing methodology and contingency plans, and enhancing country risk management instruments. As at 31 December 2022, the country risk exposure was distributed reasonably.

INTERNAL CONTROLS

The internal control system of the Bank seeks to ensure legal and regulation compliance of the Bank's operations, to safeguard the Bank's assets, to ensure the accuracy of financial and other data, to increase the efficiency of management and to promote the sustainable development of the Bank.

To ensure the effectiveness and efficiency of the Bank's internal control system, the Bank has implemented a central internal control information management system to allow the collection and sharing of relevant data. Access to relevant laws, regulations and internal rules are also made available to varying levels of management and operations personnel to increase effectiveness of control and coordination between different departments.

The Bank continues to improve the efficiency of its internal rules and regulations through standardisation of procedures and central management. Through regular evaluation and the establishment of channels for feedback, the Bank continues to ensure the effective distribution and implementation of the internal rules and regulations. The Bank continually enhances the rules and regulations through a systematic process of devising, approval, distribution, evaluation and revisions to ensure that they are fit for actual operation and to ensure effective coverage of risks.

The Bank has implemented a clear division of responsibilities for the monitoring of internal control. Firstly, the management and operations of the head office and the branches are responsible for the day-to-day supervision and evaluation. Secondly, the Internal Control Department is responsible for targeted checks, supervision and evaluation, through both conducting evaluation of the internal control management of the branches and through testing of the procedures and system. Thirdly, the Audit Department is tasked with conducting evaluation on an independent basis at the direction of the Board of Directors. The three strands share resources whilst at the same time providing checks and balances to ensure effective internal control.

In 2022, the Bank supplemented and improved the rules and policies for internal control management and evaluation, enhanced the internal control system, and stepped up efforts to protect financial consumers. Meanwhile, to continuously improve the quality of internal control evaluation, the Bank further established and improved a supervision and evaluation system where the head office and branches could carry out audits independently. The Bank realized the whole-process control of defining the scope of internal control evaluation, implementing evaluation, reporting problems identified, and eliminating internal control deficiencies through the unified inspection and coordination of internal control management, follow-up rectification, evaluation and assessment, and duty performance accountability, to effectively identify and rectify internal control management problems and ensure the continuous and efficient operation of the internal control system.

SUBSTANTIAL SHAREHOLDERS

The table below sets forth shareholding information of the ten largest ordinary shareholders of the Bank as at 30 June 2023.

Top Ten Ordinary Shareholders

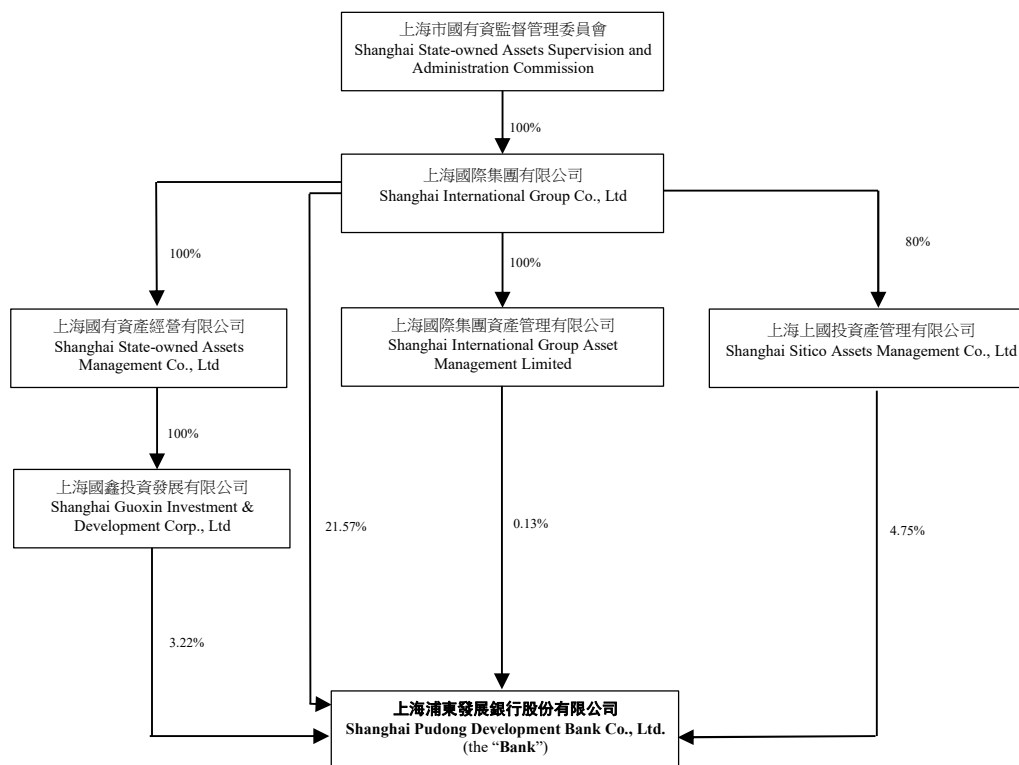
Shareholder name	Number of shares	Percentage	Number of shares with restricted sale conditions	Number of pledged or frozen shares
Shanghai International Group Co., Ltd.	6,331,322,671	21.57	-	-
China Mobile Guangdong.....	5,334,892,824	18.18	-	-
Funde Sino Life Insurance Co., Ltd. – Conventional.....	2,779,437,274	9.47	-	-
Funde Sino Life Insurance Co., Ltd. – Capital	1,763,232,325	6.01	-	-
Shanghai Sitico Assets Management Co., Ltd.	1,395,571,025	4.75	-	-
Funde Sino Life Insurance Co., Ltd. – Universal H.....	1,270,428,648	4.33	-	-
China Securities Finance Corporation Limited	1,179,108,780	4.02	-	-
Shanghai Guoxin Investment & Development Co., Ltd.....	945,568,990	3.22	-	-
Hong Kong Securities Clearing Limited.....	681,274,646	2.32	-	-
Central Huijin Asset Management Ltd.....	387,174,708	1.32	-	-

The Bank's Largest Shareholder

As at 30 June 2023, the Bank's largest ordinary shareholder, on a consolidated basis, was Shanghai International Group. Together with its controlling subsidiaries, Shanghai International Group held 21.57 per cent. of the Bank's share capital as at 30 June 2023.

Shanghai International Group is a wholly state-owned limited liability company. It was founded on 20 April 2000 with a registered capital of RMB30,000 million. Its registered address is at No. 511, Weihai Road, Jing'an District, Shanghai and its legal representative is Mr. Yu Beihua. The business scope of Shanghai International Group includes investment with finance business, non-finance business, capital operation and asset management, financial research and social and economic consultancy.

The shareholding relationships between the Bank and Shanghai International Group and its affiliates are set out as follows as at 30 June 2023:



Other Substantial Shareholders

Save as disclosed above, there are no other shareholders holding 10 per cent. or more in the ordinary shares of the Bank as at 30 June 2023.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors

The following table sets out certain information relating to the Bank's directors as at the date of this Offering Circular.

Name	Position	Date of Appointment
ZHANG Weizhong	Chairman of the Board of Directors and Executive Director	17 November 2023
LIU Yiyao	Vice President, Executive Director and Chief Risk Officer	16 December 2019
ZHAO Wanbing	Employee Director	15 November 2023
GUAN Wei	Non-executive Director	16 December 2019
BO Jingang	Non-executive Director	17 June 2022
ZHU Yi	Non-executive Director	17 June 2022
WANG Zhe ⁽¹⁾	Independent Director	16 December 2019
CAI Henry	Independent Director	16 December 2019
WU Hong	Independent Director	16 December 2019
SUN Lijian	Independent Director	17 June 2022
YE Jianfang	Independent Director	17 June 2022

Notes:

- (1) On 29 April 2022, Mr. Wang Zhe tendered his resignation to the Board, resigning from his positions as Independent Director and member of the relevant special committees of the Board of Directors. According to the term of office of independent directors as stipulated in the Articles of Association of the Bank and the regulatory authorities, Mr. Wang resigned as he has served as an Independent Director of the Bank for 6 consecutive years. Mr. WANG Zhe will continue to serve as an Independent Director until the appointment of the new Independent Director is approved by the NAFR.
- (2) As at the date of the Offering Circular, the Bank has considered and approved the appointments of Mr. LIU Xinyi as a Non-Executive Director of the Bank and Mr. WEI Xianhua as an Independent Director of the Bank and the qualification of each of these candidates is pending approval from the NAFR. The term of office of Mr. LIU Xinyi and Mr. WEI Xianhua will commence on the date when the respective approval from the NAFR is obtained.

Mr. ZHANG Weizhong, male, born in 1967, has a Master's degree. He previously served as President of the China Construction Bank Dalian Development Zone Branch, Chief Auditor and Director of China Construction Bank Inner Mongolia General Audit Office, Secretary of the Discipline Inspection Commission, Vice President and Party Committee Member of China Construction Bank Hubei Branch, General Manager of China Construction Bank's Inclusive Finance Business Department (Small Enterprises Department) and Director of Corporate Business of China Construction Bank. He currently serves as the Secretary of the Committee of Shanghai Pudong Development Bank Co., Ltd.

Mr. LIU Yiyao, male, born in 1964, has a Doctorate degree, and is a Senior Economist. He previously served as Party Committee Member and Vice President of Bank of Communications Changchun Branch, Party Committee Secretary and General Manager of SPD Bank Changchun Branch, and General Manager of Personal Banking Headquarters of SPD Bank, General Manager of Human Resources Department of SPD Bank, and Head of the Risk Department at the Head Office of SPD Bank. He currently works as Party Committee Member, Executive Director, Vice President, and CRO of SPD Bank, and the Chairman of Shanghai Pudong Financial Leasing Co., Ltd.

Mr. ZHAO Wanbing, male, born in 1970, has a Master's degree. He previously served as Deputy Director of the Research Office of the Shanghai Municipal Committee of the Communist Youth League, Director of the

Organization Department (Publicity Department, United Front Work Department) of the Shanghai Financial Committee (CPC), Director of the Financial Stability Department, the Deputy Director of the Shanghai Financial Office and Deputy Director of the Shanghai Municipal Financial Regulatory Bureau (Shanghai Financial Work Bureau). He currently works as the Deputy Secretary of the Party Committee of the Bank.

Ms. GUAN Wei, female, born in 1971, has a Master's degree, and is a Senior Accountant. She previously served as Assistant Manager of the Financial Management Department at Shanghai Shentong Metro Group Co., Ltd., Deputy Manager and Manager of the Financial Management Department, Discipline Inspection Commission Member, Manager of the Auditing and Supervision Department, and Member of the Board of Supervisors at Shanghai Jiushi (Group) Co., Ltd., Party Branch Secretary and General Manager of Shanghai City Tour Card Development Co., Ltd., CFO of Shanghai Land (Group) Co., Ltd., and CFO of Shanghai International Group Co., Ltd. She currently works as Vice President and CFO of Shanghai International Group Co., Ltd., Chairwoman of Shanghai State-owned Assets Management Co., Ltd., Director of Guotai Junan Securities Co., Ltd., Director of Sailing International Investment Fund (Shanghai) Co., Ltd., Director of Sailing Capital Management Co., Ltd. and Director of Shanghai Guosheng Capital Management Co., Ltd.

Mr. BO Jingang, male, born in 1964, has a Doctorate degree, and is a Professor-Level Senior Engineer. He previously served as Chief Engineer and Deputy Director General of Tianjin Municipal Bureau of Telephone Exchange, Deputy General Manager of China Mobile Communications Group Tianjin Co., Ltd., Chairman of China Mobile Communications Group Jilin Co., Ltd., General Manager and Party Committee Secretary of the Procurement Sharing Service Center of China Mobile Communications Co., Ltd., and Chairman and Party Committee Secretary of China Mobile Communications Group Terminal Co., Ltd. He currently works as Director of China Mobile IoT Company Limited and Director of China Mobile Financial Technology Co., Ltd.

Mr. ZHU Yi, male, born in 1964, has a Master's degree, and is a Senior Accountant. He previously served as Deputy Director of the Corporate Audit Division of the Audit Bureau of the Ministry of Posts and Telecommunications, Chief of the Infrastructure Finance Division of the General Administration of Posts and Telecommunications of China, Director of the Fund Allocation Center and Deputy General Manager of the Finance Department of China Mobile Communications Corporation, and General Manager of China Mobile Financial Company Limited. He currently works as Chairman and Party Committee Secretary of China Mobile Financial Company Limited and Director of China Mobile State Investment Innovation Investment Management Co., Ltd.

Mr. WANG Zhe, male, born in 1960, is an MBA graduate and Economist. He previously served as Deputy Head of PBOC General Administration Department, Manager of Shenzhen Center of China Gold Coin Incorporation, Deputy General Manager of China CITIC Bank Shenzhen Branch, Chairman of Dapeng Securities, Deputy General Manager of China Gold Coin Incorporation, General Manager, Party Committee Secretary and Chairman of Shanghai Gold Exchange and Party Committee Secretary of China Foreign Exchange Trade System. He currently works as Secretary-General of Association of Shanghai Internet Financial Industry, Vice President of Shanghai Financial Association, External Supervisor of China Everbright Bank Company Limited, Independent Director of Allinpay Network Services Co., Ltd., and Independent Director of Boill Healthcare Holdings Limited.

Mr. CAI Henry, male, born in 1954, has a Bachelor's degree. He previously served as Director of the General Office at Sinopec Shanghai Petrochemical Company Limited, Member of the Chinese Enterprise Going Public Abroad Steering Group under the State Commission for Economic Restructuring of the State Council, Chairman of the Joint Conference for Secretaries to the Boards of Directors of Chinese H-share Enterprises, Managing Director of Peregrine Investments Holdings Limited, Asian head of Swiss Bank Corporation (SBC), and Asian head of Deutsche Bank (DB). He currently works as Chairman of AGIC Capital, Independent Director of China Eastern Airlines Co., Ltd., Independent Director of BYD Company Limited, Independent Director of China COSCO Shipping Corporation Limited, and External Supervisor of China Merchants Bank.

Mr. WU Hong, male, born in 1956, has a Doctorate degree. He previously served as Dean of the College of Economic Laws at East China University of Political Science and Law, Vice President of China Association of Banking Law, Member of China Commercial Law Society, Head of Financial Law Study Society, Shanghai Law Society, Deputy Head of Shanghai International Commercial Law Institute, Member of the National Judicial Examination Proposition Committee, Advisory Consultant to the Shanghai Municipal People's Congress Standing Committee for Legislation, Member of Shanghai Consumer Council, and Independent Director of Zhejiang Tailong Commercial Bank. He currently works as Professor and Doctorate Supervisor of East China University of Political Science and Law, Independent Director of Orient Securities Co., Ltd., Independent Director of Western Leadbank FMC, and Chairman of Supervisory Board of Keboda Technology Co., Ltd.

Mr. SUN Lijian, male, born in 1962, has a Doctorate degree. He previously served as Assistant Professor at a Tongji University branch, Design Assistant at Nose Shuji Architectural Research Institute in Japan, and Member of the 7th State Council Academic Degree Committee for Applied Disciplines. He currently works as Professor of the School of Economics at Fudan University.

Ms. YE Jianfang, female, born in 1966, has a Doctorate degree. She previously served as Lecturer and Associate Professor at Shanghai University of Finance and Economics. She currently works as Professor and Doctoral Supervisor at the School of Accountancy of Shanghai University of Finance and Economics, Independent Director of Bank of Suzhou Co., Ltd., Independent Director of Shanghai New Power Automotive Technology Company Limited, Independent Director of Shanghai Shibe Hi-Tech Co., Ltd., and Independent Director of Shanghai Aj Trust Co., Ltd.

Supervisors

The following table sets out certain information relating to the Bank's supervisors as at the date of this Offering Circular.

Name	Position	Date of Appointment
WANG Jianping	Chairman of the Board of Supervisors and External Supervisor	30 December 2020
SUN Wei	Shareholder Supervisor	16 December 2019
CAO Yijian	Shareholder Supervisor	16 December 2019
LI Qingfeng	Shareholder Supervisor	16 December 2019
WU Jian	External Supervisor	16 December 2019
WANG Yuetang	External Supervisor	16 December 2019
ZHANG Baoquan	Employee Supervisor	29 December 2020
HE Weihai	Employee Supervisor	16 December 2019
ZHANG Yong	Employee Supervisor	28 December 2023

Mr. WANG Jianping, male, born in 1960, has a Bachelor's degree, and is an MBA graduate, Economist, and CPA. He previously served as Chief of the Budget Division and Chief of the Urban Economic Development Division of the Shanghai Municipal Bureau of Finance, Director and Party Leadership Group Secretary of Shanghai Municipal Administration of State (Local) Taxation Pudong New Area Bureau, Deputy Director of Shanghai Municipal Development & Reform Commission, Director and Party Leadership Group Secretary of Shanghai Municipal Bureau of Statistics, and Director and Party Leadership Group Secretary of Shanghai

Municipal Bureau of Auditing (Deputy Head of the Eighth Inspection Group of the CPC Central Committee from February to May 2018). He currently works as Chairman of the Board of Supervisors of SPD Bank.

Mr. SUN Wei, male, born in 1970, has a Master's degree. He previously served as Deputy General Manager of Shanghai Faiveley Transport Vehicle Equipment Co., Ltd., Manager of Industry Development Department of Shanghai Electric Group Company Limited, Assistant General Manager and Deputy General Manager of Shanghai Rail Traffic Equipment Co., Ltd., General Manager of Screen Door Engineering Company under Shanghai Rail Traffic Equipment Co., Ltd., Deputy Head and Head of Strategic Planning Department of Shanghai Electric (Group) Corp., and Head of Industry Development Department of Shanghai Electric Group Company Limited. He currently works as Chairman of Bailian Group Co., Ltd., Chairman of Shanghai No.1 Pharmacy Co., Ltd. and Director of Shanghai Bailian Lingang Construction Development Co., Ltd.

Mr. CAO Yijian, male, born in 1976, has a Master's degree, and is an Economist. He previously served as Manager of the Asset Management Department at Shanghai Huipu Technology Investment Co., Ltd., Assistant Manager, Deputy Manager and Manager of Asset Operation Department of Shanghai Qiangsheng Group Co., Ltd., Manager of the Asset Operation Department at Shanghai Jiushi Real Estate Co., Ltd., Deputy General Manager of the Investment Development Department of Shanghai Jiushi Corporation Co., Ltd., and Deputy General Manager of the Investment Development Department at Shanghai Jiushi (Group) Co., Ltd. He currently works as General Manager of the Investment Development Department at Shanghai Jiushi (Group) Co., Ltd., Director of Shanghai SITICO Assets Management Co., Ltd., and Supervisor of Haitong Securities Co., Ltd.

Mr. LI Qingfeng, male, born in 1971, has a Master's degree. He previously served as General Manager of Shanghai Jiuhe Futures Brokerage Limited, and Chief Economist, Deputy General Manager and Deputy Secretary of General Party Branch of Shanghai Jiulian Group Limited. He currently works as Party Committee Secretary and Chairman of Shanghai Jiulian Group Limited, Chairman of Shanghai Petroleum Exchange, Director of Shenergy Total LNG (Shanghai) Co., Ltd. and Executive Director of Shanghai Gas (Group) Co., Ltd.

Mr. WU Jian, male, born in 1968, has a Master's degree. He previously served as Assistant Economist of Shanghai Price Bureau at Shanghai Planning Committee, Legal Advisor to McDonald's China Development Company, Member of Council of the Shanghai Lawyers Association, and Independent Director of Pramerica Fosun Life Insurance Co., Ltd. He currently works as Board Chairman and Chairman of Joint Conference at Duan & Duan, Independent Director of Shanghai Wai Gaoqiao Free Trade Zone Development Co., Ltd., Independent Director of ORG Technology Co., Ltd., Independent Director of West Shanghai Automotive Service Co., Ltd., Director of INESA (Group) Co., Ltd., and Director of YEIG (Shanghai) Energy Development Co., Ltd. Besides, he is also a Deputy to the 15th Shanghai Municipal People's Congress.

Mr. WANG Yuetang, male, born in 1963, has a Doctorate degree in Management (Accounting), and is a Chinese CPA, and Specially Engaged Professor of "Changjiang Scholars" launched by the Ministry of Education. He previously served as Instructor of Business School, Yangzhou University, Senior Researcher of Faculty of Business, Lingnan University, and Visiting Scholar to Cornell University. He currently works as Dean, Professor in Accounting and Doctoral Supervisor of Nanjing University Business School, Deputy Head of Jiangsu Association of Accounting, Executive Member of China Empirical Accounting Research Society, External Director of Jiangsu Guoxin Investment Group Limited, Independent Director of Holly Futures Co., Ltd., and Independent Director of Nanjing Central Emporium (Group) Stocks Co., Ltd.

Mr. ZHANG Baoquan, male, born in 1965, a Party member, has a Master's degree, and is a Senior Economist. He previously served as Deputy General Manager (in overall charge) of Tianjin Free Trade Zone Branch, Deputy General Manager of Development Zone Branch and Deputy General Manager (in overall charge) of Beichen Sub-branch, General Manager of International Business Department, Head of International Business Division and General Manager of Market Development Department II of Tianjin Branch of Industrial and

Commercial Bank of China (ICBC), Party Leadership Group Secretary and Deputy General Manager of Tianjin Branch, Party Leadership Group Secretary and General Manager of Qingdao Branch, Deputy Director of Beijing Representative Office, Director of Beijing Approval Center of the Risk Management Unit of the Head Office, General Manager of Beijing Approval Center of the Credit Approval Department of the Head Office, Party Committee member and Deputy General Manager of Beijing Branch, General Manager of the Credit Management Department and Director of the Business Approval Center of the Head Office of SPD Bank. He currently works as CRO and General Manager of the Risk Management Department at SPD Bank.

Mr. HE Weihai, male, born in 1967, has a Master’s degree, and is an Economist, and Certificated Internal Auditor (CIA). He previously served as Deputy General Manager of Beilun District Sub-branch (Bonded Area/Development Area) of CCB Ningbo Branch, Deputy General Manager of CMB Ningbo Sub-branch, General Manager of Jiangbei Sub-branch, General Manager of Zhongxing Sub-branch, and General Manager of the Marketing Management Department at SPD Bank Ningbo Branch, Executive Auditor in Public Reserve Business of the Internal Auditing Department and General Manager of the Trade and Cash Management Department at SPD Bank, Party Committee Secretary and General Manager of SPD Bank Wenzhou Branch, and Party Committee Secretary and General Manager of SPD Bank Hangzhou Branch. He currently works as Party Committee Secretary and General Manager of SPD Bank Nanjing Branch.

Mr. ZHANG Yong, male, born in 1972, a Party member, has a Master’s degree. He previously served as General Manager of the Corporate Finance Department of SPD Bank Tianjin Branch, Director of the Binhai New Area Business Department and Executive Deputy General Manager of the Direct Equity Fund Business Department of SPD Bank, Party Secretary and President of SPD Bank Tianjin Branch, and Secretary of the Party Committee and President of SPD Bank Qingdao Branch. He currently serves as Party Committee Secretary and President of SPD Bank Beijing Branch.

Senior Management

The following table sets out certain information relating to the Bank’s senior management as at the date of this Offering Circular.

Name	Position	Date of Appointment
JIANG Fangping	Head of Discipline Inspection and Supervision Office at SPD Bank	August 2019
LIU Yiyao	Executive Director, Vice President and Chief Risk Officer	16 December 2019
CUI Bingwen	Vice President and Chief Legal Advisor	16 December 2019
XIE Wei	Vice President and Secretary to the Board of Directors	16 December 2019

Notes:

- (1) As at the date of the Offering Circular, the Bank has considered and approved the appointment of Mr. KANG Jie as Vice President of the Bank, whose qualification is pending approval from the NAFR. The term of office of Mr. KANG Jie will commence on the date when the approval from the NAFR is obtained.

For the biography of Mr. LIU Yiyao please refer to the above sub-section entitled “*Directors*” in this section.

Mr. JIANG Fangping, male, born in 1966, has a Master’s degree, and is a Senior Economist, and Procurator Level III. He previously served as Deputy Chief of Investigation Division II and Deputy Chief of Investigation Division I of the Anti-corruption Bureau at the People’s Procuratorate of Shanghai Municipality, Deputy Director of Office V to Shanghai Municipal Discipline Inspection Commission and Supervisory Commission,

Director of Office I to Shanghai Municipal Discipline Inspection Commission and Supervisory Bureau, Director of Office II to Shanghai Municipal Discipline Inspection Commission and Supervisory Commission, Head of the Discipline Inspection Group Dispatched by Shanghai Municipal Discipline Inspection Commission at Shanghai Municipal Commission of Commerce, Party Leadership Group Member of Shanghai Municipal Commission of Commerce, Head of the Discipline Inspection Group at Shanghai Municipal CPC Committee of SASAC Dispatched by Shanghai Municipal Discipline Inspection Commission, and Member of Shanghai Municipal CPC Committee of SASAC. He currently works as Party Committee Member of SPD Bank and Head of the Discipline Inspection and Supervision Office at SPD Bank dispatched by Shanghai Municipal Discipline Inspection Commission and Supervisory Commission.

Mr. CUI Bingwen, male, born in 1969, has a Doctorate degree, and is a Senior Economist. He previously acted as Deputy Head of Jinxi Sub-branch, Deputy Head (in overall charge) of Dongli Sub-branch of ICBC Tianjin Branch, Head of the Human Resources Department, General Manager of the Corporate Banking Department, Party Committee Member, Head Assistant, Deputy General Manager, Party Committee Secretary and General Manager of SPD Bank Tianjin Branch, Party Committee Secretary and General Manager of SPD Bank Beijing Branch and concurrently General Manager of the Group Customer Department and General Manager of the Financial Markets Department (Beijing) of SPD Bank Head Office. He currently works as Party Committee Member, Vice President and Chief Legal Advisor of SPD Bank.

Mr. XIE Wei, male, born in 1971, has a Master's degree, and is a Senior Economist. He previously acted as General Manager of Corporate Banking Department of CCB Henan Branch, Party Committee Secretary and General Manager of CCB Xuchang Branch, General Manager of Development Management Department of Corporate and Investment Banking Headquarters of SPD Bank, Deputy General Manager of Corporate and Investment Banking Headquarters of SPD Bank and concurrently General Manager of Investment Banking Department, Development Management Department and Key Client Department, Party Committee Secretary and General Manager of SPD Bank Fuzhou Branch, General Manager of SPD Bank Treasury Headquarters, General Manager of SPD Bank Asset Management Department, and General Manager of SPD Bank Financial Markets Department. He currently works as Party Committee Member, Vice President, Secretary to the Board, and Director of Financial Market Business of SPD Bank, and Chairman of AXA SPDB Investment Managers Co., Ltd.

TAXATION

The following summary of certain PRC, Hong Kong and EU tax consequences of the purchase, ownership and disposal of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Noteholder or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Persons considering the purchase of the Notes should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

PRC TAXATION

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this section. In considering whether to invest in the Notes, potential purchasers should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the Enterprise Income Tax Law promulgated on 16 March 2007 and effective on 1 January 2008, as amended on 29 December 2018, and the PRC Individual Income Tax Law, as amended on 31 August 2018 and effective on 1 January 2019, and their implementation regulations, an income tax is imposed on payment of interest by way of withholding in respect of debt securities, issued by PRC enterprises to non-resident Noteholders, including non-resident enterprises and non-resident individuals.

On 23 March 2016, the MOF and the SAT issued the Circular of Full Implementation of Business Tax to VAT Reform (关于全面推开营业税改征增值税试点的通知) (Caishui [2016] No. 36, “**Circular 36**”) which confirms that business tax was replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the relevant Issuer.

(i) In the event that the Issuer is the Bank

In the event that the Issuer is the Bank, the Bank will be subject to withhold PRC income tax on the payment of interest of the Notes to non-resident Noteholders. The current rates of such income tax are 20 per cent. (for non-resident individuals) and 10 per cent. (for non-resident enterprises) of the gross amount of the interest, in each case, unless a lower rate is available under an applicable tax treaty. For example, the tax so charged on interests paid on the Notes to non-resident Noteholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the arrangement between the mainland China and Hong Kong for purpose of the avoidance of double taxation will be 7 per cent. of the gross amount of the interest pursuant to such arrangement. Further, given that the Bank is located in the PRC, in the event that the Issuer is the Bank, holders of the Notes

would be regarded as providing the financial services within China and consequently, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Notes. Given that the Bank pays interest income to Noteholders who are located outside of the PRC, the Bank, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to Noteholders who are located outside of the PRC. The Bank has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the “*Terms and Conditions of the Notes*”.

(ii) *In the event that the Issuer is a Branch Issuer*

In the event that the Issuer is a Branch Issuer, the relevant Issuer is not obliged to withhold PRC income tax at the rate up to 10 per cent. (for non-resident enterprises) or 20 per cent. (for non-resident individuals) on the payments of interest made by it to non-resident Noteholders provided that the payments are made outside of the territory of PRC. However, this is subject to the interpretation by the PRC tax authorities. If the PRC tax authorities take an interpretation that the interest on the Notes payable by the relevant Issuer is treated as income sourced from the PRC, a withholding tax may be imposed on such interest and the relevant Issuer will pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Conditions. If the Bank shall perform the obligation of paying interest of the Notes in the event and only when the relevant Branch Issuer fails to perform its obligations of paying the interest of the Notes, the Bank will be obliged to withhold PRC income tax at a rate of 10 per cent. (for non-resident enterprises) or 20 per cent. (for non-resident individuals) (unless a lower rate is available under an applicable tax treaty) and PRC VAT tax at the rate of 6 per cent. of the interest component of the amount payable by the Bank to the Noteholders if the PRC tax authority views such component as an interest income arising within the territory of the PRC.

Non-resident Noteholders will not be subject to the PRC tax on any capital gains derived from a sale or exchange of Notes consummated outside the PRC between non-resident Noteholders, except however, if such capital gains are determined as income sourced in China, accordingly such capital gains would be subject to the rate of 10 per cent. (for non-resident enterprises) or 20 per cent. (for non-resident individuals) of PRC withholding tax unless there is a lower tax rate applicable. There is uncertainty as to whether gains realised on the transfer of the Notes by individual holders who are not PRC citizens or residents will be treated as income sourced within the PRC which as a result will be subject to PRC individual income tax.

Where a holder of the Notes who is an entity or individual located outside of the PRC resells the Notes to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically VAT prescribed under Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC.

Pursuant to the EIT Law, IIT Law and the VAT reform detailed above, in the case of (i) and (ii), the relevant Branch Issuer or the Bank shall withhold EIT or IIT, (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the relevant Branch Issuer or the Bank shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that such relevant Branch Issuer and the Bank are required to make such a deduction or withholding (whether by way of EIT, IIT or VAT otherwise), each relevant Branch Issuer and the Bank have agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would

have been received by them had no such withholding or deduction been required. For more information, see “*Terms and Conditions of the Notes – Condition 14 (Taxation)*”.

HONG KONG

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person (other than a financial institution) who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal and redemption of the Notes will be subject to Hong Kong profits tax.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the “**Amendment Ordinance**”) came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp duty

Stamp duty will not be payable on the issue of Bearer Notes by the relevant Issuer, provided that either:

- (a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable, it is payable by the relevant Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes issued by the relevant Issuer if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes, provided that either:

- (a) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

With effect from 17 November 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt, it will be payable in respect of the transfer of Registered Notes, it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA WITHHOLDING

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Bank is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the relevant Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified

after such date. However, if additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

BANKING REGULATION AND SUPERVISION IN THE PRC

OVERVIEW

The banking industry in the PRC is highly regulated. The principal regulatory authorities in the PRC banking industry include the NAFR and the PBOC. The NAFR is responsible for supervising and regulating banking institutions, and the PBOC, as the central bank of the PRC, is responsible for formulating and implementing monetary policies. The principal laws and regulations relating to the PRC banking industry are the People's Bank of China Law of the People's Republic of China, the Commercial Banking Law of the People's Republic of China and the Banking Supervision and Regulatory Law of the People's Republic of China, and the rules and regulations established thereunder.

NAFR (formerly known as the CBIRC)

Functions and Powers

The NAFR is the principal regulatory authority in the PRC responsible for the supervision and regulation of banking institutions operating within the PRC, including commercial banks, urban credit cooperatives, rural credit cooperatives, other deposit-taking financial institutions and policy banks, as well as certain non-bank financial institutions, such as asset management companies, trust and investment companies, finance companies, financial leasing companies and other financial institutions that can only be set up with the NAFR's approval. The NAFR is also responsible for the supervision and regulation of the entities established by domestic financial institutions outside the PRC and the overseas operations of such institutions. According to the Banking Supervision and Regulatory Law of the People's Republic of China and relevant regulations, the NAFR's primary regulatory responsibilities include:

- formulating and issuing rules and regulations governing banking institutions and their activities;
- examining and approving the establishment, change and termination of banking institutions and their scope of business, as well as granting banking licences to commercial banks and their branches;
- regulating the business activities of banking institutions, including their products and services offered;
- setting qualification requirements for, and approving and overseeing the nomination of, directors and senior management personnel of banking institutions;
- setting prudential guidelines and standards for risk management, internal control, capital adequacy, asset quality, allowance for impairment losses, risk concentration, related party transactions and asset liquidity requirements for banking institutions;
- conducting on-site examinations and off-site surveillance of the business activities and risk levels of banking institutions;
- imposing integrated supervision on banking institutions;
- establishing emergency disposal mechanisms with relevant authorities in the banking sector and formulating emergency disposal plans;
- imposing corrective and punitive measures for violations of applicable banking regulations; and
- drafting and publishing statistics and financial reports of national banking institutions.

Supervision over Capital Adequacy

In January 2013, the CBRC (now the NAFR) implemented the Capital Management Rules regulating capital adequacy ratios ("CAR") of PRC commercial banks. The Capital Management Rules, which are intended to reflect the Basel III regulatory capital requirements, set out minimum CAR requirements for commercial banks and provide detailed guidelines on the calculation of "capital" and "risk-weighted assets". The CBRC promulgated the Capital Management Rules on 7 June 2012 based on the reform of the banking industry and the existing regulatory framework of the PRC. The Capital Management Rules establish a unified regulatory system in respect of the capital adequacy ratio, clarify the definition of capital, expand the range of capital risk coverage, raise the bottom line for the capital adequacy ratio and set a six-year transition period (from 2013 to 2018) for banks to comply with capital adequacy ratio requirements. On 30 November 2012, the CBRC issued the Notice on Matters in relation to the Implementation of Transition Period Arrangements in the (Trial) Measures on the Administration of the Capital of Commercial Banks, which provides the regulatory standards and implementation course for the transition period.

On 26 October 2023, the NAFR promulgated the New Capital Management Rules, which became effective from 1 January 2024. As a result, the Bank is required to maintain a minimum core tier one capital adequacy of five per cent., a minimum tier one capital adequacy of six per cent. and a minimum capital adequacy of eight per cent. In addition, the domestic systemically important bank is required to maintain a further capital surcharge above prevailing Core Tier 1 Capital requirements as separately stipulated by the PBOC in conjunction with the NFRA. The CARs are calculated in accordance with the New Capital Management Rules as follows:

$$\text{CAR} = \frac{\text{Total Capital} - \text{deductions from corresponding capital instruments}}{\text{Risk-weighted Assets}} \times 100\%$$

$$\text{Tier 1 CAR} = \frac{\text{Tier 1 Capital} - \text{deductions from corresponding capital instruments}}{\text{Risk-weighted Assets}} \times 100\%$$

$$\text{Core Tier 1 CAR} = \frac{\text{Core Tier 1 Capital} - \text{deductions from corresponding capital instruments}}{\text{Risk-weighted Assets}} \times 100\%$$

Further details regarding the basic principles of such calculations can be obtained at the official website of the NAFR.

The contents of this website do not form a part of this Offering Circular.

Examination and Supervision

The NAFR (formerly known as the CBIRC), through its headquarters in Beijing and its bureaux throughout the PRC, monitors the operations of banks and their branches through on-site examinations and off-site surveillance. On-site examinations generally include inspecting a bank's business premises, interviewing its employees, senior management and directors for an explanation of significant issues relating to its operations and risk management, and reviewing relevant documents and materials kept by the bank. The NAFR also conducts off-site surveillance by reviewing financial and other reports regularly submitted by banks and monitoring banks' business activities and risk exposure status to evaluate and analyse the operational risk of the banks.

If a banking institution is not in compliance with an applicable banking regulation, the NAFR is authorised to impose corrective and punitive measures, including fines, ordering the suspension of certain business activities, restrictions on dividends and other forms of distributions and asset transfers, and suspending the opening of new branches. In extreme cases, or when a commercial bank fails to take corrective action within the time

period specified by the NAFR, the banking institution may be ordered to suspend operations and may revoke its operating-business licence. In the event of a crisis or failure within a banking institution, the NAFR may assume control over, or facilitate the restructuring of, such banking institution.

PBOC

As the central bank of the PRC, the PBOC is responsible for formulating and implementing monetary policies and maintaining the stability of the PRC financial markets. According to the People's Bank of China Law of the People's Republic of China and relevant regulations, the PBOC is empowered to:

- issue and implement orders and regulations in relation to its duties;
- formulate and implement monetary policy in accordance with laws;
- issue Renminbi and administer its circulation;
- regulate the interbank money market and the interbank bond market;
- implement foreign exchange controls and regulate the interbank foreign exchange market;
- regulate the gold market;
- hold, administer and manage state reserves of foreign exchange and gold;
- manage the national treasury;
- safeguard the normal operation of payment and clearing systems;
- guide and coordinate the financial industry in its anti-money laundering activities and take responsibility for monitoring capital in respect of anti-money laundering;
- take responsibility for financial industry statistics, surveys, analyses and forecasts;
- participate in international financial activities in its capacity as the central bank of the PRC; and
- undertake other duties as prescribed by the State Council.

On 15 August 2013, the State Council issued the Reply of the State Council on the Establishment of the Interdepartmental Coordination Joint Meeting System for Financial Supervision (国务院关于同意建立金融监管协调部际联席会议制度的批复), which aims to build up an interdepartmental coordination joint meeting system. The PBOC shall take the lead at such joint meeting, with the NAFR, the CSRC, the CIRC and the SAFE being the major members. The National Development and Reform Commission and the MOF may be invited to attend the joint meetings, if necessary.

PRC CURRENCY CONTROLS

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012.

Since July 2013, the procedures for cross-border Renminbi trade settlement under current account items have been simplified and trades through e-commerce can also be settled in Renminbi under the current regulatory regime. A cash pooling arrangement for qualified multinational enterprise group companies was introduced in late 2014, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. In addition, the eligibility requirements for multinational enterprise groups have been lowered and the cap for net cash inflow has been increased in September 2015.

The PBOC also permit enterprises in the Shanghai FTZ to establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pooling programme. In November 2016, PBoC Shanghai Headquarters further allowed banks in Shanghai to provide multinational enterprise groups with services of full-function onshore cash pooling, which will enable broader scope for utilising pooled cash.

On 23 October 2019, the SAFE promulgated Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts (國家外匯管理局關於精簡外匯帳戶的通知, 匯發[2019]29 號) which became effective on 1 February 2020. SAFE has decided to review and integrate certain foreign exchange accounts and further reduce the types of accounts in order to further intensify the reform of foreign exchange administration, simplifying the relevant business operating procedures, and facilitate true and compliant foreign exchange transactions by banks, enterprises and other market participants, for example, “current accounts – foreign currency cash account” and “current accounts – foreign exchange account under current accounts of overseas institutions” are included in “current accounts – foreign exchange settlement account”.

On the same day, the SAFE issued Notice by the State Administration of Foreign Exchange of Further Facilitating Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知, 匯發[2019]28 號), based on which, for the revenue obtained by an enterprise from trade in goods, the enterprise may, on its own, decide whether to open a to-be-inspected account for export revenue (“**to-be-inspected account**”). If an enterprise has not opened a to-be-inspected account, the examined revenue from trade in goods by the Issuer in accordance with the existing provisions may be directly deposited into the foreign exchange account under current accounts or used for foreign exchange settlement.

On 10 April 2020, the SAFE issued Notice of the SAFE on Optimising Foreign Exchange Administration to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知, 匯發[2020]8 號), which relaxed the purchase of foreign exchange with export background for repayments of domestic foreign exchange loans and the examination and endorsement formalities. For example, financial institutions examining foreign exchange receipts and payments under the current account pursuant to the provisions may, based on internal control requirements and actual business needs and under the substantive compliance principle, decide on their own whether to endorse the amount and date of foreign exchange receipts and payments on the original copy of the document, and affix the business seal, but shall retain examination materials pursuant to the prevailing provisions for future inspection.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms, foreign enterprises are now permitted use Renminbi to settle all capital account items that can be settled in foreign currencies. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements specifically for capital account payments in Renminbi are being removed gradually.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as “foreign debt”) and lend Renminbi-denominated loans to foreign borrowers (which are referred to as “outbound loans”), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make Renminbi payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as “cross-border security”). Under current rules promulgated by the SAFE and PBOC, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade zones, PBOC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2016, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor (“**RQFII**”) regime and the China Interbank Bond Market (“**CIBM**”), have been further liberalised for foreign investors. PBoC has relaxed the quota control for RQFII, initiated a bond market mutual access scheme between mainland and Hong Kong to allow eligible investors to invest in CIBM and has also expanded the list of foreign investors eligible to directly invest in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

Interbank foreign exchange market is also opening-up. In 2018, CFETS further relaxed qualifications, application materials and the procedures for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

On 23 October 2019, the SAFE promulgated Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts (國家外匯管理局關於精簡外匯帳戶的通知, 匯發[2019]29 號)

which became effective on 1 February 2020, according to which, several measures were taken to intensify, for example, “Capital accounts – special account for domestic reinvestment” is included in “capital accounts – foreign exchange capital account”.

On the same day, the SAFE issued Notice by the State Administration of Foreign Exchange of Further Facilitating Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知, 匯發[2019]28 號) in order to further promote the reform of “simplification of administrative procedures and decentralization of powers, combination of decentralization and appropriate control, and optimization of services”. It cancelled restrictions on the use of funds in domestic asset realisation accounts for foreign exchange settlement and restrictions on the number of opened foreign exchange accounts under capital accounts.

On 10 April 2020, the SAFE issued Notice of the SAFE on Optimising Foreign Exchange Administration to Support the Development of Foreign-related Business (國家外匯管理局關於優化外匯管理支持涉外業務發展的通知, 匯發[2020]8 號), which aimed to promoting the reform of facilitating the payment of income under the capital account. For example, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc. for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

Dealer Agreement

Subject to the terms and on the conditions contained in the Dealer Agreement, the Notes will be offered on a continual basis by the relevant Issuer to the Dealers. However, the relevant Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers as at the date of the Dealer Agreement. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of the relevant Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The relevant Issuer has agreed to reimburse each Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The relevant Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Arranger or Dealer or any affiliate of such Arranger or Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the relevant Issuer in such jurisdiction.

The Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the relevant Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the relevant Issuer and/or its affiliates in the ordinary course of the relevant Issuer's or their business. The Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each Series of the Notes issued under the Programme, the relevant Issuer, the Arrangers, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the relevant Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the relevant Issuer, the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Notes. If this is the case, liquidity of trading in the Notes may be constrained (see "*Risk Factors – Risks Relating to the Market Generally – Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity*"). The relevant Issuer, the Arrangers and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors.

Important Notice to CMIs (including private banks) Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the relevant Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the relevant Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the relevant Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMI (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMI (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMI that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMI (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A “Sanctions Restricted Person” means an individual or entity (a “**Person**”): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current “Specially Designated Nationals and Blocked Persons” list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current “Sectoral Sanctions Identifications” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the “SSI List”), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the “**EU Annexes**”), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce’s Bureau of Industry and Security (“**BIS**”) under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled

“Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China” (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled “Addressing the threat from Securities Investments that Finance Chinese Military Companies”; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, or any non-government controlled areas of Ukraine. “Sanctions Authority” means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury.

Selling Restrictions

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

United States

The following paragraph shall apply in respect of any Notes the Pricing Supplement for which specifies that “Regulation S Category 1” applies.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or, in the case of Bearer Notes, deliver the Notes, and that it will not offer, sell or, in the case of Bearer Notes, deliver, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meaning given to them by Regulation S.

The following paragraphs shall apply in respect of any Notes the Pricing Supplement for which specifies that “Regulation S Category 2” applies.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the

registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered, sold or, in the case of Bearer Notes, deliver and will not offer, sell or, in the case of Bearer Notes deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each distributor, dealer or person to which it sells the Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”),

following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction under the UK Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes

which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) if the final terms in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority provided that any such prospectus has subsequently been completed by pricing supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable, and the relevant Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**FIEA**”). Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be offered or sold directly or indirectly in the People's Republic of China (the “**PRC**”) (which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan). This Offering Circular, the Notes and any material or information contained or incorporated by reference herein relating to the Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission (“**CSRC**”) or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. Neither this Offering Circular nor any material or information contained or incorporated by reference herein relating to the Notes constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Notes may only be invested by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the People's Bank of China, the State Administration of Foreign Exchange, CSRC, the NAFR and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) other than (a) to “professional investors” as defined in the SFO, and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**CWUMPO**”) or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Macau

Each of the Dealers has represented, warranted and agreed that the Notes may not be offered, sold or delivered to members of the public in Macau.

Taiwan

Each of the Dealers has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, in Taiwan, to investors other than “professional institutional investors” as defined under Paragraph 2, Article 19-7 of the Regulations Governing Securities Firms of Taiwan, currently including overseas or domestic Banks, insurance companies, bills finance companies, securities firms, fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, securities investment trust enterprises, securities investment consulting enterprises, trust enterprises, futures commission merchants, futures service enterprises, and other institutions approved by the Financial Supervisory Commission of Taiwan.

GENERAL INFORMATION

Authorisations

The Bank has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue of the Notes thereunder. The establishment and update of the Programme and the issue of the Notes thereunder was authorised by the resolutions of the Board of the Bank on 29 April 2015, 18 July 2018 and 25 March 2021. PRC counsel to the Bank and the Dealers have advised that no approvals or consents were required from any regulatory authorities or other relevant authorities in the PRC for the Bank to enter into the Dealer Agreement, the Deed of Covenant and the Agency Agreement. The Bank and each relevant Branch Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes.

NDRC Approval

Where applicable for a relevant Tranche of Notes, the Notes will be issued in accordance with the NDRC Measures. After the issuance of such relevant Tranche of Notes, the Branch Issuer (acting through the Bank) or, as the case may be, the Bank, will provide the requisite information and documents within the prescribed timeframe after the relevant Issue Date in accordance with the NDRC Measures.

Litigation

None of the relevant Issuer, the Bank or any of other member of the Group is involved in any litigation or arbitration proceedings that the relevant Issuer or the Bank believes are material in the context of the issue of Notes or have a material adverse impact on the relevant Issuer, the Bank or the Group or any of their subsidiaries or any of their respective assets. The relevant Issuer or, as the case may be, the Bank is not aware of any pending or threatened proceedings, which are material in the context of the issue of the Notes.

No Material Adverse Change

Since 30 June 2023, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in or affecting the general affairs, financial condition, results of operations or prospects of the relevant Issuer, the Bank or any of its subsidiaries.

Documents Available

For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will be available (upon written request), during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal place of business of the Bank at 12, Zhongshan Road (E-1), Shanghai, 200002, PRC:

- (a) the Deed of Covenant;
- (b) the constitutive documents of the Bank;
- (c) the audited consolidated financial statements of the Bank as at and for the years ended 31 December 2021 and 2022;
- (d) the unaudited but reviewed consolidated financial statements of the Bank as at and for the six months ended 30 June 2023; and
- (e) the most recent annual and interim reports (including the financial statements) published by the Bank,

and at the specified office of the Fiscal Agent, being at the date of this Offering Circular, at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom:

- (i) the Agency Agreement (which includes the form of the Global Notes, the Global Note Certificate, the Notes in definitive form, the Coupons, the Receipts and the Talons);
- (ii) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer or the Fiscal Agent as to its holding of Notes and identity); and
- (iii) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein referenced.

Clearing of the Notes

Notes have been accepted for clearance through the Euroclear and Clearstream systems. The relevant ISIN, the Common Code and the Legal Entity Identifier (LEI) Code will be specified in the applicable Pricing Supplement. The relevant Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be set out in the relevant Pricing Supplement.

Financial Statements

The audited consolidated financial statements of the Bank as at and for the years ended 31 December 2021 and 2022, which are included elsewhere in this Offering Circular, have been prepared in accordance with IFRS and are audited by KPMG, as stated in its reports appearing herein. The unaudited but reviewed consolidated financial statements of the Bank for the six months ended 30 June 2023, which are included in this Offering Circular, have been prepared in accordance with IAS 34 and reviewed by KPMG, as stated in its report appearing herein. The unaudited and unreviewed consolidated quarterly financial statements as at and for the nine months ended 30 September 2023 were prepared under PRC GAAP.

The audited and unaudited but reviewed consolidated financial statements of the Bank have been prepared in Chinese only, which are included elsewhere in this Offering Circular. The English translations have been prepared and included elsewhere in this Offering Circular for reference only. Should there be any inconsistency between the Chinese Financial Statements and the English translations, the Chinese Financial Statements shall prevail. The English translations do not constitute audited or, as the case may be, unaudited but reviewed financial statements, and are qualified in their entirety by, and are subject to the financial information set out or referred to in, the Chinese Financial Statements.

Listing of Notes

Application has been made to the HKSE for the listing of the Programme on the HKSE under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the HKSE.

Separate application may be made for the listing of the Notes on the HKSE. The issue price of Notes listed on the HKSE will be expressed as a percentage of their nominal amount. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the next business day following the date of issue of the relevant Notes. Listing of any Notes on the HKSE is not to be taken as an indication of the merits of the Programme, the Notes, the relevant Branch Issuer, the Bank or the Group. The HKSE assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein.

Application has been made to the SGX-ST for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded, will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for Definitive Note(s). In addition, in the event that a Global Note is exchanged for Definitive Note(s), an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Note(s), including details of the paying agent in Singapore.

INDEX TO FINANCIAL STATEMENTS

The following English translations of the Bank's audited consolidated financial statements are for reference only. Should there be any inconsistency between the Chinese Financial Statements and the English translations, the Chinese Financial Statements shall prevail.

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Note:

- (1) The Bank's audited consolidated financial statements for the years ended 31 December 2021 and 2022 (together with the independent auditor's reports) and the Bank's consolidated financial statements for the six months ended 30 June 2023 (together with the review report) set out herein are reproduced or translated from the Bank's annual reports for the years ended 31 December 2021 and 2022 and the Bank's interim report for the six months ended 30 June 2023, respectively. Page references referred to in the auditor's reports named above refer to pages set out in such annual or interim reports.

Shanghai Pudong Development Bank Co., Ltd.

ENGLISH TRANSLATION OF CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE
VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE
VERSION WILL PREVAIL

Review Report

To the Shareholders of Shanghai Pudong Development Bank Co., Ltd. *(incorporated in the People's Republic of China with limited liability)*

KPMG Huazhen Tongzi No. 2300256

Introduction

We have reviewed the accompanying condensed interim financial statements of Shanghai Pudong Development Bank Co., Ltd. ("the Bank") and its subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in shareholders' equity, the condensed consolidated cash flow statement for the period from 1 January 2023 to 30 June 2023, and significant notes to the financial statements. The Bank's management is responsible for the preparation and presentation of the above condensed interim financial statements in accordance with the requirements under the *International Accounting Standard ("IAS") 34 - "Interim Financial Reporting"* issued by the International Accounting Standard Board. Our responsibility is to issue a review report on the above condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with *International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and performing analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we will not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above interim financial statement of the Group is not prepared, in all material respects, in accordance with *International Accounting Standard 34 - "Interim Financial Reporting"*.

KPMG Huazhen LLP
Beijing, the People's Republic of China

29 August 2023

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated income statement
For the period from 1 January 2023 to 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group	
		For the period from 1 January 2023 to 30 June 2023 (Unaudited)	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Interest income		150,294	150,278
Interest expense		(89,866)	(81,597)
Net interest income	III. 1	60,428	68,681
Fee and commission income		17,520	19,533
Fee and commission expense		(3,558)	(4,252)
Net fee and commission income	III. 2	13,962	15,281
Net trading gains and losses	III. 3	10,014	10,317
Net gains or losses arising from financial investments	III. 4	4,769	2,368
Other net operating income		1,950	1,934
Operating expenses	III. 5	(26,207)	(26,069)
Impairment losses	III. 6	(38,487)	(38,083)
Share of profits from associates and joint ventures		138	104
Profit before income tax		26,567	34,533
Income tax expense	III. 7	(2,952)	(3,937)
Net profit		23,615	30,596
Net profit attributable to:			
Shareholders of the Bank		23,138	30,174
Non-controlling interests		477	422
Earnings per share attributable to the shareholders of the Bank:			
Basic earnings per share (expressed in RMB)	III. 8	0.76	1.00
Diluted earnings per share (expressed in RMB)	III. 8	0.70	0.92

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of comprehensive income
For the period from 1 January 2023 to 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group	
		For the period from 1 January 2023 to 30 June 2023 (Unaudited)	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Net profit		23,615	30,596
Other comprehensive income	III. 34		
<i>Items that may be reclassified to profit or loss</i>			
Other comprehensive income recognised under equity method that may be reclassified to profit or loss		(1)	-
Changes in fair value of debt investments at fair value through other comprehensive income		1,809	(4,024)
Credit impairment allowance of debt investments at fair value through other comprehensive income		685	1,692
Cash flow hedge reserve		67	171
Exchange differences from the translations of foreign operations		221	94
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of equity investments at fair value through other comprehensive income		(523)	(20)
Other comprehensive income, net of tax		2,258	(2,087)
Total comprehensive income		25,873	28,509
Total comprehensive income attributable to:			
Shareholders of the Bank		25,343	28,042
Non-controlling interests		530	467

The notes on pages 12 to 101 form an intergral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of financial position
as at 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group	
		30 June 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Cash and deposits with central bank	III. 9	411,019	457,089
Deposits and placements with banks and other financial institutions	III. 10	540,904	531,643
Precious metals		834	3,948
Derivative financial assets	III. 11	70,837	42,829
Financial assets purchased under resale agreements	III. 12	75,358	111,411
Loans and advances to customers	III. 13	4,866,904	4,798,350
Financial investments:	III. 14		
- Financial investments at fair value through profit or loss		740,222	708,984
- Financial investments at amortised cost		1,376,148	1,196,691
- Financial investments at fair value through other comprehensive income		569,404	649,788
Investments in associates and joint ventures	III. 15	2,795	2,655
Fixed assets	III. 16	42,004	37,157
Construction in progress		2,654	5,250
Right-of-use assets	III. 17	7,632	8,022
Intangible assets	III. 18	9,958	10,349
Goodwill	III. 19	5,351	6,981
Deferred tax assets	III. 20	64,585	68,690
Other assets	III. 21	145,910	64,814
Total assets		8,932,519	8,704,651

The notes on pages 12 to 101 form an intergral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of financial position (continued)
as at 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group	
		30 June 2023 (Unaudited)	31 December 2022 (Audited)
Liabilities			
Borrowings from the central bank		202,042	165,133
Deposits and placements from banks and other financial institutions	III. 22	1,123,818	1,111,343
Financial liabilities at fair value through profit or loss	III. 23	14,920	10,238
Derivative financial liabilities	III. 11	62,341	37,526
Financial assets sold under repurchase agreements	III. 24	373,094	350,168
Deposits from customers	III. 25	5,069,529	4,893,812
Income tax payable		16,361	27,290
Debt securities issued	III. 26	1,272,371	1,330,304
Deferred tax liabilities	III. 20	641	641
Lease liabilities	III. 17	7,432	7,832
Provisions	III. 27	6,541	6,230
Other liabilities	III. 28	62,349	57,359
Total liabilities		8,211,439	7,997,876

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of financial position (continued)
as at 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group	
		30 June 2023 (Unaudited)	31 December 2022 (Audited)
Equity			
Share capital	III. 29	29,352	29,352
Other equity instruments	III. 30	112,691	112,691
Capital reserves	III. 31	81,762	81,762
Surplus reserves	III. 32	188,929	174,385
General risk reserves	III. 33	101,496	99,515
Other reserves	III. 34	(609)	(3,053)
Retained earnings	III. 35	199,479	203,220
Total equity attributable to shareholders of the Bank		713,100	697,872
Non-controlling interests		7,980	8,903
Total equity		<u>721,080</u>	<u>706,775</u>
Total liabilities and equity		<u>8,932,519</u>	<u>8,704,651</u>

These financial statements were approved for issue by the Board of Directors of the Bank on 29 August 2023.

Chairman of the board of the directors:

President:

Vice-President temporarily responsible for finance:

The head of the accounting department:

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of changes in shareholders' equity
For the period from 1 January 2023 to 30 June 2023 (unaudited)
(Expressed in millions of RMB unless otherwise stated)

	Equity attributable to the shareholders of the Bank							Sub-total	Non-controlling interests	Total
	Ordinary shares	Other equity instruments	Capital reserves	Surplus reserves	General risk reserves	Other reserves	Retained earnings			
Balance at 1 January 2023	29,352	112,691	81,762	174,385	99,515	(3,053)	203,220	697,872	8,903	706,775
Net profit	-	-	-	-	-	-	23,138	23,138	477	23,615
Other comprehensive income	-	-	-	-	-	2,205	-	2,205	53	2,258
Total comprehensive income	-	-	-	-	-	2,205	23,138	25,343	530	25,873
Appropriation to surplus reserves and general risk reserves	-	-	-	14,544	3,707	-	(18,251)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(9,393)	(9,393)	-	(9,393)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(722)	(722)	-	(722)
Other reserves carried forward to retained earnings	-	-	-	-	-	239	(239)	-	-	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(136)	(136)
Disposal of equities in subsidiaries	-	-	-	-	(1,726)	-	1,726	-	(1,317)	(1,317)
Balance at 30 June 2023	29,352	112,691	81,762	188,929	101,496	(609)	199,479	713,100	7,980	721,080

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of changes in shareholders' equity
For the period from 1 January 2022 to 30 June 2022 (unaudited)
(Expressed in millions of RMB unless otherwise stated)

	Equity attributable to the shareholders of the Bank								Non-controlling interests	Total
	Ordinary shares	Other equity instruments	Capital reserves	Surplus reserves	General risk reserves	Other reserves	Retained earnings	Sub-total		
Balance at 1 January 2022	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218
Net profit	-	-	-	-	-	-	30,174	30,174	422	30,596
Other comprehensive income	-	-	-	-	-	(2,132)	-	(2,132)	45	(2,087)
Total comprehensive income	-	-	-	-	-	(2,132)	30,174	28,042	467	28,509
Appropriation to surplus reserves and general risk reserves	-	-	-	15,093	4,557	-	(19,650)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(12,034)	(12,034)	-	(12,034)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(722)	(722)	-	(722)
Other reserves carried forward to retained earnings	-	-	-	-	-	29	(29)	-	-	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(105)	(105)
Balance at 30 June 2022	<u>29,352</u>	<u>112,691</u>	<u>81,762</u>	<u>174,385</u>	<u>95,550</u>	<u>718</u>	<u>190,835</u>	<u>685,293</u>	<u>8,573</u>	<u>693,866</u>

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated statement of changes in shareholders' equity
For the year ended 31 December 2022 (audited)
(Expressed in millions of RMB unless otherwise stated)

	Equity attributable to the shareholders of the Bank							Sub-total	Non-controlling interests	Total
	Ordinary shares	Other equity instruments	Capital reserves	Surplus reserves	General risk reserves	Other reserves	Retained earnings			
Balance at 1 January 2022	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218
Net profit	-	-	-	-	-	-	51,171	51,171	826	51,997
Other comprehensive income	-	-	-	-	-	(5,919)	-	(5,919)	50	(5,869)
Total comprehensive income	-	-	-	-	-	(5,919)	51,171	45,252	876	46,128
Appropriation to surplus reserves and general risk reserves	-	-	-	15,093	8,522	-	(23,615)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(12,034)	(12,034)	-	(12,034)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
Interest payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
Other reserves carried forward to retained earnings	-	-	-	-	-	45	(45)	-	-	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(184)	(184)
Balance at 31 December 2022	29,352	112,691	81,762	174,385	99,515	(3,053)	203,220	697,872	8,903	706,775

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated cash flow statement
For the period from 1 January 2023 to 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	The Group	
	For the period from 1 January 2023 to 30 June 2023 (Unaudited)	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Cash flows from operating activities		
Profit before income tax	26,567	34,533
Adjustment for:		
Depreciation and amortisation	4,399	4,119
Interest expense on lease liabilities	134	154
Impairment losses	38,487	38,083
Interest expense from financing activities	17,731	20,406
Interest income from financial investments	(32,811)	(31,603)
Net profit or loss on disposal of fixed assets	(83)	(19)
Share of profits from associates and joint ventures	(138)	(104)
Unrealised profit or loss on derivative financial instruments	2,190	(383)
Net gains or losses arising from financial investments	(4,769)	(2,368)
Net trading gains and losses	(10,225)	(4,817)
Foreign exchange gains or losses arising from investing and financing activities	9	9
Changes in operating assets:		
Statutory reserves with the central bank	4,035	(7,343)
Deposits and placements with banks and other financial institutions	(18,759)	(90,601)
Financial assets held for trading	(27,129)	(19,902)
Financial assets purchased under resale agreements	-	(432)
Loans and advances to customers	(98,383)	(116,333)
Other operating assets	(105,557)	(24,549)

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated cash flow statement (continued)
For the period from 1 January 2023 to 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	The Group	
	For the period from 1 January 2023 to 30 June 2023 (Unaudited)	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Cash flows from operating activities		
(continued)		
Changes in operating liabilities:		
Borrowings from the central bank	35,502	(19,657)
Deposits and placements from banks and other financial institutions	10,115	(152,538)
Financial assets sold under repurchase agreements	22,942	100,042
Deposits from customers	175,321	281,462
Other operating liabilities	20,163	65,807
	59,741	73,966
Cash used in operating activities before income tax payment	59,741	73,966
Income tax paid	(11,255)	(8,709)
	48,486	65,257
Net cash generated from operating activities	48,486	65,257
Cash flows from investing activities		
Proceeds from disposal of investments	842,680	848,897
Investment income received	50,032	47,559
Proceeds from disposal of fixed assets	503	145
Purchase of fixed assets, intangible assets and other long-term assets	(4,674)	(5,734)
Purchase of investment	(950,682)	(908,140)
	(62,141)	(17,273)
Net cash used in investing activities	(62,141)	(17,273)

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Condensed consolidated cash flow statement (continued)
For the period from 1 January 2023 to 30 June 2023
(Expressed in millions of RMB unless otherwise stated)

	The Group	
	For the period from 1 January 2023 to 30 June 2023 (Unaudited)	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Cash flows from financing activities		
Proceeds from issuance of bonds and interbank deposits	612,774	723,621
Repayment of bonds and interbank deposits issued	(672,761)	(656,905)
Cash paid for dividends, profit and interest of bond issued	(16,948)	(19,374)
Payment for other financing activities	(1,646)	(1,600)
	(78,581)	45,742
Effect of exchange rate changes on cash and cash equivalents	3,958	4,773
	(88,278)	98,499
Cash and cash equivalents at the beginning of the period	372,304	216,126
	284,026	314,625
Cash flows from operating activities include:		
Interest received	125,180	125,707
Interest paid	(67,992)	(58,916)
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Composition of cash and cash equivalents:		
Cash	5,378	5,544
Surplus reserves with the central bank	63,627	105,479
Deposits and placements with banks and other financial institutions with original maturities no more than three months	139,615	149,915
Financial assets purchased under resale agreements with original maturities no more than three months	75,406	111,366
	284,026	372,304
Total	284,026	372,304

The notes on pages 12 to 101 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Notes to the financial statements
(Expressed in millions of RMB unless otherwise stated)

I General information

Shanghai Pudong Development Bank Co., Ltd. (the “Bank”) is a joint-stock commercial bank incorporated in Shanghai, the People’s Republic of China (“the PRC”) on 28 August 1992 in accordance with the approval from the People’s Bank of China (“the PBOC” or “Central Bank”) (Yin Fu [1992] No.350). The Address of the head office is 12 First East Zhongshan Road, Shanghai. The Bank obtained its business licence from Shanghai Municipal Administration of Industry and Commerce on 19 October 1992 and commenced its business on 9 January 1993. On 10 November 1999, the Bank’s share capital denominated in RMB were listed and traded on the Shanghai Stock Exchange.

The unified social credit code of the Bank is 9131000013221158XC, and the financial service certificate No. of the Bank is B0015H131000001.

The Bank and its subsidiaries (collectively referred to as “the Group”) are mainly engaged in financial businesses. The scope of business mainly includes commercial banking services, financial leasing businesses, trust services, wealth management business approved by the PBOC and the National Financial Regulatory Administration (the “NFRA”), investment banking and fund management business defined by relevant licenses issued by Securities & Futures Commission of Hong Kong. The Bank’s principal regulator is the NFRA. The Bank’s overseas branches and subsidiaries are subject to the supervision by local regulators.

The major subsidiaries are consolidated in the Bank’s financial statements are disclosure in Note III. 38(1).

II Basis of preparation and accounting policies

Basis of preparation

The condensed interim financial statements have been prepared in accordance with the requirements under the *International Accounting Standard (“IAS”) 34 - “Interim Financial Reporting”* issued by the International Accounting Standard Board.

The condensed interim financial statements and notes to the financial statements do not contain all financial information and data required to be disclosed in the annual financial statements. Therefore, the condensed interim financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

Accounting judgements and accounting estimates

The preparation of the interim financial statements based on the IAS 34 - Interim Financial Reporting requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The main judgements made by the management on the main sources of the uncertainties of the policies and estimates applied to the Group are the same as those adopted in the annual financial statements for the year ended 31 December 2022.

Changes in accounting policies

In addition to the following changes in accounting policies, the accounting policies adopted in the preparation of the condensed interim financial statements are consistent with the preparation of the Group's annual financial statements for the year ended 31 December 2022, and the following changes in accounting policies are expected to be reflected in the annual financial statements for the year ended 31 December 2023. The Group has adopted the following standards and amendments to the IFRS issued by the International Accounting Standards Board (IASB) in the current year. These standards and amendments came into force during the year.

			<i>Effective for the year beginning on or after</i>	<i>Note</i>
(1)	IFRS 17	Insurance contracts	1 January 2023	(i)
(2)	Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023	(i)
(3)	Amendments to IAS 8	Definition of accounting estimate	1 January 2023	(i)
(4)	Amendments to IAS 12	Deferred tax related to assets and liabilities arising from single transaction	1 January 2023	(i)
(5)	Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	23 May 2023	(i)

(i) The adoption of the above standards and amendments has no material effect on the financial position and financial performance of the Group.

Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group

			<i>Effective for the year beginning on or after</i>	<i>Note</i>
(1)	Amendments to IFRS 16	Lease liabilities in sale and leaseback transactions	1 January 2024	(ii)
(2)	Amendments to IAS 1 (2020)	Liabilities classified as current or non-current	1 January 2024	(ii)
(3)	Amendments to IAS 1 (2022)	Non-current liabilities with contractual conditions	1 January 2024	(ii)
(4)	Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date has been indefinitely deferred	(ii)

(ii) The adoption of the above standards and amendments has no material effect on the consolidated financial statements of the Group.

III Notes to the main items

1 Net interest income

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Interest income		
Loans and advances to customers		
- Corporate loans	50,006	47,244
- Retail loans	51,027	56,004
- Discounted bills	4,112	6,184
Financial investments		
- at amortised cost	22,926	23,468
- at fair value through other comprehensive income	9,885	7,582
Deposits and placements with banks and other financial institutions	8,473	5,983
Deposits with the central bank	2,819	2,737
Financial assets purchased under resale agreements	1,046	1,076
	150,294	150,278
Sub-total	150,294	150,278
Interest expense		
Deposits from customers	(53,117)	(46,082)
Debt securities issued	(17,731)	(20,406)
Deposits and placements from banks and other financial institutions	(14,279)	(10,029)
Financial assets sold under repurchase agreements	(2,377)	(1,807)
Borrowings from the central bank	(2,362)	(3,273)
	(89,866)	(81,597)
Sub-total	(89,866)	(81,597)
Net interest income	60,428	68,681

2 Net fee and commission income

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Fee and commission income		
Fees from bank cards	6,721	7,004
Agency commissions	3,084	1,795
Custodian and other fiduciary activities commissions	2,618	6,144
Fees from investment banking activities	2,537	2,304
Credit commitment fees	1,302	1,044
Settlement and clearing fees	588	578
Others	670	664
	17,520	19,533
Sub-total		
Fee and commission expense	(3,558)	(4,252)
	13,962	15,281
Net fee and commission income	13,962	15,281

3 Net trading gains and losses

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Financial investments measured at FVTPL	11,048	7,546
Non-foreign exchange derivative financial instruments	4,775	1,549
Hedged bonds	46	(364)
Exchange gains and losses	(3,155)	3,719
Precious metals	(2,876)	(2,042)
Others	176	(91)
	10,014	10,317
Total	10,014	10,317

4 Net gains or losses arising from financial investments

	Note	The Group	
		For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Financial investments at amortised cost		286	1,048
Financial investments measured at FVOCI		227	1,272
Dividend income		15	48
Others	(1)	4,241	-
Total		4,769	2,368

(1) In the first half of 2023, Shanghai International Trust Co., Ltd. (“Shanghai International Trust”), a holding subsidiary of the Bank, completed the transfer of equities in China International Fund Management Co., Ltd. (“China International Fund Management”), and the Group recognised the investment income of RMB 4.241 billion on the above transaction.

5 Operating expenses

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Staff costs		
- Salaries, bonuses and allowances	9,970	10,851
- Other social security and benefit costs	3,759	3,402
Sub-total	13,729	14,253
Depreciation and amortisation	3,555	3,271
Business taxes and surcharges	1,051	1,082
Short-term and low-value asset leasing expenses	156	171
Others	7,716	7,292
Total	26,207	26,069

6 Impairment losses

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Loans and advances to customers	29,177	34,029
Others	9,310	4,054
	<u>38,487</u>	<u>38,083</u>
Total	38,487	38,083

7 Income tax expense

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Current income tax expense	(382)	(460)
Deferred income tax expense	3,334	4,397
	<u>2,952</u>	<u>3,937</u>
Total	2,952	3,937

Reconciliations between the Group's income tax expenses calculated using the statutory tax rate and actual income tax expense are as follows:

	The Group	
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Profit before income tax	26,567	34,533
Tax calculated at statutory tax rate of the PRC	6,642	8,633
Tax effect from other various tax rates adopted by subsidiaries	63	(13)
Tax effect of non-deductible expenses	304	284
Tax effect of non-taxable income	(4,907)	(5,030)
Other income tax adjustments	850	63
	<u>2,952</u>	<u>3,937</u>
Income tax expense	2,952	3,937

8 Earnings per share

(1) Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing net profit for the year attributable to the holders of the Bank's share capital by the weighted average number of share capital outstanding during the year. The conversion feature of preference shares is considered to fall within the category of contingently issuable share capital. As at 30 June 2023, the triggering events of share conversion did not occur. Therefore, the conversion feature of preference shares has no effect on the calculation of basic and diluted earnings per share in the current period.

The Group

	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Profit for the period attributable to shareholders of the Bank	23,138	30,174
Less: Profit for the year attributable to preference shareholders of the Bank	(722)	(722)
Profit for the period attributable to the holders of the Bank's share capital	<u>22,416</u>	<u>29,452</u>
Weighted average number of outstanding share capital (million)	29,352	29,352
Basic EPS (RMB)	<u>0.76</u>	<u>1.00</u>

The Bank declared cash dividends of RMB 721.5 million for preference share in this period. For the purpose of calculating basic EPS, dividends on preference shares declared in respect of the year have been deducted from the net profit attributable to ordinary shareholders of the Bank.

(2) Diluted earnings per share

The diluted earnings per share is calculated on the assumption that the RMB 50 billion convertible corporate bonds publicly issued by the Bank in 2019 deemed to have all been converted to ordinary shares upon issuance and by dividing, after adjustments for the interest expenses of the convertible corporate bonds for the year the net profit of the year attributable to ordinary shareholders of the Bank by the adjusted weighted average number of ordinary shares outstanding during the year.

The Group

	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Net profit for the current year attributable to shareholders of the Bank	22,416	29,452
Add: Interest expenses of convertible corporate bonds in the current period (after tax)	742	725
Net profit for calculating diluted earnings per share during the period	<u>23,158</u>	<u>30,177</u>
Weighted average number of outstanding ordinary shares (million)	29,352	29,352
Add: Assume that convertible corporate bonds are entirely converted to weighted average number of ordinary shares from the beginning of the period to the conversion date (million)	3,687	3,579
Weighted average number of outstanding ordinary shares of the year for calculating diluted earnings per share (million)	33,039	32,931
Diluted earnings per share (RMB)	<u>0.70</u>	<u>0.92</u>

9 Cash and deposits with the central bank

	Note	The Group	
		30 June 2023	31 December 2022
Cash		5,378	5,544
Statutory reserves with the central bank	(1)	341,716	345,351
Surplus reserves with the central bank	(2)	63,627	105,479
Fiscal deposits with the central bank		144	544
Accrued interest		154	171
Total		411,019	457,089

- (1) The Group is required to place statutory reserves with the PBOC and overseas central banks, including RMB and foreign currency deposit reserves and foreign exchange risk reserves for forward foreign exchange sales businesses, which are not allowed to be used in the Group's daily operations.
- (2) The surplus reserves refer to money deposited by the Group with the PBOC and overseas central banks for the purpose of funds liquidation.

10 Deposits and placements with banks and other financial institutions

	The Group	
	30 June 2023	31 December 2022
Deposits with domestic banks	93,433	108,385
Deposits with overseas banks	52,171	58,737
Deposits with domestic non-bank financial institutions	1,052	906
Placements with domestic banks	41,473	39,407
Placements with overseas banks	51,567	38,714
Placements with domestic non-bank financial institutions	296,344	282,110
Placements with overseas non-bank financial institutions	758	80
Accrued interest	4,487	3,873
Less: impairment allowance	(381)	(569)
Total	540,904	531,643

As at 30 June 2023 and 31 December 2022, the Group's due from and placements with banks and other financial institutions included refundable deposits and risk reserves, and were restricted in usage.

11 Derivative financial instruments

The Group

	30 June 2023		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	4,636,820	18,241	(16,679)
Exchange rate derivatives	2,144,505	28,098	(32,222)
Precious metal and other derivatives	517,023	24,498	(13,440)
Total		70,837	(62,341)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	16,716	381	(135)
Cash flow hedges			
- Interest rate swap contracts	1,397	32	-
- Currency swap contracts	23,256	170	(624)
Currency swap contracts		583	(759)
		42,829	(37,526)
		713	(248)

	31 December 2022		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	3,889,642	12,374	(9,973)
Exchange rate derivatives	1,882,807	21,145	(23,554)
Precious metal and other derivatives	332,377	9,310	(3,999)
Total		42,829	(37,526)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	12,048	545	(100)
- Currency swap contracts	-	-	-
Cash flow hedges			
- Interest rate swap contracts	627	34	-
- Currency swap contracts	20,788	134	(148)
Total		713	(248)

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, precious metal price and other market prices relative to their terms, and the fluctuations in the price of the precious metal and other market. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

12 Financial assets purchased under resale agreements

	The Group	
	30 June 2023	31 December 2022
Bonds	69,286	111,366
Bills	6,120	-
Accrued interest	17	60
Less: impairment allowance	(65)	(15)
	75,358	111,411
Total	75,358	111,411

13 Loans and advances to customers

	The Group	
	30 June 2023	31 December 2022
Loans and advances to customers measured at		
- amortised cost (a)	4,504,263	4,371,902
- FVOCI (b)	436,188	468,537
- FVTPL (c)	37,002	60,223
	4,977,453	4,900,662
Sub-total	4,977,453	4,900,662
Accrued interest	16,403	16,309
Less: Impairment allowances		
- Loans and advances to customers measured at amortised cost	(126,252)	(118,083)
- Accrued interest of loans and advances to customers measured at amortised cost	(700)	(538)
	(126,952)	(118,621)
Sub-total	(126,952)	(118,621)
Net loans and advances to customers	4,866,904	4,798,350

	The Group	
	30 June 2023	31 December 2022
(a) Loans and advances to customers measured at amortised cost		
Corporate loans		
Commercial loans	2,514,216	2,392,505
Trade finance	118,726	85,865
Discounted bills	1,409	1,132
Retail loans		
Mortgage loans	854,809	872,127
Business loans	462,808	445,633
Credit card and overdraft	408,621	433,693
Consumer loans and others	143,674	140,947
Sub-total	4,504,263	4,371,902
(b) Loans and advances to customers measured at FVOCI		
Corporate loans		
Trade finance	77,404	68,727
Discounted bills	358,784	399,810
Sub-total	436,188	468,537
(c) Loans and advances to customers measured at FVTPL		
Corporate loans		
Trade finance	29,508	50,961
Discounted bills	7,494	9,262
Sub-total	37,002	60,223
Total loans and advances to customers	4,977,453	4,900,662

13.1 Loans and advances to customers analysed by industry

The Group

	30 June 2023		31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans				
Manufacturing	542,672	10.89	472,245	9.64
Lease and commercial services	507,928	10.20	469,945	9.59
Real estate	317,475	6.38	322,036	6.57
Financial services	233,396	4.69	235,797	4.81
Transportation, warehouse and postal services	188,658	3.79	190,118	3.88
Water conservancy, environment and public facilities management	187,988	3.78	191,308	3.90
Construction	176,713	3.55	157,220	3.21
Wholesale and retail	170,001	3.42	159,972	3.26
Electricity, heat, gas, water production and supply	163,471	3.28	161,222	3.29
Mining	76,945	1.55	70,194	1.43
Information transmission, software and IT services	67,624	1.36	66,636	1.36
Research and technology services	36,536	0.73	31,425	0.64
Culture sports and entertainment	21,744	0.44	19,094	0.39
Education	16,889	0.34	14,937	0.30
Healthcare and social welfare	13,260	0.27	12,665	0.26
Agriculture, forestry, farming and fishery	11,306	0.23	14,202	0.29
Hotels and catering services	5,467	0.11	6,652	0.14
Residential services, repairs and other services	1,642	0.03	1,850	0.04
Public administration, social assurance and social organisation	139	0.01	362	0.01
Others	-	0.00	178	0.01
Sub-total	2,739,854	55.05	2,598,058	53.02
Discounted bills	367,687	7.38	410,204	8.37
Retail loans	1,869,912	37.57	1,892,400	38.61
Total	4,977,453	100.00	4,900,662	100.00

13.2 Loans and advances to customers analysed by collateral type

	The Group	
	30 June 2023	31 December 2022
Unsecured loans	2,023,421	2,057,153
Guaranteed loans	987,773	941,698
Collateralised loans	1,740,255	1,661,258
Pledged loans	226,004	240,553
	4,977,453	4,900,662

13.3 Overdue loans and advances to customers

The Group

	30 June 2023				<u>Total</u>
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	
Unsecured loans	12,284	12,586	1,935	1,819	28,624
Guaranteed loans	3,928	6,390	13,320	1,747	25,385
Collateralised loans	17,096	11,363	11,303	2,138	41,900
Pledged loans	2,081	1,647	2,937	432	7,097
	35,389	31,986	29,495	6,136	103,006

	31 December 2022				<u>Total</u>
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	
Unsecured loans	17,264	13,300	2,102	2,067	34,733
Guaranteed loans	6,936	8,290	9,181	2,124	26,531
Collateralised loans	14,916	11,821	10,341	2,037	39,115
Pledged loans	3,586	1,966	1,840	136	7,528
	42,702	35,377	23,464	6,364	107,907

The Group and the Bank classify the total loans with principal or interest overdue 1 day above (including 1 day) as overdue loans.

13.4 Movements of ECL allowance

(a) Movements of ECL allowance of loans and advances to customers at amortised cost

The Group

	Note	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Lifetime ECL	<u>Stage 3</u> Lifetime ECL	<u>Total</u>
Balance at 1 January 2023		38,285	23,056	56,742	118,083
Transfers during the period:					
- Transfer to stage 1		959	(775)	(184)	-
- Transfer to stage 2		(1,446)	1,905	(459)	-
- Transfer to stage 3		(711)	(7,053)	7,764	-
Net increase during the period	(1)	2,456	3,645	23,269	29,370
Written-offs and disposals during the year		-	-	(26,324)	(26,324)
Recovery of loans and advances written off in previous years		-	-	5,138	5,138
Others		47	-	(62)	(15)
		<u>39,590</u>	<u>20,778</u>	<u>65,884</u>	<u>126,252</u>

	Note	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Lifetime ECL	<u>Stage 3</u> Lifetime ECL	<u>Total</u>
Balance at 1 January 2022		33,081	14,763	62,243	110,087
Transfers during the year:					
- Transfer to stage 1		1,421	(1,243)	(178)	-
- Transfer to stage 2		(1,523)	4,226	(2,703)	-
- Transfer to stage 3		(899)	(7,310)	8,209	-
Net increase during the year	(1)	6,065	12,620	46,190	64,875
Written-offs and disposals during the year		-	-	(64,956)	(64,956)
Recovery of loans and advances written off in previous years		-	-	8,625	8,625
Others		140	-	(688)	(548)
		<u>38,285</u>	<u>23,056</u>	<u>56,742</u>	<u>118,083</u>

- (1) This item includes changes of PD, EAD, LGD due to routine updates to model parameters, and the impact of stage changes on the measurement of ECL.
- (2) Financial instruments whose credit risks haven't significantly increased since the initial recognition are classified into stage 1, then they will be transferred into stage 2 if their credit risks have significantly increased since the initial recognition with no objective evidence for impairment, and will be further transferred into stage 3 where there is objective impairment evidence on the balance sheet date. Refer to Note VIII. 1(3) for ECL measurement.

(b) Movements of ECL allowance of loans and advances to customers at fair value through other comprehensive income

The Group

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Lifetime ECL	<u>Stage 3</u> Lifetime ECL	<u>Total</u>
Balance at 1 January 2023	583	-	8	591
Transfers during the period:				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	-	-	-	-
- Transfer to stage 3	-	-	-	-
Net (decrease) / increase during the period	(239)	2	44	(193)
Balance at 30 June 2023	<u>344</u>	<u>2</u>	<u>52</u>	<u>398</u>

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Lifetime ECL	<u>Stage 3</u> Lifetime ECL	<u>Total</u>
Balance at 1 January 2022	325	4	190	519
Transfers during the year:				
- Transfer to stage 1	-	-	-	-
- Transfer to stage 2	-	-	-	-
- Transfer to stage 3	-	-	-	-
Net increase / (decrease) during the year	258	(4)	14	268
Written-offs and disposals during the year	-	-	(196)	(196)
Balance at 31 December 2022	<u>583</u>	<u>-</u>	<u>8</u>	<u>591</u>

14 Financial investments

	Note	The Group	
		30 June 2023	31 December 2022
Financial investments measured at FVTPL	(a)	740,222	708,984
Financial investments measured at amortised cost	(b)	1,376,148	1,196,691
Financial investments measured at FVOCI	(c)	569,404	649,788
Financial investment, net		<u>2,685,774</u>	<u>2,555,463</u>

(a) Financial investments measured at FVTPL

	Note	The Group	
		30 June 2023	31 December 2022
Fund investments		362,161	358,185
Government bonds		79,574	54,617
Corporate bonds		42,882	38,413
Beneficiary certificates of securities companies		30,197	20,348
Equity investment		18,597	19,140
Trust and asset management plans		15,752	14,112
Bonds issued by financial institutions		6,331	8,812
Asset-backed securities ("ABS")		2,023	4,683
Bonds issued by policy banks		1,457	4,932
Deposit certificates issued by other financial institutions		398	5,296
Other investments	(1)	180,850	180,446
Total		<u>740,222</u>	<u>708,984</u>

- (1) Other investments mainly include the Group's investments in structured entities included in the scope of consolidation, the long-term employee benefits payable to Changjiang Pension Insurance Co., Ltd. for investment entrusted by the Group and other wealth management products. The Group's investments in structured entities included in the scope of consolidation include fund products, trust and asset management plans controlled by the Group, which are mainly invested in assets such as various types of bonds and equity investments with third-party repurchase arrangements; as at 30 June 2023, the size of the underlying assets of the Group's above investments in the structured entities included in the scope of consolidation amounted to RMB 173,071 million (as at 31 December 2022: RMB 172,036 million).

(b) Financial Investments measured at amortised cost

	Note	The Group	
		30 June 2023	31 December 2022
Government bonds		601,343	563,491
Trust and asset management plans			
- ABS		203,951	191,872
- Loans		185,865	199,085
- Others		1,511	1,907
Bonds issued by policy banks		252,911	198,999
Bonds issued by financial institutions		78,219	31,910
Corporate bonds		28,709	12,381
Deposit certificates issued by other financial institutions		1,679	1,656
ABS		216	261
Other investments	(1)	29,043	177
Sub-total		<u>1,383,447</u>	<u>1,201,739</u>
Accrued interest		<u>16,673</u>	<u>14,424</u>
Impairment allowance			
- Principal of financial investments		(23,925)	(19,431)
- Accrued interest of financial investments		(47)	(41)
Sub-total		<u>(23,972)</u>	<u>(19,472)</u>
Financial investments at amortised cost, net		<u>1,376,148</u>	<u>1,196,691</u>

- (1) Other investments mainly consist of investments in structured entities and other debt investments that the Group included in the scope of consolidation. The Group's investments in structured entities included in the scope of consolidation were asset management plans controlled by the Group, which are mainly invested in various types of bonds; as at 30 June 2023, the size of the underlying assets of the Group's above investments in the structured entities included in the scope of consolidation amounted to RMB 28,616 million (as at 31 December 2022: Nil).

(i) Movement for ECL allowance of the financial investments measured at amortised cost

The Group

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Lifetime ECL	<u>Stage 3</u> Lifetime ECL	<u>Total</u>
Balance at 1 January 2023	2,109	1,081	16,241	19,431
Transfers for the period:				
- to Stage 1	3	(3)	-	-
- to Stage 2	(92)	109	(17)	-
- to Stage 3	(95)	(592)	687	-
Net (decrease) / increase for the period	(558)	691	5,252	5,385
Write-offs and disposals during the period	-	-	(897)	(897)
Others	2	-	4	6
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>1,369</u>	<u>1,286</u>	<u>21,270</u>	<u>23,925</u>
	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Lifetime ECL	<u>Stage 3</u> Lifetime ECL	<u>Total</u>
Balance at 1 January 2022	2,032	640	17,071	19,743
Transfers for the year:				
- to stage 1	118	(118)	-	-
- to stage 2	(143)	143	-	-
- to stage 3	(12)	(134)	146	-
Net increase for the year	112	550	4,972	5,634
Write-offs and disposals during the year	-	-	(5,948)	(5,948)
Others	2	-	-	2
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>2,109</u>	<u>1,081</u>	<u>16,241</u>	<u>19,431</u>

(c) Financial investments measured at FVOCI

	The Group	
	30 June 2023	31 December 2022
Government bonds	210,204	250,527
Corporate bonds	123,086	103,102
Bonds issued by financial institutions	89,420	84,877
Bonds issued by policy banks	82,359	102,645
Deposit certificates issued by other financial institutions	41,528	91,035
ABS	8,375	2,886
Investments in other equity instruments	5,167	5,170
Reposessed equity instruments	1,862	2,700
	562,001	642,942
Sub-total		
Accrued interest	7,403	6,846
	569,404	649,788
Total	569,404	649,788

(i) Movements of ECL allowance of financial investments measured at FVOCI:

The Group

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL	Lifetime ECL	
Balance at 1 January 2023	590	227	2,921	3,738
Transfers for the period:				
- to Stage 1	-	-	-	-
- to Stage 2	(13)	13	-	-
- to Stage 3	(27)	(68)	95	-
Net increase for the period	513	32	668	1,213
Written-offs	-	-	(136)	(136)
Others	8	3	29	40
	1,071	207	3,577	4,855
Balance at 30 June 2023	1,071	207	3,577	4,855

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Balance at 1 January 2022	340	224	640	1,204
Transfers for the year:				
- to Stage 1	-	-	-	-
- to Stage 2	(11)	11	-	-
- to Stage 3	-	(129)	129	-
Net increase for the year	246	114	2,155	2,515
Written-offs	-	-	(65)	(65)
Others	15	7	62	84
	<u>590</u>	<u>227</u>	<u>2,921</u>	<u>3,738</u>
Balance at 31 December 2022	<u>590</u>	<u>227</u>	<u>2,921</u>	<u>3,738</u>

15 Investments in associates and joint ventures

	Note	The Group	
		30 June 2023	31 December 2022
Investments in joint ventures	III. 38(2)	2,446	2,319
Investments in associates	III. 38(2)	349	336
Total		<u>2,795</u>	<u>2,655</u>

The Group

	1 January 2023	Increase in investmen ts	Net gains or losses adjusted under equity method	OCI adjusted under equity method	Declared cash divid ends	Other changes	30 June 2023
AXA SPDB Investment Managers Co. Ltd. ("AXA SPDB")	1,286	-	87	-	-	-	1,373
SPDB Silcon Valley Bank ("SPDB Silcon Valley")	1,033	-	33	(1)	-	8	1,073
Others	336	-	18	-	(5)	-	349
Total	<u>2,655</u>	<u>-</u>	<u>138</u>	<u>(1)</u>	<u>(5)</u>	<u>8</u>	<u>2,795</u>

	1 January 2022	Decrease in investmen ts	Net gains or losses adjusted under equity method	OCI adjusted under equity method	Declared cash divid ends	Other changes	31 December 2022
AXA SPDB	1,519	(362)	175	-	(46)	-	1,286
SPDB Silicon Valley	994	-	23	-	-	16	1,033
Others	306	-	32	-	(2)	-	336
Total	2,819	(362)	230	-	(48)	16	2,655

16 Fixed assets

The Group

	Plant and buildings	Motor vehicles	Electronic computers and other equipment	Plane and ship equipment	Total
Cost					
1 January 2022	14,139	449	9,809	23,419	47,816
Additions	341	25	1,482	3,722	5,570
Transfers from construction in progress	2,942	-	6	-	2,948
Disposals	(137)	(30)	(580)	-	(747)
31 December 2022	17,285	444	10,717	27,141	55,587
Additions	654	9	434	2,601	3,698
Transfers from construction in progress	3,070	-	5	-	3,075
Disposals	(117)	(15)	(223)	-	(355)
30 June 2023	20,892	438	10,933	29,742	62,005
Accumulated depreciation					
1 January 2022	(5,230)	(352)	(6,642)	(4,105)	(16,329)
Charge	(473)	(26)	(1,257)	(1,027)	(2,783)
Disposal	111	28	543	-	682
31 December 2022	(5,592)	(350)	(7,356)	(5,132)	(18,430)
Charge	(292)	(14)	(668)	(844)	(1,818)
Disposal	43	14	190	-	247
30 June 2023	(5,841)	(350)	(7,834)	(5,976)	(20,001)
Net book value					
30 June 2023	15,051	88	3,099	23,766	42,004
31 December 2022	11,693	94	3,361	22,009	37,157

As at 30 June 2023, the plant and buildings with original cost of RMB 4,761 million (31 December 2022: 1,215 million) and net book value of RMB 4,661 million (31 December 2022: RMB 1,126 million) were in use by the Group, while the property right registration were still in progress.

17 Lease

(1) Right-of-use assets

The Group

	Plant and buildings	Equipment and others	Total
Cost			
1 January 2022	16,859	138	16,997
Additions	2,522	33	2,555
Disposals	(2,383)	(19)	(2,402)
	<hr/>	<hr/>	<hr/>
31 December 2022	16,998	152	17,150
Additions	1,188	5	1,193
Disposals	(1,402)	(9)	(1,411)
	<hr/>	<hr/>	<hr/>
30 June 2023	16,784	148	16,932
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
1 January 2022	(8,365)	(72)	(8,437)
Additions	(2,919)	(29)	(2,948)
Disposals	2,238	19	2,257
	<hr/>	<hr/>	<hr/>
31 December 2022	(9,046)	(82)	(9,128)
Additions	(1,488)	(14)	(1,502)
Disposals	1,322	8	1,330
	<hr/>	<hr/>	<hr/>
30 June 2023	(9,212)	(88)	(9,300)
	<hr/>	<hr/>	<hr/>
Net book value			
30 June 2023	7,572	60	7,632
	<hr/>	<hr/>	<hr/>
31 December 2022	7,952	70	8,022
	<hr/>	<hr/>	<hr/>

(2) Lease liabilities

The analysis by remaining maturity date as follows:

The Group

	<u>30 June 2023</u>	<u>31 December 2022</u>
Within 3 months	768	782
3 months to 1 year	2,040	2,075
1 year to 5 years	4,742	5,058
More than 5 years	346	442
	<u>7,896</u>	<u>8,357</u>
Total undiscounted lease liabilities	<u>7,896</u>	<u>8,357</u>
Book value of lease liabilities at period-end / year-end	<u>7,432</u>	<u>7,832</u>

18 Intangible assets

The Group

	Land use rights	Software and others	Brand and franchise right	Total
Cost				
1 January 2022	6,800	8,626	2,236	17,662
Additions	-	1,455	-	1,455
Disposals	-	(1)	-	(1)
	<u>6,800</u>	<u>10,080</u>	<u>2,236</u>	<u>19,116</u>
31 December 2022	6,800	10,080	2,236	19,116
Additions	-	491	-	491
Disposals	-	(120)	-	(120)
	<u>6,800</u>	<u>10,451</u>	<u>2,236</u>	<u>19,487</u>
30 June 2023	<u>6,800</u>	<u>10,451</u>	<u>2,236</u>	<u>19,487</u>
Accumulated amortisation				
1 January 2022	(800)	(6,324)	-	(7,124)
Amortisation	(174)	(1,470)	-	(1,644)
Disposals	-	1	-	1
	<u>(974)</u>	<u>(7,793)</u>	<u>-</u>	<u>(8,767)</u>
31 December 2022	(974)	(7,793)	-	(8,767)
Amortisation	(87)	(754)	-	(841)
Disposals	-	79	-	79
	<u>(1061)</u>	<u>(8,468)</u>	<u>-</u>	<u>(9,529)</u>
30 June 2023	<u>(1061)</u>	<u>(8,468)</u>	<u>-</u>	<u>(9,529)</u>
Net book value				
30 June 2023	<u>5,739</u>	<u>1,983</u>	<u>2,236</u>	<u>9,958</u>
31 December 2022	<u>5,826</u>	<u>2,287</u>	<u>2,236</u>	<u>10,349</u>

19 Goodwill

	30 June 2023	31 December 2022
Goodwill		
Shanghai International Trust	5,351	6,981
Less: impairment allowances	-	-
Total	5,351	6,981

The goodwill is recognised as a result of the Bank's issuance of share capital to acquire 97.33% equity of Shanghai International Trust in March 2016.

The goodwill allocated to the CGU or CGUs on transaction date according to operating segments are summarised as follows:

	30 June 2023	31 December 2022
Shanghai International Trust	4,739	4,739
Subsidiaries of Shanghai International Trust		
- China International Fund Management Co., Ltd. ("China International Fund Management")	-	1,630
- Others	612	612
Total	5,351	6,981

In the case of a goodwill impairment test, the Group compares the book value of CGU or CGUs (including goodwill) with its recoverable amount. If the recoverable amount is less than the book value, the related difference is recognised in profit or loss. The Group's goodwill allocation has not changed during the period.

The recoverable balance of Shanghai International Trust asset group was determined according to the fair value less costs of disposal. The management selected comparable company cases and evaluated the fair value of Shanghai International Trust asset group with a price to book value ratio method, and corrected the price to book value ratio according to specific risk factors. For other subsidiary asset groups, the management calculate the relevant recoverable amount with cash flow models.

China International Fund Management was jointly established in 2004 by Shanghai International Trust, a controlling subsidiary of the bank, and JPMorgan Asset Management U.K. Limited ("JPMorgan Asset (UK)"). Shanghai Trust held 51% of the shares and JPMorgan Asset (UK) held 49%. According to the asset and equity management regulations of the State-owned Assets Supervision and Administration Commission, in July 2019, Shanghai International Trust publicly listed and transferred 2% of the equity of China International Fund Management on the Shanghai United Assets and Equity Exchange. Afterwards, JPMorgan Asset (UK) was delisted with no less than RMB 241 million. In August 2020, Shanghai International Trust publicly listed and transferred 49% of the equity of China International Fund Management on the Shanghai United Assets and Equity Exchange. Afterwards, JPMorgan Asset (UK) was delisted with no less than RMB 7 billion. As at the date of the statement of financial position, Shanghai International Trust has completed the equity transaction of China International Fund Management and the goodwill originally allocated by the Group to China International Fund Management have been transferred out.

20 Deferred income tax

20.1 The table below includes the deferred income tax assets and liabilities of the Group and the Bank after offsetting qualifying amounts:

	The Group	
	30 June 2023	31 December 2022
Deferred income tax assets	64,585	68,690
Deferred income tax liabilities	(641)	(641)

20.2 Deferred income tax assets / liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

The Group

	30 June 2023		31 December 2022	
	Deductible / (taxable) temporary differences	Deferred income tax assets / (liabilities)	Deductible / (taxable) temporary differences	Deferred income tax assets / (liabilities)
Impairment allowances for financial assets	243,736	60,929	250,428	62,606
Fair value changes of derivative financial instruments	62,341	15,584	37,528	9,382
Employee benefits payable	8,569	2,143	9,128	2,282
Provisions	6,541	1,636	6,230	1,558
Fair value changes of assets measured at FVOCI	10,234	2,559	12,639	3,160
Fair value changes of assets and liabilities measured at FVTPL	2,266	567	1,744	436
Fair value changes of precious metals and commodities	1,333	333	3,237	809
Others	13,895	3,475	14,565	3,643
Sub-total	348,915	87,226	335,499	83,876
Offset amounts		(22,641)		(15,186)
Deferred income tax assets after offsetting		64,585		68,690

	30 June 2023		31 December 2022	
	Deductible / (taxable) temporary differences	Deferred income tax assets / (liabilities)	Deductible / (taxable) temporary differences	Deferred income tax assets / (liabilities)
Fair value changes of derivative financial instruments	(70,837)	(17,709)	(42,770)	(10,693)
Fair value changes of financial investment measured at FVOCI	(3,722)	(931)	(3,818)	(955)
Fair value changes of assets and liabilities measured at FVTPL	(8,410)	(2,102)	(5,598)	(1,400)
Differences between fair value and carrying amount of identifiable net assets arising from business combinations of entities not under common control	(2,450)	(613)	(2,460)	(615)
Fair value changes of precious metals and commodities	(12)	(3)	(517)	(129)
Others	(7,697)	(1,924)	(8,139)	(2,035)
Sub-total	(93,128)	(23,282)	(63,302)	(15,827)
Offset amounts		22,641		15,186
Deferred income tax assets after offsetting		(641)		(641)

20.3 The movement of the deferred income tax account is as follows:

	Note	The Group	
		For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Balance at the beginning of the period		68,049	58,324
Charged to profit or loss	III. 7	(3,334)	(4,397)
Charged to other comprehensive income	III. 34	(771)	713
Balance at the end of the period		63,944	54,640

21 Other assets

	The Group	
	30 June 2023	31 December 2022
Suspense accounts	99,792	25,423
Margin deposits	25,808	14,403
Other receivables	9,403	11,400
Prepayment for land-use rights and sconstructions	2,945	4,654
Interest receivable	3,606	3,787
Payments to trust protection fund	1,001	1,520
Long-term deferred expenses	1,497	1,398
Reposessed assets	414	444
Others	1,444	1,785
Total	145,910	64,814

22 Deposits and placements from banks and other financial institutions

	The Group	
	30 June 2023	31 December 2022
Deposits from domestic banks	204,962	198,159
Deposits from overseas banks	1,383	3,220
Deposits from domestic non-bank financial institutions	559,669	551,064
Deposits from overseas non-bank financial institutions	12,552	15,603
Placements from domestic banks	272,855	280,294
Placements from overseas banks	64,312	56,443
Placements from domestic non-bank financial institutions	2,761	3,596
Accrued interest	5324	2,964
Total	1,123,818	1,111,343

23 Financial liabilities measured at FVTPL

	Note	The Group	
		30 June 2023	31 December 2022
Financial liabilities related to short selling of precious metals		122	134
Financial liabilities related to bonds		5,387	3,099
Interest of other unitholders in consolidated structured entities	(1)	9,411	7,005
Total		14,920	10,238

(1) The Group designated interests attributable to other unit holders in consolidated structured entities as financial liabilities measured at FVTPL. As at 30 June 2023 and 31 December 2022, no significant fair value changes have occurred due to changes in the Group's own credit risk.

24 Financial assets sold under repurchase agreements

	The Group	
	30 June 2023	31 December 2022
Bonds	249,585	242,281
Bills	119,390	104,743
Deposit certificates issued by other financial institutions	4,038	3,047
Accrued interest	81	97
Total	373,094	350,168

25 Deposits from customers

	The Group	
	30 June 2023	31 December 2022
Demand deposits		
- corporate	1,803,629	1,656,442
- retail	403,064	413,721
Time deposits		
- corporate	1,797,049	1,836,412
- retail	995,714	917,007
Other deposits	2,343	2,896
Sub-total	5,001,799	4,826,478
Accrued interest	67,730	67,334
Total	5,069,529	4,893,812

26 Debt securities issued

	Note	The Group	
		30 June 2023	31 December 2022
Interbank deposit certificates and deposit certificates issued	(1)	846,083	887,197
Debt securities issued			
2018 Tier II First Financial Bond	(2)	20,000	20,000
2018 Tier II Second Financial Bond	(3)	20,000	20,000
2020 Tier II First Financial bond	(4)	32,000	32,000
2020 Tier II Second Financial Bond	(5)	8,000	8,000
2020 Tier II Third Financial Bond	(6)	30,000	30,000
2020 Tier II Fourth Financial Bond	(7)	10,000	10,000
2020 First Financial Bond	(8)	-	50,000
2021 First Financial Bond	(9)	60,000	60,000
2021 Second Financial Bond	(10)	40,000	40,000
2022 First Financial Bond (Variety I)	(11)	25,000	25,000
2022 First Financial Bond (Variety II)	(11)	5,000	5,000
2022 Second Financial Bond	(12)	30,000	30,000
2022 Third Financial Bond	(13)	30,000	30,000
2023 SPDB Green Financial Bond	(14)	30,000	-
Hong Kong medium-term note	(15)	10,568	10,122
Singapore medium-term note	(16)	2,178	2,085
London medium-term note	(17)	2,905	2,781
SPDB Convertible corporate bonds	(18)	49,998	49,998
2020 Tier II SPDB Financial Leasing Financial Bond	(19)	1,100	1,100
2020 SPDB Financial Leasing Financial Bond	(20)	2,800	2,800
2021 SPDB Financial Leasing Financial Green Bond	(21)	3,000	3,000
2021 First SPDB Financial Leasing Financial Bond	(22)	2,000	2,000
2022 First SPDB Financial Leasing Financial Bond	(23)	1,450	1,450
Sub-total		415,999	435,336
Add: Unamortised issue cost and others		2,000	1,532
Debt securities issued		417,999	436,868
Accrued interest		8,289	6,239
Total		1,272,371	1,330,304

- (1) As at 30 June 2023, the Group issued a total of 177 interbank deposit certificates in the domestic inter-bank market which have not yet expired, with the longest term to maturity being 366 days and interest rates falling within a range from 1.88% to 2.76% (as at 31 December 2022, the Group issued a total of 153 interbank deposit certificates in the domestic inter-bank market which have not yet expired, with the longest term to maturity being 365 days and interest rates falling within a range from 1.85% to 2.65%).

The deposit certificates of the Group were all publicly issued by overseas institutions of the Group. As at 30 June 2023, the number of deposit certificates publicly issued but not yet expired were 95 in total, with the longest term to maturity being 365 days and interest rates falling within a range from 0% to 5.80% (as at 31 December 2022, the number of deposit certificates publicly issued but not yet expired were 92 in total, with the longest term to maturity being 365 days and interest rates falling within a range from 0% to 5.66%).

- (2) The Bank issued Tier II capital instruments in the amount of RMB 20 billion in the domestic inter-bank market on 5 September 2018 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.96%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (3) The Bank issued Tier II capital instruments in the amount of RMB 20 billion in the domestic inter-bank market on 14 September 2018 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.96%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (4) The Bank issued Tier II capital instruments in the amount of RMB 32 billion in the domestic inter-bank market on 30 July 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 3.87%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (5) The Bank issued Tier II capital instruments in the amount of RMB 8 billion in the domestic inter-bank market on 30 July 2020 which have a term of 15 years through maturity, with a fixed annual coupon rate of 4.18%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its tenth anniversary under certain conditions.
- (6) The Bank issued Tier II capital instruments in the amount of RMB 30 billion in the domestic inter-bank market on 15 September 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.27%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (7) The Bank issued Tier II capital instruments in the amount of RMB 10 billion in the domestic inter-bank market on 15 September 2020 which have a term of 15 years through maturity, with a fixed annual coupon rate of 4.52%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its tenth anniversary under certain conditions.
- (8) The Bank issued “2020 First Financial Bond” in the amount of RMB 50 billion in the domestic inter-bank market on 27 April 2020 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.08%. As at 30 June 2023, the Bank has completed the payment.

- (9) The Bank issued “2021 First Financial Bond” in the amount of RMB 60 billion in the domestic inter-bank market on 23 March 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.48%.
- (10) The Bank issued “2021 Second Financial Bond” in the amount of RMB 40 billion in the domestic inter-bank market on 2 December 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.97%.
- (11) The Bank issued “2022 First Financial Bond (Variety I)” in the amount of RMB 25 billion and “2022 First Financial Bond (Variety II)” in the amount of RMB 5 billion in the domestic inter-bank market on 21 January 2022. Both bonds have a term of 3 years through maturity, with a fixed annual coupon rate of 2.69%.
- (12) The Bank issued “2022 Second Financial Bond” in the amount of RMB 30 billion in the domestic inter-bank market on 24 February 2022 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.78%.
- (13) The Bank issued “2022 Third Financial Bond” in the amount of RMB 30 billion in the domestic inter-bank market on 9 November 2022 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.45%.
- (14) The Bank issued “2023 First Green Financial Bond” in the amount of RMB 60 billion in the domestic inter-bank market on 24 March 2023 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.79%.
- (15) The Bank issued USD 500 million medium-term note in Hong Kong Stock Exchange on 27 July 2020 which has a term of 3 years through maturity, with a flexible annual coupon rate of 3ML+85BPS. The Bank simultaneously issued HK 2 billion medium-term notes and US 700 million medium-term notes in Hong Kong Stock Exchange on 13 July 2021 which has the term of 2 years and 3 years respectively, and the coupon rate is 0.600% of the fixed interest rate and 0.875% of the fixed interest rate respectively.
- (16) The Bank issued medium-term notes totalling USD 300 million on the Singapore Exchange on 19 January 2021; the notes have a term of 3 years and a fixed coupon rate of 1.00% per annum.
- (17) The Bank issued medium-term notes totalling USD 300 million on the London Stock Exchange on 15 July 2022; the notes have a term of 3 years and a fixed coupon rate of 3.25% per annum.
- (18) As approved by the relevant regulatory authorities in China, the Bank made a public offering of RMB 50 billion, A-share convertible corporate bonds on 15 November 2019. The convertible corporate bonds have a term of six years from 28 October 2019 to 27 October 2025, at coupon rates of 0.20% for the first year, 0.80% for the second year, 1.50% for the third year, 2.10% for the fourth year, 3.20% for the fifth year and 4.00% for the sixth year. The bond is payable on an annual basis, with principal and last year's interest due. The conversion of these convertible corporate bonds begins from the first trading day after six months upon the completion date of the offering (4 May 2020) to the maturity date (27 October 2025).

In accordance with formulas set out in the prospectus of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB 15.05 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances (excluding the conversion of convertible bonds due to this issue). The holder of this bond applies for a conversion within the conversion period. The number of conversions is calculated by dividing the total amount of the bond faced by the bond holder applying for the conversion by the effective conversion price on the day of application for the conversion. Within five trading days after the expiration of the convertible bonds issued by the Bank, the Bank will redeem all unconverted convertible bonds at 110% of the face value of the bonds' convertible bonds (including the interest of the last year). For the specific issuance terms of this bond, please refer to the relevant issuance announcement.

As at 30 June 2023, a total of RMB 1,393,000 convertible corporate bonds were converted to ordinary share of the Bank, and the accumulated numbers of shares converted were 95,024, and it accounts for 0.0003% of the total issued ordinary shares of the company before the convertible bonds of Shanghai Pudong Development Bank. The cumulative effect of the conversion on other equity instruments of the Bank was not material.

The liabilities and equity components of the convertible corporate bonds issued by the group and the bank are as follows:

	Liabilities	Equity (Note III. 30)	Total
Issued amount of convertible bonds	47,214	2,786	50,000
Direct issuance expenses	(78)	(4)	(82)
	<hr/>	<hr/>	<hr/>
Balance at the issuance date	47,136	2,782	49,918
Amortisation in the prior period	4,588	-	4588
Converted bonds in the prior period	(2)	-	(2)
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2023	51,722	2,782	54,504
Amortisation for the current period	468	-	468
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>52,190</u>	<u>2,782</u>	<u>54,972</u>

- (19) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank issued Tier II capital instruments in the amount of RMB 1.1 billion in the domestic inter-bank market on 11 August 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.20%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (20) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2020 Financial Bond” in the amount of RMB 3 billion in the domestic inter-bank market on 17 November 2020 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.88%. As at 30 June 2023, the actual issuance of the Group was RMB 2.8 billion.

- (21) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2021 Green Finance Bonds” in the amount of RMB 3 billion in the domestic inter-bank market on 6 July 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.38%.
- (22) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2021 First Financial Bond” in the amount of RMB 2 billion in the domestic inter-bank market on 21 October 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.30%.
- (23) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2022 First Financial Bond (Freight and logistics)” in the amount of RMB 1.5 billion in the domestic inter-bank market on 8 July 2022 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.93%. As at 30 June 2023, the actual issuance of the Group was RMB 1.45 billion.

27 Provisions

	The Group	
	30 June 2023	31 December 2022
Impairment allowance for financial guarantees and loan commitments	6,540	6,229
Others	1	1
	6,541	6,230
Total	6,541	6,230

28 Other liabilities

	The Group	
	30 June 2023	31 December 2022
Suspense accounts	28,017	25,634
Dividends payable	9,527	42
Employee benefits payable	7,367	12,672
VAT and other taxes payable	4,142	4,923
Advance from performance deposits and other deposits	3,563	3,175
Contract liabilities	2,971	3,238
Accrued expenses	2,340	2,414
Others	4,422	5,261
	62,349	57,359
Others	62,349	57,359

29 Share capital

	The Group	
	30 June 2023	31 December 2022
Domestic listed RMB ordinary share (A shares)	29,352	29,352
	29,352	29,352

A shares issued by the Bank are all ordinary share, with par value of RMB 1 per share. All shares rank pari passu in all respects with each other.

30 Other equity instruments

The Group and the Bank

	Note	30 June 2023	31 December 2022
Other equity instruments included in the tier 1 capital of the Bank - Equity of SPDB - convertible corporate bonds	(1)	2,782	2,782
Other equity instruments included in other tier 1 capital of the Bank	(2)	109,909	109,909
Total		112,691	112,691

(1) As at 30 June 2023, the Equity of convertible corporate bonds issued by the Bank was RMB 2,782 million (2022: RMB 2,782 million), see Note III. 26(18) for specific information.

(2) Other equity instruments included in other tier 1 capital of the Bank

Name of other equity instruments outstanding	<u>Dividend rate</u>	Issuance		Movements		Closing amount	Maturity date or renewals	Conversion (Yes/No)
		<u>Price (RMB)</u>	<u>Number</u>	<u>Opening amount</u>	<u>during the period</u>			
Jiangyinyou 1(a)	6% for the first five years; 5.58% for the second five years 5.5% for the first five years	100	150 million	15,000	-	15,000	No maturity date	No
Jiangyinyou 2(a)	4.81% for the second five years	100	150 million	15,000	-	15,000	No maturity date	No
19 SPDB Capital bonds with unfixed termss (b)	4.73% for the first five years	100	300 million	30,000	-	30,000	No maturity date	No
20 SPDB Capital bonds with unfixed termss (b)	4.75% for the first five years	100	500 million	50,000	-	50,000	No maturity date	No
Less: Issuance expenses				(91)	-	(91)		
Carrying amount				109,909	-	109,909		

- (a) On 28 November 2014 and 6 March 2015, the Bank issued non-cumulative preference shares with a total par value of RMB 30 billion. The proceeds after deducting transaction costs amounted to RMB 29.92 billion and were recorded as other equity instruments. The Bank has the option to redeem part or all outstanding preference shares on any dividend payment date after five years from the issuance if certain conditions are met, under the approval obtained from the CBIRC. Holders of the preference shares have no right to require the Bank to redeem the outstanding preference shares. Dividends of the preference shares are payable in cash on annual basis at a fixed dividend rate which is adjusted every five years. The Bank at its discretion has the right not to declare and distribute the dividends of the preference shares in part or full.

Upon occurrence of any of the following triggering events and subject to the approval from the CBIRC, the Bank's outstanding preference shares shall be mandatorily converted in part or full to the Bank's ordinary shares:

1. When the core tier 1 capital adequacy ratio of the Bank decreases to 5.125% (or below), upon the approval from the Board of Directors, the outstanding preference share shall be converted into the Bank's ordinary shares in part or full at a pre-determined mandatory conversion price so as to bring the Bank's core tier 1 capital adequacy ratio back to above 5.125%;
2. When any triggering event of the Bank's tier 2 capital instruments occurs, the outstanding preference shares shall be converted to the Bank's ordinary A shares at the pre-determined mandatory conversion price.

Under the approval from regulatory authority, the outstanding preference shares will be fully or partially converted to ordinary A-shares at the price of RMB 7.62 per share when meeting the mandatory conversion triggering conditions. If the Bank subsequently appropriates bonus shares, transfers retained earnings to ordinary shares, issues new ordinary shares (excluding any increase of ordinary shares due to conversion of convertible financial instruments issued by the Bank, such as preference shares and convertible bonds, etc.) or issue rights, the conversion price shall be adjusted subject to the terms and formula provided by the offering documents to adjust for the dilutive effects of these specified increases in ordinary shares.

Pursuant to the relevant laws and regulations, and the Approval from CBIRC on the Bank's Non-Public Offering of Preference Shares and Corresponding Revisions to the Article of Association (YJF[2014]No.564), the proceeds from the issuance of preference shares shall be used to supplement the other tier 1 capital of the Bank.

Upon liquidation, the holders of the Bank's preference shares are entitled to the repayment at the par value of the outstanding preference shares prior to any distribution to the holders of the Bank's ordinary shares. If the remaining assets of the Bank are not sufficient to cover the par value, they are allocated to the holders of preference shares on proportionate basis.

- (b) The Bank issued “2019 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.” (RMB 30 billion) and “2020 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.” (RMB 50 billion) in the inter-bank market in July 2019 and November 2020 respectively, which were all accounted for as other equity instruments after deducting issuance expenses. The duration of this Perpetual bond was consistent with the duration of the Bank's continuing operations. The Bank shall have the right to redeem the Perpetual bond in whole or in part on the fifth distribution payment date since the issuance, provided that prerequisite for redemption is met and such redemption is approved by the CBIRC, and the bond investors have no right to request the Bank to redeem the capital bonds with unfixed terms. The Bank shall have the right to cancel, in whole or in part, distributions on the perpetual bond.

Pursuant to applicable laws and regulations and the “China Banking and Insurance Regulatory Commission's Reply on the Issuance of Unfixed-Term Capital Bonds by SPDB” ([2019] No. 596) and the “China Banking and Insurance Regulatory Commission's Reply on the Issuance of Unfixed-Term Capital Bonds by SPDB” (Yinbao Jianfu [2020] No. 595), the funds raised from Perpetual bond are used to supplement other Tier 1 capital of the Bank.

The compensation order of the Perpetual bond is behind of depositors, general creditors and subordinated debts that are prior than the capital bonds with unfixed terms, and ahead of all types of shares held by shareholders of the Bank; the Perpetual bond will be compensated in the same order with other Tier 1 capital instruments which have the same compensation order.

As for the “2019 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.”, the Bank has the right to write down the bonds without obtaining the consent of the Perpetual bond investor when the Bank triggers the following trigger events as deemed by the CBIRC or relevant departments and obtains regulatory approval.

1. Upon the occurrence of an Additional Tier 1 Capital Trigger Event (Core Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), with the consent of the CBIRC and without the consent of the bondholders, the Bank has the right to write down all or part of the above Perpetual bond issued and existing at that time in accordance with the total par value, in order to restore the Core Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%.
2. When any triggering event of the Bank's tier 2 capital instruments occurs, the Bank has the right to write down all the above Perpetual bond issued and existing at that time in accordance with the total par value without the consent of the bondholders.

As for the “2020 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.”, if the trigger events do not occur, the Bank has the right to write down the bonds without obtaining the consent of the bond holder.

No occurrence of trigger events refers to the earlier of the below situation: (1) CBIRC determines that the issuer will not survive without written-off; or (2) the relevant departments determine that the issuer will not survive without the capital contribution from public sector or equivalent support.

31 Capital reserve

	The Group	
	30 June 2023	31 December 2022
Share premium	81,691	81,691
Other capital reserves		
- Capital increase of subsidiaries	50	50
- Others	21	21
Total	<u>81,762</u>	<u>81,762</u>

As mentioned in Note III. 26 (18), with the approval of the CBIRC and other relevant institutions, the Bank publicly issued A-share convertible corporate bonds with a face value of RMB 50 billion in 2019. As of 30 June 2023, about RMB 1,393,000 of convertible corporate bonds had been converted into A-share ordinary shares, accumulatively increasing the bank's share capital to 95,024 shares, and increasing the Bank's share capital premium accordingly.

32 Surplus reserve

The Group and the Bank

	1 January 2023	Addition	30 June 2023
Statutory reserve	22,206	-	22,206
Discretionary reserve	152,179	14,544	166,723
Total	<u>174,385</u>	<u>14,544</u>	<u>188,929</u>
	1 January 2022	Addition	31 December 2022
Statutory reserve	22,206	-	22,206
Discretionary reserve	137,086	15,093	152,179
Total	<u>159,292</u>	<u>15,093</u>	<u>174,385</u>

Pursuant to related PRC regulations, the Bank is required to appropriate 10% of its annual net profit to a statutory reserve until such reserve has reached 50% of ordinary shares. After the appropriation of statutory reserve, the Bank may further appropriate discretionary reserve.

33 General risk reserves

The Group

	1 January 2023	Addition	30 June 2023
General risk reserves	<u>99,515</u>	<u>1,981</u>	<u>101,496</u>
	1 January 2022	Addition	31 December 2022
General risk reserves	<u>90,993</u>	<u>8,522</u>	<u>99,515</u>

Pursuant to Caijin [2012] No. 20 “Administration Rules on Appropriation to General Risk Reserve for Financial Institutions” issued by MOF, the Bank is required to make appropriation to a general risk reserve.

General risk reserve of the Group also includes appropriation of the Bank’s subsidiaries required by industry or district regulations.

34 Other reserves

The Group

	For the period from 1 January 2023 to 30 June 2023							Closing balance of other comprehensive income attributable to the Bank's shareholders
	Opening balance of other comprehensive income attributable to the Bank's shareholders	Transfer in before tax	Less: transfer out	Less: Income tax	Attributable to the Bank after tax	Attributable to minority shareholders after tax	Internal transfer of owner's equity	
Items that may be reclassified to profit or loss								
Debt instruments measured at FVOCI								
- Fair value changes	(7,106)	2,640	(227)	(604)	1,810	(1)	-	(5,296)
- Impairment allowance	3,376	1,060	(136)	(239)	685	-	-	4,061
Exchange differences from the translation of foreign operations	320	221	-	-	190	31	-	510
Cash flow hedge reserve	6	89	-	(22)	44	23	-	50
Others	1	(1)	-	-	(1)	-	-	-
Items that will not be reclassified to profit or loss								
Equity instruments measured at FVOCI								
- Fair value changes	350	(617)	-	94	(523)	-	239	66
	(3,053)	3,392	(363)	(771)	2,205	53	239	(609)

	For the period from 1 January 2022 to 30 June 2022							Closing balance of other comprehensive income attributable to the Bank's shareholders
	Opening balance of other comprehensive income attributable to the Bank's shareholders	Transfer in before tax	Less: transfer out	Less: Income tax	Attributable to the Bank after tax	Attributable to minority shareholders after tax	Internal transfer of owner's equity	
Items that may be reclassified to profit or loss								
Debt instruments measured at FVOCI								
- Fair value changes	1,039	(3,994)	(1,272)	1,242	(4,024)	-	-	(2,985)
- Impairment allowance	1,417	2,297	(65)	(540)	1,692	-	-	3,109
Exchange differences from the translation of foreign operations	(15)	94	-	-	69	25	-	54
Cash flow hedge reserve	17	166	-	5	151	20	-	168
Others	1	-	-	-	-	-	-	1
Items that will not be reclassified to profit or loss								
Equity instruments measured at FVOCI								
- Fair value changes	362	(26)	-	6	(20)	-	29	371
	2,821	(1,463)	(1,337)	713	(2,132)	45	29	718

	For the year from 1 January 2022 to 31 December 2022							Closing balance of other comprehensive income attributable to the Bank's shareholders
	Opening balance of other comprehensive income attributable to the Bank's shareholders	Transfer in before tax	Less: transfer out	Less: Income tax	Attributable to the Bank after tax	Attributable to minority shareholders after tax	Internal transfer of owner's equity	
Items that may be reclassified to profit or loss								
Debt instruments measured at FVOCI								
- Fair value changes	1,039	(8,291)	(2,509)	2,655	(8,145)	-	-	(7,106)
- Impairment allowance	1,417	2,867	(261)	(647)	1,959	-	-	3,376
Exchange differences from the translation of foreign operations	(15)	376	-	-	335	41	-	320
Cash flow hedge reserve	17	(3)	-	1	(11)	9	-	6
Others	1	-	-	-	-	-	-	1
Items that will not be reclassified to profit or loss								
Equity instruments measured at FVOCI								
- Fair value changes	362	(61)	-	4	(57)	-	45	350
	2,821	(5,112)	(2,770)	2,013	(5,919)	50	45	(3,053)

35 Profit appropriations

(1) Profit distribution for the year ended 31 December 2022

Pursuant to the approval at the Shareholders' meeting on 28 June 2023, the Bank's profit distribution plan for the year ended 31 December 2022 is as follows:

- (i) The Bank appropriated for discretionary surplus reserve at 30% of the profit after tax, amounting to RMB 14,544 million;
- (ii) Appropriate RMB 4.5 billion as general reserve;
- (iii) The Bank declared and distributed cash dividends of RMB 3.2 (tax included) for every 10 shares to all shareholders based on the total share capital of common stock on the date of equity registration for profit distribution.

(2) Profit distribution for the year ended 31 December 2021

Pursuant to the approval at the Shareholders' meeting on 17 June 2022, the Bank's profit distribution plan for the year ended 31 December 2021 is as follows:

- (i) The Bank appropriated for discretionary surplus reserve at 30% of the profit after tax, amounting to RMB 15,093 million;
- (ii) Appropriate RMB 4.5 billion as general reserve;
- (iii) The Bank declared and distributed cash dividends of RMB 4.1 (tax included) for every 10 shares to all shareholders based on the total share capital of common stock on the date of equity registration for profit distribution.

(3) Dividend distribution for preference shares

On 24 February 2023, the dividend distribution plan for Pufayou 2 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 721.5 million in total (tax included) on 13 March 2023, which were calculated according to the coupon rate of Pufayou 2 (4.81%).

On 27 October 2022, the dividend distribution plan for Pufayou 1 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 837 million in total (tax included) on 5 December 2022, which were calculated according to the coupon rate of Pufayou 1 (5.58%).

On 26 January 2022, the dividend distribution plan for Pufayou 2 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 721.5 million in total (tax included) on 11 March 2022, which were calculated according to the coupon rate of Pufayou 2 (4.81%).

(4) Interests payment of capital bonds with unfixed terms

In November 2022, the Bank has declared the distribution of RMB 2.375 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2020 capital bonds with unfixed terms.

In July 2022, the Bank has declared the distribution of RMB 1.419 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2019 capital bonds with unfixed terms.

36 Transfers of financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose vehicles. In some cases where these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continued to recognise the transferred assets.

Asset-backed securitisation transaction

For the period from 1 January 2023 to 30 June 2023, the Group transferred financial assets amounted to RMB 12,862 million through asset-backed securitisation transactions, and all have met the requirement of derecognition (for the period from 1 January 2022 to 30 June 2022, the Group transferred financial assets amounted to RMB 9,142 million through asset-backed securitisation transactions, and all have met the requirement of derecognition).

As at 30 June 2023, except for the aforementioned securitised transactions, the Group transferred credit assets of a original book value of RMB 35,874 million (31 December 2022: RMB 35,874 million) to securitised entities. The Group neither transfers nor retains substantially all of the risks and rewards related to ownership of the credit assets, but it retains control over the credit assets. The Group will recognise the assets on the balance sheet according to the degree of its continued involvement, and the rest will be derecognised. As at 30 June 2023, the assets value of the Group's continued recognition was RMB 4,650 million (31 December 2022: RMB 4,650 million).

Transfer of loan assets

For the period from 1 January 2023 to 30 June 2023, the Group directly transferred and derecognised a total amount of RMB 4,371 million loan assets to third parties, which were all non-performing loans to asset management companies and have met the requirement of derecognition (for the period from 1 January 2022 to 30 June 2022, the Group directly transferred and derecognised a total amount of RMB 3,950 million loan assets to third parties, which were all non-performing loans to asset management companies and have met the requirement of derecognition).

Securities lending transactions

In the securities lending transaction, the counterparty may sell or re-use the above securities in the condition that no default exists, but at the same time bear the obligation to return the above securities on the expiration date specified in the agreement. For the above business, the Group believes that the Group retains most of the risks and rewards of the relevant securities and therefore does not derecognize the relevant securities. As at 30 June 2023, the carrying amount of the assets transferred by the Group in securities lending transactions was RMB 60,142 million (31 December 2022: RMB 67,632 million).

37 Involvement with unconsolidated structured entities

(1) Structured entities sponsored by third party institutions in which the Group holds an interest

The Group directly holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include fund investment, capital trust and asset management plans, ABS and other investments, the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issue of investment products to investors.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

	The Group	
	30 June 2023	31 December 2022
Carrying amount		
Financial investments measured at FVTPL		
Fund investments	361,650	357,183
Equity investments	11,241	10,371
Trust and asset management plans	8,036	9,761
ABS	2,020	4,683
Other investments	6,399	6,560
Financial investments measured at amortised cost		
Trust and asset management plans	367,827	372,761
ABS	118	207
Financial investments measured at FVOCI		
ABS	8,375	2,886
Reposessed equity instruments	673	828
Other investments	1,575	1,575

The maximum exposures to loss in the above capital trust and asset management plans are the amortised cost or fair value of the assets held by the Group at the reporting date. The maximum exposures to loss in the fund investment and other investments are the fair value of the assets held by the Group at the reporting date.

- (2) Structured entities sponsored by the Group which the Group did not consolidate but held an interest

The types of unconsolidated structured entities sponsored by the Group include wealth management products, trust plan, fund investment and ABS. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of notes to investors. Interest held by the Group includes investments in notes issued by these structured entities and fees charged by providing management services.

As at 30 June 2023, the amount of assets held by the unconsolidated wealth management products, which are sponsored by the Group, were RMB 874,820 million (31 December 2022: RMB 980,263 million).

During the period from 1 January 2023 to 30 June 2023 and the year of 2022, the amount of the average exposure of financing transactions through reverse repurchase agreements from the Group with wealth management products sponsored by the Group was RMB Nil million.

As at 30 June 2023, the amount of assets held by the unconsolidated capital trust plans, which are sponsored by the Group, were RMB 339,628 million (31 December 2022: RMB 305,463 million).

As at 30 June 2023, the amount of assets held by the unconsolidated fund investments, which are sponsored by the Group, were RMB 51,138 million (31 December 2022: RMB 201,225 million).

As at 30 June 2023, the amount of assets held by the unconsolidated ABS, which are sponsored by the Group, were RMB 110,458 million (31 December 2022: RMB 136,737 million).

During the period from 1 January 2023 to 30 June 2023, the Group's commission income from providing services to the wealth management products and trust plans was RMB 1.115 billion and RMB 345 million, respectively (during the period from 1 January 2022 to 30 June 2022: RMB 3.044 billion and RMB1.154 billion). The commission income from other non-consolidated structured entities managed by the Group is not material.

- (3) Unconsolidated structured entities sponsored by the Group during the year in which the Group does not have an interest at 30 June 2023

There were no wealth management products sponsored and issued by the Group after 1 January 2023 and matured before 30 June 2023 (the aggregated amount of the wealth management products sponsored and issued by the Group after 1 January 2022 but matured before 30 June 2022 is not material).

The total amount of ABS issued by the Group after 1 January 2023 but matured before 30 June 2023 was RMB 280 million (the total amount of ABS issued by the Group after 1 January 2022 but matured before 30 June 2022 was RMB 115 million).

There were no trust plans or investments in funds issued by the Group after 1 January 2023 and expired before 30 June 2023.

38 Interests in other entities

(1) Interests in major subsidiaries

(i) Major subsidiaries of the Group

<i>Name of subsidiaries</i>	<i>Principal place of business</i>	<i>Registered place</i>	<i>Registered place</i>	<i>Shareholding percentage (direct)</i>
SPDB Financial Leasing Co., Ltd.	Shanghai	Shanghai	Establishment	61.02%
Shanghai International Trust Co., Ltd.	Shanghai	Shanghai	Acquisition	97.33%
SPDB International Holding, Ltd.	Hong Kong	Hong Kong	Acquisition	100.00%
SPDB Wealth Management Co., Ltd.	Shanghai	Shanghai	Establishment	100.00%
Mianzhu SPD Rural Bank Co., Ltd.	Mianzhu, Sichuan	Mianzhu, Sichuan	Establishment	55.00%
Liyang SPD Rural Bank Co., Ltd.	Liyang, Jiangsu	Liyang, Jiangsu	Establishment	51.00%
Gongyi SPD Rural Bank Co., Ltd.	Gongyi, Henan	Gongyi, Henan	Establishment	51.00%
Fengxian SPD Rural Bank Co., Ltd.	Fengxian, Shanghai	Fengxian, Shanghai	Establishment	51.00%
Zixing SPD Rural Bank Co., Ltd.	Zixing, Hunan	Zixing, Hunan	Establishment	51.00%
Chongqing Banan SPD Rural Bank Co., Ltd.	Banan, Chongqing	Banan, Chongqing	Establishment	51.00%
Zouping SPD Rural Bank Co., Ltd.	Zouping, Shandong	Zouping, Shandong	Establishment	51.00%
Zezhou SPD Rural Bank Co., Ltd.	Jincheng, Shanxi	Jincheng, Shanxi	Establishment	51.00%
Dalian Ganjingzi SPD Rural Bank Co., Ltd.	Ganjingzi, Liaoning	Ganjingzi, Liaoning	Establishment	51.00%
Hancheng SPD Rural Bank Co., Ltd.	Hancheng Shaanxi	Hancheng Shaanxi	Establishment	51.00%
Jiangyin SPD Rural Bank Co., Ltd.	Jiangyin, Jiangsu	Jiangyin, Jiangsu	Establishment	51.00%
Pingyang SPD Rural Bank Co., Ltd.	Pingyang, Zhejiang	Pingyang, Zhejiang	Establishment	51.00%
Xinchang SPD Rural Bank Co., Ltd.	Xinchang, Zhejiang	Xinchang, Zhejiang	Establishment	51.00%
Yuanjiang SPD Rural Bank Co., Ltd.	Yuanjiang, Hunan	Yuanjiang, Hunan	Establishment	51.00%
Chaling SPD Rural Bank Co., Ltd.	Zhuzhou, Hunan	Zhuzhou, Hunan	Establishment	51.00%
Linchuan SPD Rural Bank Co., Ltd.	Fuzhou, Jiangxi	Fuzhou, Jiangxi	Establishment	51.00%
Linwu SPD Rural Bank Co., Ltd.	Chenzhou, Hunan	Chenzhou, Hunan	Establishment	51.00%
Hengnan SPD Rural Bank Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Establishment	51.00%
Haerbin Hulan SPD Rural Bank Co., Ltd.	Haerbin, Heilongjiang	Haerbin, Heilongjiang	Establishment	51.00%
Gongzhuling SPD Rural Bank Co., Ltd.	Siping, Jilin	Siping, Jilin	Establishment	51.00%
Yuzhong SPD Rural Bank Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Establishment	51.00%
Fumin SPD Rural Bank Co., Ltd.	Fumin, Yunnan	Fumin, Yunnan	Establishment	51.00%
Ningbo Haishu Rural Bank Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Establishment	51.00%
Urumchi Midong SPD Rural Bank Co., Ltd.	Urumchi, Xinjiang	Urumchi, Xinjiang	Establishment	51.00%
Tianjin Baodi SPD Rural Bank Co., Ltd.	Baodi, Tianjin	Baodi, Tianjin	Establishment	51.00%
Chongqing Tongliang SPD Rural Bank Co., Ltd.	Tongliang, Chongqing	Tongliang, Chongqing	Establishment	51.00%
Qianxinan Yilong SPD Rural Bank Co., Ltd.	Yilong, Guizhou	Yilong, Guizhou	Establishment	51.00%
Fufeng SPD Rural Bank Co., Ltd.	Baoji, Shaanxi	Baoji, Shaanxi	Establishment	51.00%

All subsidiaries are unlisted and consolidated in the Bank's consolidated financial statements.

(ii) Relevant financial information about material non-wholly owned subsidiaries

After individual assessment, the Group concluded that no subsidiary has non-controlling interest that is material to the Group.

(2) Interests in joint ventures or associates

(i) General information of major joint ventures and associates

<i>Name of the investee</i>	<i>Note</i>	<i>Principal place of business</i>	<i>Registered place</i>	<i>Strategic investment</i>	<i>Shareholding percentage (direct)</i>	<i>Business nature</i>
Joint ventures:						
AXA SPDB	(a)	Shanghai	Shanghai	Y	51%	Financial industry
SPDB Silicon Valley		Shanghai	Shanghai	Y	50%	Financial industry

Equity investments above-mentioned are all accounted for by equity method.

(a) According to the Articles of Association of AXA SPDB Investment Managers Co., Ltd., resolutions on certain significant operations and finance decisions shall be approved by shareholders representing more than two-thirds voting shares. These resolutions are involved with the Company's strategic plans, investment plans, authorization on the Board of Directors for approval of annual financial budget and settlement plans, approval of profit appropriations and plans to cover accumulated losses, and approval of equity transfers and modification of the Articles of Association, etc. Although the Group owns 51% voting shares of AXA SPDB Investment Management Co., Ltd., it has to exercise influences over the company jointly with other major shareholders.

(ii) Key financial information of major joint ventures and associates

The Group's joint ventures and associates are all unlisted companies. The Group is of the view that these joint ventures and associates are not material to the Group in terms of their aggregated net profit and net assets.

IV Segment reporting

Top management of the Group reviews the performance of the Bank's branches and subsidiaries in different economic regions from geographic perspective. The branches and subsidiaries of the Bank mainly provide services to local customers domiciled in respective geographic areas, therefore operating segments are analysed principally based on the location of the assets.

The operating segments' principal income are mainly from various commercial and investment banking services, including deposits and loans, discounted bills, trade finance, inter-bank money market and investments etc.

The Group's operating segments of different regions are set out as follows:

Headquarter:	Headquarters (including the direct institutions under headquarters and the branches)
Yangtze River Delta:	Branches in Shanghai, Jiangsu, Zhejiang, Anhui
Pearl River Delta and West Side of Taiwan Strait:	Branches in Guangdong and Fujian
Bohai Rim:	Branches in Beijing, Tianjin, Hebei and Shandong
Central China:	Branches in Shanxi, Henan, Hubei, Hunan, Jiangxi and Hainan
Western China:	Branches in Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongoli and Tibet
North-east China:	Branches in Liaoning, Jilin and Heilongjiang
Overseas and subsidiaries:	Overseas branches and domestic and overseas Subsidiaries

For the period from 1 January 2023 to 30 June 2023										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Interest income	68,804	44,513	16,682	17,352	11,328	13,208	4,701	8,580	(34,874)	150,294
<i>Including:</i>	61,732	30,598	11,512	12,131	10,702	12,188	3,694	7,737	-	150,294
<i>External interest income</i>										
<i>Internal interest income</i>	7,072	13,915	5,170	5,221	626	1,020	1,007	843	(34,874)	-
Interest expense	(49,769)	(27,807)	(12,130)	(11,150)	(5,939)	(7,847)	(2,724)	(7,378)	34,878	(89,866)
<i>Including:</i>	(27,257)	(24,892)	(7,791)	(10,651)	(5,611)	(4,664)	(2,610)	(6,390)	-	(89,866)
<i>External interest expense</i>										
<i>Internal interest expense</i>	(22,512)	(2,915)	(4,339)	(499)	(328)	(3,183)	(114)	(988)	34,878	-
Net interest income	19,035	16,706	4,552	6,202	5,389	5,361	1,977	1,202	4	60,428
Net fee and commission income	6,126	2,983	1,421	815	518	15	58	2,026	-	13,962
Net trading gains and losses	8,883	337	143	50	56	169	48	330	(2)	10,014
Net gains or losses arising from financial investments	817	-	-	-	-	-	-	3,952	-	4,769
Other net operating income / (expenses)	19	28	88	33	6	51	3	1,806	(84)	1,950
Operating expenses	(6,025)	(6,493)	(2,327)	(3,140)	(2,181)	(2,656)	(1,006)	(2,461)	82	(26,207)
Impairment losses	(26,279)	(905)	(1,008)	(2,556)	(2,607)	(3,752)	(183)	(1,197)	-	(38,487)
Share of profits from associates and joint ventures	120	-	-	-	-	-	-	18	-	138
Total segment profit / (loss) before tax	2,696	12,656	2,869	1,404	1,181	(812)	897	5,676	-	26,567
30 June 2023										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Loans and advances to customers	525,325	1,601,801	638,209	617,590	504,845	579,031	190,968	212,118	(2,983)	4,866,904
Total segment assets	4,879,656	2,545,669	756,986	1,036,242	584,373	642,433	274,684	486,573	(2,274,097)	8,932,519
Deposits from customers	(79,137)	(2,210,676)	(603,557)	(888,218)	(502,153)	(464,747)	(217,644)	(104,129)	732	(5,069,529)
Total segment liabilities	(4,203,374)	(2,533,123)	(754,099)	(1,034,924)	(583,128)	(643,363)	(274,438)	(459,087)	2,274,097	(8,211,439)
Net position of segment assets and liabilities	676,282	12,546	2,887	1,318	1,245	(930)	246	27,486	-	721,080

For the period from 1 January 2022 to 30 June 2022										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Interest income	64,493	42,493	16,553	19,637	13,016	15,705	4,643	4,834	(31,096)	150,278
<i>Including:</i>										
<i>External interest income</i>	58,146	31,377	12,198	12,951	12,824	14,053	4,188	4,541	-	150,278
<i>Internal interest income</i>	6,347	11,116	4,355	6,686	192	1,652	455	293	(31,096)	-
Interest expense	(41,635)	(25,645)	(11,432)	(12,707)	(6,550)	(9,419)	(2,732)	(2,576)	31,099	(81,597)
<i>Including:</i>										
<i>External interest expense</i>	(28,980)	(21,895)	(6,724)	(10,355)	(4,994)	(4,184)	(2,191)	(2,274)	-	(81,597)
<i>Internal interest expense</i>	(12,655)	(3,750)	(4,708)	(2,352)	(1,556)	(5,235)	(541)	(302)	31,099	-
Net interest income	22,858	16,848	5,121	6,930	6,466	6,286	1,911	2,258	3	68,681
Net fee and commission income / (expenses)	9,001	2,112	1,311	584	155	(270)	119	2,269	-	15,281
Net trading gains and losses	7,991	529	196	433	199	277	61	634	(3)	10,317
Net gains or losses arising from financial investments	2,325	-	-	-	-	-	-	43	-	2,368
Other net operating income	38	93	8	27	-	52	5	1,711	-	1,934
Operating expenses	(6,067)	(6,261)	(2,291)	(2,948)	(2,240)	(2,527)	(954)	(2,781)	-	(26,069)
Impairment losses	(14,413)	(5,015)	(2,943)	(1,622)	(3,814)	(8,770)	(603)	(903)	-	(38,083)
Share of profits from associates and joint ventures	93	-	-	-	-	-	-	11	-	104
Total segment profit / (loss) before tax	21,826	8,306	1,402	3,404	766	(4,952)	539	3,242	-	34,533
31 December 2022										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Loans and advances to customers	553,520	1,538,543	611,277	631,186	515,155	570,421	189,937	190,514	(2,203)	4,798,350
Total segment assets	4,700,936	2,454,245	754,000	958,945	576,903	621,781	266,418	441,247	(2,069,824)	8,704,651
Deposits from customers	(82,640)	(2,101,837)	(621,945)	(846,142)	(489,845)	(444,747)	(205,831)	(101,606)	781	(4,893,812)
Total segment liabilities	(4,048,318)	(2,434,215)	(748,895)	(951,537)	(575,835)	(628,896)	(265,383)	(414,621)	2,069,824	(7,997,876)
Net position of segment assets and liabilities	652,618	20,030	5,105	7,408	1,068	(7,115)	1,035	26,626	-	706,775

V Contingencies and commitments

1 Credit commitments

The Group's credit commitments are listed as follows:

	30 June 2023	31 December 2022
Credit card commitments	653,069	662,248
Bank acceptance bills	630,520	729,985
Letter of credit issued	252,989	236,245
Letter of guarantee issued	108,564	109,643
Other loan commitments	49,836	41,987
	<hr/>	<hr/>
Total	<u>1,694,978</u>	<u>1,780,108</u>

2 Commitment on redemption of treasury bonds

The Group is entrusted by the MOF to underwrite certificate treasury bonds. The investors of these treasury bonds have a right to redeem the bonds in advance and the Group is committed to redeem these treasury bonds. The redemption price is the principal value of the bonds plus unpaid interest. As at 30 June 2023, the outstanding principal value of the commitment on redemption treasury bonds sold by the Group amounted to RMB 7,028 million (31 December 2022: RMB 7,781 million). The original maturities of these treasury bonds vary from three to five years. The management expects the amount of bonds to be eventually redeemed by the Group before the maturity date will not be material.

3 Capital commitments

As at 30 June 2023, the major capital commitments the Group had signed but not paid amounted to RMB 7,691 million (31 December 2022: RMB 7,540 million). Additionally, as at 30 June 2023, the amount of the procurement plan of financial lease commitments and operating fixed assets that the Bank's subsidiaries had signed but not paid was RMB 3,691 million (31 December 2022: RMB 4,050 million).

As at 30 June 2023, the major capital commitments the Group had approved but not signed amounted to RMB 4,794 million (31 December 2022: RMB 5,330 million). Additionally, as at 30 June 2023, the amount of the procurement plan of financial lease commitments and operating fixed assets that the Bank's subsidiaries had approved but not signed was RMB 3,346 million (31 December 2022: RMB 830 million).

4 Legal proceedings

As at 30 June 2023 the number of outstanding legal proceedings where the Group acts as the defendant and third party defendant was 189 and 155, respectively. The corresponding amount involved was about RMB 4,864 million and RMB 331 million, respectively, the possibility of loss for other cases were assessed as not large (as at 31 December 2022, the number of outstanding legal proceedings where the Group acts as the defendant and third party defendant was 196 and 209, respectively. The corresponding amount involved was about RMB 7,800 million and RMB 314 million, respectively, the possibility of loss for other cases were assessed as not large).

VI Fiduciary business

The Group provides safe-keeping and entrusted loan businesses to independent third-party customers. The assets arising from these businesses are not recorded on the Group's balance sheet. As at 30 June 2023, the balance of entrusted loan business was RMB 66,553 million (as at 31 December 2022: RMB 67,363 million).

VII Related party relationships and transactions

1 Major shareholders holding more than 5% shares of the Bank

As at 30 June 2023 and 31 December 2022, major shareholders holding more than 5% ordinary shares of the Bank are as follows:

	Direct shareholding percentage	Principal activities
Shanghai International Group Co., Ltd.	21.57%	Investment management
China Mobile Group Guangdong Company Limited	18.18%	Mobile and communication
Funde Sino Life Insurance Co., Ltd. – Traditional	9.47%	Insurance business
Funde Sino Life Insurance Co., Ltd. – Capital	6.01%	Insurance business

2 Other shareholders who exert significant influence on the Bank

As of 30 June 2023 and 31 December 2022, other shareholders exerting significant influence on the Bank include:

	Direct shareholding percentage	Principal activities
China National Tobacco Corporation Jiangsu Branch	0.78%	Tobacco products

3 Subsidiaries

For general information of the Group's subsidiaries, please refer to Note III. 38(1) "Interests in major subsidiaries".

4 Joint ventures and associates

For general information of the joint ventures and associates, please refer to Note III. 38(2) "Interests in joint ventures associates".

5 Other major related parties

Other related parties mainly include respective group companies of shareholders who hold above 5%, other substantial shareholders and the group to which they belong that have significant influence on the Group, key management personnel of the Bank (including the directors, supervisors and senior executives) and their close family members, and the companies that are controlled or jointly controlled by these key management personnel and their close family members, or the companies in which key management personnel and their close family members serve as directors (excluding independent directors in both parties) or senior executives.

6 Transactions and balances with related parties

The amounts of material transactions between the Group and its related parties and related balances at the balance sheet date are summarised as follows:

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relavent transactions and balances
Amounts of significant transactions for the period from 1 January 2023 to 30 June 2023 are listed below:							
Interest income	-	-	19	24	1	44	0.03%
Interest expense	(271)	(21)	(1,341)	(141)	(1)	(1,775)	1.98%
Net fee and commission income	1	1	8	1	1	12	0.09%
Net trading gains and losses	-	57	-	(24)	-	33	0.22%
Share of profits from associates and joint ventures	-	138	-	-	-	138	100.00%
Operating expenses	(6)	-	(25)	-	-	(31)	0.12%
Other comprehensive income	2	-	-	2	-	4	0.18%

Significant item balances at 30 June 2023:	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Deposits and placements with banks and other financial institutions	-	-	-	73	-	73	0.01%
Loans and advances to customers	-	-	1,033	1,477	23	2,533	0.05%
Derivative financial assets	-	5	-	566	-	571	0.81%
Financial investments measured at:							
- FVTPL	-	-	-	3,256	-	3,256	0.44%
- Amortised cost	-	-	-	457	-	457	0.03%
- FVOCI	102	-	-	1,526	-	1,628	0.29%
Investments in associates and joint ventures	-	2,795	-	-	-	2,795	100.00%
Other assets	-	-	4	-	-	4	0.01%
Deposits and placements from banks and other financial institutions	-	(1,633)	(23,443)	(2,947)	-	(28,023)	2.49%
Derivative financial liabilities	-	(21)	-	(743)	-	(764)	1.23%
Deposits from customers	(12,378)	(3,107)	(82,334)	(21,641)	(34)	(119,494)	2.36%
Other liabilities	(1)	-	(14)	-	-	(15)	0.03%
Significant off-balance item at 30 June 2023:							
Letter of guarantee issued	-	4	91	-	-	95	0.09%
Credit card commitments	-	-	-	-	13	13	0.01%
Guarantees provided for credit business	-	-	1,756	8,209	-	9,965	0.34%
Investment of funds for issuing financial products	-	-	-	590	-	590	0.08%
Notional principal of derivative financial instruments	-	2,324	-	70,074	-	72,398	0.99%

Note 1: As at 30 June 2023, key management of the Bank possessed a total number of 1,059,600 shares of common stock issued by the bank and regularly received corresponding cash dividends.

Note 2: As at 31 30 June 2023, China Mobile Group Guangdong Co., Ltd., directly held 18.17% of shares of convertible corporate bonds issued by the Bank.

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Amounts of significant transactions for the period from 1 January 2022 to 30 June 2022 are listed below:							
Interest income	-	-	32	14	1	47	0.03%
Interest expense	(119)	(6)	(759)	(48)	(1)	(933)	1.14%
Net fee and commission income	-	60	9	11	-	80	0.41%
Net trading gains and losses	-	1	(93)	-	-	(92)	-0.89%
Share of profits from associates and joint ventures	-	104	-	-	-	104	100.00%
Operating expenses	(4)	-	(85)	-	-	(89)	0.34%
Other comprehensive income	-	-	(27)	-	-	(27)	1.29%

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Significant item balances at 31 December 2022:							
Deposits and placements with banks and other financial institutions	-	-	-	75	-	75	0.01%
Loans and advances to customers	-	-	1,555	1,729	23	3,307	0.07%
Derivative financial assets	-	1	-	218	-	219	0.51%
Financial investments measured at:							
- FVTPL	-	-	-	3,316	-	3,316	0.47%
- Amortised cost	-	-	-	447	-	447	0.04%
- FVOCI	101	-	-	1,007	-	1,108	0.17%
Investments in associates and joint ventures	-	2,655	-	-	-	2,655	100.00%
Other assets	-	-	2	-	-	2	0.01%
Deposits and placements from banks and other financial institutions	-	(1,463)	(15,097)	(2,496)	-	(19,056)	1.86%
Derivative financial liabilities	-	(18)	-	(177)	-	(195)	0.52%
Deposits from customers	(6,197)	(4,066)	(41,256)	(13,534)	(1)	(65,054)	1.33%
Other liabilities	(1)	-	(37)	-	-	(38)	0.07%
Significant off-balance item at 31 December 2022:							
Letter of guarantee issued	-	-	107	-	-	107	0.10%
Credit card commitments	-	-	-	-	12	12	0.01%
Guarantees provided for credit business	-	-	400	8,639	-	9,039	0.32%
Bank acceptance bills	-	-	67	-	-	67	0.01%
Investment of funds for issuing financial products	-	-	-	1,240	-	1,240	0.13%
Notional principal of derivative financial instruments	-	919	-	59,192	-	60,111	0.98%

Note 1: As at 31 December 2022, key management of the Bank possessed a total number of 1,290,600 shares of common stock issued by the bank and regularly received corresponding cash dividends.

Note 2: As at 31 December 2022, China Mobile Group Guangdong Co., Ltd., directly held 18.17% of shares of convertible corporate bonds issued by the Bank.

7 Related parties that are controlled by the Bank

Related parties that are controlled by the Bank are the subsidiaries of the Bank. Major transactions with these subsidiaries and their balances are eliminated in the consolidated financial statements, and are summarised as follows:

	30 June 2023	31 December 2022
Balance at the end of the period / year:		
Deposits and placements with banks and other financial institutions	8,052	6,851
Loans and advances to customers	2,983	2,203
Financial investments measured at FVOCI	255	252
Deposits and placements from banks and other financial institutions	11,518	13,424
Derivative financial liabilities	2	16
Deposits from customers	732	781
Others	(28)	99
	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Transactions during the period:		
Interest income from deposits and placements from banks and other financial institutions	88	51
Net trading gains and losses	14	-
Interest income from loans and advances to customers	65	14
Interest income from financial investments measured at FVOCI	5	12
Interest expenses on deposits from banks and other financial institutions	149	146
Interest expenses on deposits from customers	4	1
Fee and commission income	23	8
Fee and commission expense	432	132
Other net operating income	-	2
Operating expenses	100	-

8 Compensation of key management personnel

Key management personnel are those people having authority and responsibility for planning, directing, and controlling the activities of the Group, either directly or indirectly, including directors, supervisors and senior executives.

Compensation of key management personnel for the respective periods (excluding the social insurance charges paid by the Bank) is as follows:

	For the period from 1 January 2023 to 30 June 2023	For the period from 1 January 2022 to 30 June 2022
Compensation of key management personnel	6	7

The Compensation of key management personnel are remuneration without social insurance paid to the directors, supervisor and senior management of the Bank in past 12 months or will do so in the next 12 months according to the relevant contract arrangement.

9 Transactions with the annuity plan

In terms of the enterprise annuity funds established by the Group, in addition to the normal contribution, there has been no other related party transactions during the reporting period.

10 Major credit related transactions to related parties

Major credit related transactions to related parties refer to transactions in which the amount of a single transaction between the Bank and a related party accounts for more than 1% of the latest audited net assets of the Bank, or the accumulated transaction amount accounts for more than 5% of the latest audited net assets of the Bank.

During the first half of 2023, the newly added major credited related transactions between the Bank and related parties outside the Group (as defined in Note VII. (1) to (5)) are nil.

For details of major credit related transactions during the reporting period, please refer to the relevant resolutions of the board of directors publicly disclosed by the Bank.

VIII Financial risk management

The Group is exposed to a variety of financial risks in its operating activities. The Group analyses, evaluates, accepts and manages certain degree of risks or risk portfolios. Managing financial risk is critical to the financial industry, and the inherent risks is an inevitable consequence of business operation. The Group's aim is therefore to strike an appropriate balance between risk and return and minimise potential adverse impact on the Group's financial performance.

The Group has designed a series of risk management policies to identify and analyse these risks, so as to set appropriate risk limits and formulate control procedures. It has also monitored the risks and their limits through reliable information systems.

The most significant types of risks to the Group are credit risk, market risk and liquidity risk. Market risk mainly consists of foreign currency risk, interest rate risk and commodity price risk.

The Board of Directors of the Bank is responsible for determining the Group's overall risk appetite. Within this framework, the senior management of the Bank designs risk management policies and procedures for credit risk, market risk and liquidity risk. After the policies and procedures are approved by the Board of Directors, relevant departments of the headquarters are responsible for the implementation.

1 Credit risk

Credit risk is the risk of loss that a customer or counterparty may fail to fulfil an obligation or commitment to the Group.

(1) Credit risk management

(i) Loans

The Group manages, restricts and controls the concentration of credit risk identified, especially with regards to concentration on singular counterparty, group, industry and region.

The Group continuously optimizes the credit risk structure by setting limits on the borrower, group of borrowers, geographical and industry segments. Concentration risks are monitored on ongoing basis and subject to an annual or more frequent review where necessary.

The Group manages the exposure to credit risk through regular analysis of borrowers' ability to repay principal and interest payments and amends the credit facilities where appropriate.

The Group has established relevant policies and various measures to mitigate credit risk. Obtaining collateral, pledged assets, guarantee deposits or guarantees from corporates or individuals has been one of the main strategies to control credit risk. The Group provides guidelines on the specific types of acceptable collateral or pledged assets, mainly include the following:

- Residential property and land tenure
- Commercial assets, such as commercial property, inventory and accounts receivable
- Financial instruments, such as bonds and equity shares

Fair value of collaterals or pledged assets is generally assessed by professional evaluation agencies designated by the Group. When there are indications of impairment, the value of collaterals or pledged assets will be re-examined by the Group to assess whether the collaterals or pledged assets could adequately cover the credit risks associated with loans. To mitigate the credit risk, the Group has implemented loan-to-value ratio requirement based on type of collaterals or pledged assets. The main types of collaterals or pledged assets for corporate loans and retail loans and their corresponding maximum loan-to-value ratio are as follows:

<u>Collaterals or pledged assets</u>	<u>Maximum loan-to-value ratio</u>
Time deposits	90% - 100%
Government bonds	90% - 100%
Financial bonds	95%
Corporate bonds (including financial institutions)	80%
Right to collect fees	60% - 70%
Franchise right	50%
Commercial property and standard plant	60%
Residential property	70%
Land use right	50% - 60%

Fair value of collateral was determined by management based on the latest available external valuation results, taking into account experience with adjustments for current market conditions and estimated expenses to be incurred in the disposal process.

For loans guaranteed by third parties, the Group evaluates the financial condition and credit record of guarantors and guarantor's ability to meet obligations.

(ii) Bonds and other bills

The Group manages the credit risk exposure of bonds and other bills through mechanisms include controlling the investment scale, setting access list of issuers, rating access, establishing post-investment management, etc. Generally, external credit rating of the issuer of foreign currency bonds at the time of purchase (by Standard & Poor's or equivalent rating agencies) should be at BBB- or above. Overseas investments in RMB bonds are limited to those issuers with external credit rating at BBB+ or above (by rating agencies identified by the PBOC). Rating of domestic middle to long term RMB bonds should be at AA or above (by rating agencies identified by the PBOC) and rating of short term RMB bonds should be at A-1 (by rating agencies identified by the PBOC). The Bank's proprietary management manages the credit risk exposure of bonds and other bills through mechanisms such as controlling the investment scale, approving the access list of issuers, rating approval, and post-investment management.

(iii) Other financial assets measured at amortised cost

Other financial assets measured at amortised cost mainly include fund trust and asset management plans. The Group has rating access system on the trust companies, security companies and fund companies with the set credit facility for ultimate investors of trust plans and asset management plans, and performs post-lending management periodically. The Group also sets limit management for the ultimate financier of the trust plans and asset management plans on the Bank's self operated funds investments, and conducts regular follow-up risk management.

(iv) Inter-bank transactions

The Group reviews and manages the credit risk of individual financial institution on regularly basis and sets credit limit for individual bank or non-banking financial institution which has transactions with the Group. The Bank regularly reviews and manages the credit risk of a single financial institution.

(v) Derivative financial instruments

The Group strictly restricts transactions in derivative financial instruments. For corporate customers, the Group mitigates credit risk associated with derivative financial instruments by acquiring margin deposits.

(vi) Credit commitments

The primary purpose of credit commitments is to ensure that funds are available to customers as required. Letters of guarantee issued, acceptance bills and letters of credit are irrevocable commitments the Group made and the Group will make payments on behalf of its clients in the event that its customer cannot perform the obligations to third parties. Credit commitments carry the same credit risk as loans. When the amount of credit commitment applied exceeds that of the original credit limit of the client, margin deposits are required to mitigate the credit risk. The Group's exposure to the credit risk is equivalent to the total amount of credit commitments. In addition,

credit card limit and loan commitments granted by the Group will incur cash outflows when credit card limit and loan commitments are used.

(vii) Trust plans

The credit risk of trust plan entrusted management is mainly the possibility of potential loss to the trust property or inherent property due to the failure of the counterparties to fulfill their commitments and inability or unwillingness to fulfill their contractual commitments. The Group strictly enforces the policy “pre-loan investigation, in-process review, post-lending inspection” over trust plan. In the design of the product trade structure, the Group introduces guarantee mechanism including financial institution credit, property mortgage, rights pledge to comprehensively manages risks through avoidance, prevention, dispersion, transfer and compensation, and disperses and transfers credit risks of financing entities to reduce risk exposure.

(2) Credit risk measurement

The Group has established a five-tier grading system of credit assets according to the “Guidelines for Risk-based Loan Classification” (the “Guideline”) (Yin Jian Fa [2007] No. 54) and the “Guidelines for Risk-based Loan Classification”. The five categories including: pass, special-mention, substandard, doubtful and loss, among which loans with the grading of substandard, doubtful and loss are regarded as non-performing loans.

During the reporting period, the Group established a sound long-term mechanism for the prevention and resolution of significant risks, actively prevented and controlled risks in key areas and continued to improve asset quality.

(3) ECL measurement

Pursuant to the new accounting standards, the Group divides the loss allowance for expected credit losses on financial assets into three stages:

Stage 1 (no significant increase in credit risk since initial recognition): measure the loss at an amount equal to 12-month ECL;

Stage 2 (significant increase in credit risk since initial recognition): measure the loss allowance at an amount equal to the lifetime ECL; and

Stage 3 (credit-impaired assets): measure the loss allowance at an amount equal to the lifetime ECL.

The Group has developed the impairment model to calculate ECL in accordance with the new accounting standards. A top-down development method was adopted to establish a logistic regression model of risk parameters and macroeconomic indicators such as gross domestic product “GDP” and consumer price index “CPI”. The Group periodically forecasts three kind of macroeconomic scenarios (optimistic, basic and pessimistic) and measures ECL based on different scenarios.

Credit risk grading

The Group uses internal credit risk gradings to reflect assessment of default probability for individual counterparties and applies different internal rating models for different categories of counterparties. Borrowers’ and specific loan related information collected during loan application (such as disposable income, guarantee level for retail exposures; and corporate customers’ revenue and industry) is incorporated into rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models also include expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure to compensate considerations that may not be captured as part of the other data inputs into the model.

The Group has no financial assets that are recognised as “low risk” and subject to credit risk management in accordance with the relevant requirements of the Accounting Standards for Business Enterprises.

Stage division

Significant increase in credit risk (“SICR”)

The Group assesses on each balance sheet date whether the credit risk of the relevant financial assets has increased significantly since initial recognition. When considering the ECL stage of financial assets, the Group considering all reasonable and supportable information, including that which is forward-looking. The main factors to be considered are regulatory and operational environment, internal and external credit rating, solvency, operational capability, loan contract terms, repayment behaviour, etc.

The Group considers that there has been a significant increase in credit risk of financial instrument when one or more of the following quantitative, qualitative or upper limits criteria have been met:

Quantitative criteria:

The Group determines whether there has been a significant increase in credit risk since initial recognition by considering whether the credit risk rating has downgraded to a certain level, i.e. credit risk rating of counterparty for corporate loans and financial investments has downgraded to B or below since initial recognition as at the reporting date, or whether the probability of default (“PD”) has increased significantly since initial recognition, i.e. for retail loans, the counterparty’s PD is 8-10 times of initial PD as at the reporting date.

Qualitative criteria:

For corporate loans and financial investments, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operational results of the borrower
- Early signs of cashflow / liquidity problems such as delay in repayment of payables / loans

Upper limit:

If the borrower fails to make payment for more than 30 days after contractual payment date.

According to the relevant policies from regulators, the Group has carefully evaluated the deferred loan payment applications for whom are influenced by COVID-19 in order to offer temporary convenience for qualified borrowers. Meanwhile, the Group has analysed if the credit risks of the relevant financial assets will increase after the borrowers received their first approval, based on the policy of deferred loan payment, the repayment ability of borrowers, and other relevant factors.

Default and credit-impaired

When a financial asset is impaired, the Group defines it as in default. The Group defines a financial asset as credit impaired when it meets one or more of the following criteria:

Qualitative criteria:

The borrower meets “capability to repay is apparently in question” criteria, which indicates the borrower is in significant financial difficulty and examples include:

- The issuer or borrower is in significant financial difficulties
- The borrower has breached financial contract(s), such as past due of interest or principal repayments
- Concessions have been made by the lender relating to the borrower’s financial difficulty with consideration of economy and contract
- The borrower is likely to head towards bankruptcy or other debts restructuring
- Issuer or borrower’s financial difficulties lead to disappearance of active market for financial assets
- Financial assets are purchased or originated at substantial discount that reflects the incurred credit losses

Upper limit:

If the borrower fails to make payment for more than 90 days after contractual payment date.

The criteria above have been applied to all financial instruments held by the Group and are consistent with internal credit risk management purposes. The default definition has been consistently applied to establish models for the PD, Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's ECL measurement.

Grouping of credit risk exposure

To calculate the relevance between ECL allowance and macro-economic indicators, a grouping of exposure is performed for assets with similar credit risk characteristics. In performing this grouping, the Group has obtained sufficient information to ensure the data reliability for statistical purposes and group the credit risk exposure according to the credit risk characteristics such as product types, client types and client industries. The Group re-examines and corrects the reasonableness of the groupings and conduct quantitative and qualitative assessments on a regular basis. When the credit risk characteristics of risk exposures in the portfolio change, the Group shall re-examine the reasonableness of the groupings in a timely manner, and re-group the assets according to the risk characteristics of relevant credit risk exposures when necessary.

Explanation of parameters, assumptions and estimation techniques of ECL model

The ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the product of the PD, EAD and LGD, and the relevant definitions are as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD) or the remaining lifetime (Lifetime PD) of the obligation.
- The EAD is the amounts the Group expects to be repaid at the time of default.
- LGD is expressed as a percentage loss per unit of exposure at the time of default.

The ECL is determined by projecting the PD, LGD and EAD for individual future exposure, which effectively calculates the ECL for each future month.

The Lifetime PD is based on expiry information derived from 12M PD. Maturity analysis covers the change of loan default situation from initial recognition to maturity. Maturity portfolio is based on historical observed data with the assumption of same portfolio and identical credit rating assets. The above analysis is supported by historical data.

The Group determines LGD based on factors affecting recovery after default, which vary by product type.

Forward-looking economic information should be considered in determining the 12M and lifetime ECL.

There have been no significant changes in estimation techniques or significant assumptions during the reporting period.

Forward-looking information incorporated in the ECL model

Both the assessment of SICR and the calculation of ECL incorporate forward-looking information. The Group identifies the key economic indicators impacting credit risk and ECL for each portfolio through historical data analysis.

The Group has selected a series of macroeconomic indicators based on industry best practices and the Group's internal experts' judgements to form the forecast values of macroeconomic indicators under benchmark, optimistic, pessimistic and other scenarios, and to establish statistical relationship between actual PD and macro indicators for each model exposure, and calculate forward-looking PD by using forecasted economic indicators.

The number and attributes of scenarios are reassessed at each reporting date. the scenario weightings are determined by combination of statistical analysis and expert judgement, taking into account of the range of possible outcomes represented by scenarios, the weight of the benchmark scenario accounted for the highest at the end of the period. The Group adopts the base and lifetime PD with scenario weightings, along with qualitative and upper limit criteria to determine whether the credit risk has increased significantly. The determination of financial instrument stage indicates the measurement of the loss allowance at an amount equal to the 12-month or lifetime ECL accordingly. The Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

The macroeconomic information used by the Group includes GDP, CPI, PPI and other macroeconomic indicators. Among them, the year-on-year growth rate of GDP in 2023 is 5.0% under the benchmark scenario, and the forecast value of the year-on-year growth rate of GDP in 2023 under the optimistic scenario and the pessimistic scenario is formed on the basis of the forecast value of the benchmark scenario.

The Group considers these projections have represented the best estimate of the possible outcomes and analyses the non-linearities and asymmetries within the Group's different portfolios to determine that selected scenarios adequately represent scenarios that might occur. Similar to other economic projections, there are inherent uncertainties regarding estimates of projected values and likelihood of occurrence, thus substantial differences may occur between actual results and projections.

Combination method for evaluation of expected credit risk

When analysing the relevance of ECL with macroeconomic indicators, the Group has classified the assets with similar credit risk characteristics into the same portfolio. The Group has obtained sufficient information to ensure the statistical reliability for the portfolio classification. Where sufficient information is not available internally, the Group establishes the model with reference to internal or external supplementary data. The characteristics and any supplementary data used to determine portfolio classification are outlined below:

Corporate loans and financial investments

- Industry
- Collateral type

Retail loans

- Product type (i.e. mortgage loans, consumer loan and credit card)
- Repayment type
- Utilisation percentage range
- The range of mortgage rate (loan balance / collateral value)

(4) Maximum exposure to credit risk

Financial assets and guarantee commitment subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The book value of financial assets below represents the Group's maximum exposure to credit risk on these assets.

	30 June 2023			Total
	Stage 1	Stage 2	Stage 3	
Deposits with the central bank	405,641	-	-	405,641
Deposits and placements with banks and other financial institutions	522,963	-	-	522,963
Financial assets purchased under resale agreements	75,358	-	-	75,358
Loans and advances to customers measured at				
- Amortised cost	4,213,107	148,184	32,423	4,393,714
- FVOCI	434,849	1,238	101	436,188
Financial investments measured at:				
- Amortised cost	1,276,186	34,786	65,176	1,376,148
- FVOCI	556,009	1,142	5,224	562,375
Other financial assets	134,044	495	5,071	139,610
Total	7,618,157	185,845	107,995	7,911,997

	31 December 2022			Total
	Stage 1	Stage 2	Stage 3	
Deposits with the central bank	451,545	-	-	451,545
Deposits and placements with banks and other financial institutions	520,603	-	-	520,603
Financial assets purchased under resale agreements	111,411	-	-	111,411
Loans and advances to customers measured at				
- Amortised cost	4,124,772	114,014	30,804	4,269,590
- FVOCI	467,913	609	15	468,537
Financial investments measured at:				
- Amortised cost	1,110,862	33,764	52,065	1,196,691
- FVOCI	638,547	1,304	2,067	641,918
Other financial assets	52,218	204	4,111	56,533
Total	7,477,871	149,895	89,062	7,716,828

	30 June 2023 Maximum exposure to credit risk	31 December 2022 Maximum exposure to credit risk
Commitment and guarantee:		
Credit card commitments	648,039	658,618
Bank acceptance bills	629,289	727,909
Letter of credit issued	252,885	235,945
Letter of guarantee issued	108,431	109,469
Other loan commitments	49,794	41,938
	<hr/>	<hr/>
Total	<u>1,688,438</u>	<u>1,773,879</u>

Financial assets not included in impairment assessment

The analysis of maximum credit risk exposure of those financial assets which are not included in expected credit losses assessment are as follows:

	30 June 2023 Maximum exposure to credit risk	31 December 2022 Maximum exposure to credit risk
Financial investments measured at FVTPL	740,222	708,984
Derivative financial assets	70,837	42,829
Loans and advances to customers	37,002	60,223
	<hr/>	<hr/>
Total	<u>848,061</u>	<u>812,036</u>

(5) Credit-impaired loans and advances to customers

The Group closely monitors collateral held for financial assets considered to be credit-impaired, because the Group is more likely to confiscate these collaterals to reduce potential credit losses comparing to other collaterals. As at 30 June 2023, carrying amount of the Group's loans and advances to customers that are credit-impaired is RMB 97,380 million (31 December 2022: RMB 86,212 million), in which the loans covered by collaterals are amounting to RMB 46,322 million (31 December 2022: RMB 33,530 million).

(6) Bonds and other investments

The table below analyses the Group's investment securities by external rating agencies, including S&P or equivalent credit agencies identified by the PBOC.

	30 June 2023			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments measured at FVOCI	
Medium-term or long-term bonds:				
AAA	40,881	629,457	143,913	814,251
AA+ to AA-	-	6,302	10,439	16,741
A+ to A-	274	914	1,511	2,699
Below A-	2,442	4,939	21,281	28,662
Short-term bonds:				
AAA	1,334	9,429	228	10,991
AA+ to AA-	375	23	-	398
A and below A	100	203	733	1,036
Unrated	205,005	724,881	384,270	1,314,156
	<u>250,411</u>	<u>1,376,148</u>	<u>562,375</u>	<u>2,188,934</u>

	31 December 2022			Total
	Financial investments measured at FVTPL	Financial investments measured at amortised cost	Financial investments measured at FVOCI	
Medium-term or long-term bonds:				
AAA	19,215	568,206	133,477	720,898
AA+ to AA-	2,989	4,101	14,486	21,576
A+ to A-	327	6,117	22,596	29,040
Below A-	726	5,136	28,738	34,600
Short-term bonds:				
AAA	3,823	10,475	1,188	15,486
AA+ to AA-	518	-	-	518
A and below A	115	1,370	-	1,485
Unrated	208,840	601,286	441,433	1,251,559
	<u>236,553</u>	<u>1,196,691</u>	<u>641,918</u>	<u>2,075,162</u>

2 Market risk

Market risk is the risk of losses of on and off-balance sheet businesses arising from adverse movements in market prices, such as interest rates, exchange rates, price of stock and commodity. Both the Group's trading book and banking book is exposed to market risk, which mainly consists of interest rate risk, currency risk and commodity price risk. The Group considers the exposure to the commodity price risk to be insignificant.

The Board of Directors of the Bank is ultimately responsible for monitoring the market risk management and ensuring the Group can effectively identify, measure, monitor and control the market risk associated with the Group's business activities. Under the authorisation of the Board of Directors, the senior management of the Group is responsible for establishing the group-wide market risk management system, organisational structure with well-defined roles and responsibilities, authorisation structures and accountability mechanism. Relevant departments of headquarters are responsible for carrying out detailed market risk management activities including policies and procedures, measurement approaches and models, analyses and reporting and monitoring of various limits in order to timely and accurately identify, measure, monitor and control the market risk exposures in respective business areas and reporting to the senior management and Board of Directors on timely basis.

Meanwhile, the established internal controls and independent inspections are integrated in the group-wide market risk management system. Relevant business units are responsible for executing the daily control activities. A three-line defence system includes the business units as the first line defence, the market risk management and compliance department as the second line defence and the review department as the third line defence.

The Group measures market risk based on predetermined benchmarks. The major measurement approaches include stress testing, analysis on value at risk, back testing, gap analysis and sensitivity analysis etc. The market risk of new products and businesses should be identified before these new products and businesses are launched according to relevant policies.

(1) Currency risk

The Group mainly operates in the PRC and its main business activities are conducted in RMB. Majority of its foreign currency business are conducted in USD. The table below summarises the Group's exposure to currency risk. Included in the table are the Group's assets and liabilities at carrying amounts in RMB, categorised by original currency.

	30 June 2023				
	<u>RMB</u>	<u>USD</u> Into RMB	<u>HKD</u> Into RMB	<u>Others</u> Into RMB	<u>Total</u> Into RMB
Cash and deposits with the central bank	368,184	42,056	536	243	411,019
Deposits and placements with banks and other financial institutions	403,557	92,871	5,035	21,500	522,963
Derivative financial assets	65,076	5,687	20	54	70,837
Financial assets purchased under resale agreements	75,140	218	-	-	75,358
Loans and advances to customers	4,679,378	128,237	42,830	16,459	4,866,904
Financial investments:					
- FVTPL	728,930	11,106	186	-	740,222
- Amortised cost	1,344,587	30,221	1,094	246	1,376,148
- FVOCI	444,215	113,663	6,035	5,491	569,404
Other financial assets	138,918	541	27	124	139,610
Total financial assets	<u>8,247,985</u>	<u>424,600</u>	<u>55,763</u>	<u>44,117</u>	<u>8,772,465</u>
Borrowings from the central bank	202,042	-	-	-	202,042
Deposits and placements from banks and other financial institutions	878,206	130,462	14,522	14,521	1,037,711
Financial liabilities measured at FVTPL	14,920	-	-	-	14,920
Derivative financial liabilities	60,037	2,294	4	6	62,341
Financial assets sold under repurchase agreements	361,194	11,900	-	-	373,094
Deposits from customers	4,822,679	217,897	11,143	17,810	5,069,529
Debt securities issued	1,220,102	49,538	2,731	-	1,272,371
Lease liabilities	6,512	3	863	54	7,432
Other financial liabilities	41,769	1,751	308	1,701	45,529
Total financial liabilities	<u>7,607,461</u>	<u>413,845</u>	<u>29,571</u>	<u>34,092</u>	<u>8,084,969</u>
Net position of financial instruments	<u>640,524</u>	<u>10,755</u>	<u>26,192</u>	<u>10,025</u>	<u>687,496</u>
Currency derivatives	<u>32,137</u>	<u>(21,701)</u>	<u>(10,293)</u>	<u>(452)</u>	<u>(309)</u>
Credit commitments	<u>1,627,254</u>	<u>50,901</u>	<u>4,398</u>	<u>5,885</u>	<u>1,688,438</u>

	31 December 2022				
	<u>RMB</u>	<u>USD</u> Into RMB	<u>HKD</u> Into RMB	<u>Others</u> Into RMB	<u>Total</u> Into RMB
Cash and deposits with the central bank	410,885	41,178	4,774	252	457,089
Deposits and placements with banks and other financial institutions	393,830	98,303	5,881	22,589	520,603
Derivative financial assets	38,160	4,614	3	52	42,829
Financial assets purchased under resale agreements	111,395	16	-	-	111,411
Loans and advances to customers	4,609,625	132,841	38,499	17,385	4,798,350
Financial investments:					
- FVTPL	699,988	8,996	-	-	708,984
- Amortised cost	1,174,049	22,410	-	232	1,196,691
- FVOCI	535,992	106,628	3,740	3,428	649,788
Other financial assets	29,226	21,730	3,897	1,680	56,533
Total financial assets	<u>8,003,150</u>	<u>436,716</u>	<u>56,794</u>	<u>45,618</u>	<u>8,542,278</u>
Borrowings from the central bank	165,133	-	-	-	165,133
Deposits and placements from banks and other financial institutions	842,710	145,542	18,646	19,902	1,026,800
Financial liabilities measured at FVTPL	94,781	-	-	-	94,781
Derivative financial liabilities	36,047	1,460	16	3	37,526
Financial assets sold under repurchase agreements	337,259	8,743	4,166	-	350,168
Deposits from customers	4,636,107	229,607	16,633	11,465	4,893,812
Debt securities issued	1,291,088	33,804	5,412	-	1,330,304
Lease liabilities	6,907	1	859	65	7,832
Other financial liabilities	30,571	1,214	278	1,350	33,413
Total financial liabilities	<u>7,440,603</u>	<u>420,371</u>	<u>46,010</u>	<u>32,785</u>	<u>7,939,769</u>
Net position of financial instruments	<u>562,547</u>	<u>16,345</u>	<u>10,784</u>	<u>12,833</u>	<u>602,509</u>
Currency derivatives	<u>15,543</u>	<u>(12,119)</u>	<u>(6,085)</u>	<u>(6,027)</u>	<u>(8,688)</u>
Credit commitments	<u>1,707,794</u>	<u>55,080</u>	<u>4,890</u>	<u>6,115</u>	<u>1,773,879</u>

The Group measures the possible effect on net profit arising from foreign exchange rate fluctuation using sensitivity analysis. The table below shows the result of sensitivity analysis of the balance sheet date.

Net profit	30 June 2023		31 December 2022	
	Exchange rate fluctuation		Exchange rate fluctuation	
(Decrease) / increase	-1%	1%	-1%	1%
USD against RMB	82	(82)	(32)	32
Other currencies against RMB	(191)	191	(86)	86

The above sensitivity analysis was performed on the basis of static characteristics of the interest risk of the assets and liabilities, and calculated the impact on the net profit from changes in exchange rates of other foreign currencies against RMB. The assumptions are shown as below:

- Exchange rate sensitivity represents the exchange gain or loss resulting from the 1% change in daily closing exchange rates (middle) on the financial reporting date;
- Changes in exchange rates of other foreign currencies means the exchange rates of other foreign currencies against RMB are fluctuating simultaneously and in the same direction;
- Foreign currency exposure contains spot exchange exposure and forward exchange exposure. Based on the above assumption, the actual exchange gains or losses may differ from the sensitivity analysis results.

(2) Interest rate risk

Interest rate risk is the risk of losses in overall earnings and economic value arising from adverse movements in factors such as interest rates, term structure, etc., including interest rate risk from bank book and trading book.

The Group considers its exposure to the interest rate risk of trading book to be insignificant. The Group has established a relatively complete internal transfer pricing system, which enables the Group to manage the interest rate risk of bank book centrally. The Group measures and monitors interest rate risk in trading accounts using value-at-risk and sensitivity analysis etc. The senior management of the Bank is responsible for developing the appropriate management mechanism for interest rate risk in the banking book, the organizational structure, systems and processes in accordance with the risk appetites for interest rate risk in the banking book approved by the Board of Directors to ensure the achievement of management objectives; The Asset and Liability Management Department of the Head Office of the Bank is responsible for taking the lead in the organization and implementation on the identification, measurement, monitoring, control and mitigation management of daily risks; The Audit Department of the Head Office of the Bank is responsible for performing the internal audit on interest rate risk in the banking book independently.

The Group mainly uses appropriate measurement methods and tools (such as repricing gap analysis, duration analysis, sensitivity analysis and scenario simulation) to measure and monitor the interest rate risk. During the reporting period, the Group adhered to the neutral and prudent risk appetite for interest rate

risk in the banking book, enhanced the research and judgment on domestic and foreign macro policies as well as monetary policies, carried out dynamic monitoring and forward-looking risk management based on interest rate liberalization, trends of interest rate curve reform; During the reporting period, the Group guided the adjustments of business scale and term structure based on risk management strategies as well as asset and liability business objectives through asset and liability active configuration tools and price tools, maintained the interest rate risk indicators within the risk appetite of the Board of Directors and kept sustainable operation.

In addition, the Group paid close attention to the regulatory policies of international Interbank offered rate reform and the dynamics of the industry, actively and orderly carried out the transition work.

The table below summarises the Group's exposures to interest rate risk. The table presents the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	30 June 2023					Non-interest bearing	Total
	Within a month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years		
Assets							
Cash and deposits with central bank	397,391	-	-	-	-	13,628	411,019
Deposits and placements with banks and other financial institutions	154,860	69,861	259,782	33,975	-	4,485	522,963
Derivative financial assets	-	-	-	-	-	70,837	70,837
Financial assets purchased under resale agreements	75,123	218	-	-	-	17	75,358
Loans and advances to customers	741,761	678,272	2,934,736	370,475	125,957	15,703	4,866,904
Financial investments measured at:							
- FVTPL	14,007	42,263	52,154	27,613	6,894	597,291	740,222
- Amortised cost	120,330	35,815	130,756	521,045	551,576	16,626	1,376,148
- FVOCI	11,134	22,841	115,512	325,247	80,238	14,432	569,404
Other financial assets	3,611	-	25,774	-	-	110,225	139,610
Total financial assets	<u>1,518,217</u>	<u>849,270</u>	<u>3,518,714</u>	<u>1,278,355</u>	<u>764,665</u>	<u>843,244</u>	<u>8,772,465</u>
Liabilities							
Borrowings from the central bank	2,029	41,649	155,648	-	-	2,716	202,042
Deposits and placements from banks and other financial institutions	776,302	126,682	119,984	3,909	5,510	5,324	1,037,711
Financial liabilities measured at FVTPL	-	-	-	-	-	14,920	14,920
Derivative financial liabilities	-	-	-	-	-	62,341	62,341
Financial assets sold under repurchase agreements	325,633	29,681	17,699	-	-	81	373,094
Deposits from customers	2,981,484	416,913	736,776	866,618	8	67,730	5,069,529
Debt securities issued	89,104	198,840	628,596	226,451	121,091	8,289	1,272,371
Lease liabilities	263	501	2,003	4,394	271	-	7,432
Other financial liabilities	384	230	1,825	-	-	43,090	45,529
Total financial liabilities	<u>4,175,199</u>	<u>814,496</u>	<u>1,662,531</u>	<u>1,101,372</u>	<u>126,880</u>	<u>204,491</u>	<u>8,084,969</u>
Total interest repricing gap	<u>(2,656,982)</u>	<u>34,774</u>	<u>1,856,183</u>	<u>176,983</u>	<u>637,785</u>	<u>638,753</u>	<u>687,496</u>

	31 December 2022						
	Within a month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and deposits with central bank	438,508	-	-	-	-	18,581	457,089
Deposits and placements with banks and other financial institutions	157,534	64,404	203,168	91,624	-	3,873	520,603
Derivative financial assets	-	-	-	-	-	42,829	42,829
Financial assets purchased under resale agreements	111,411	-	-	-	-	-	111,411
Loans and advances to customers	1,395,798	630,198	1,770,381	886,827	99,375	15,771	4,798,350
Financial investments measured at:							
- FVTPL	16,637	14,019	45,332	34,596	10,930	587,470	708,984
- Amortised cost	61,446	13,788	109,933	548,664	448,477	14,383	1,196,691
- FVOCI	9,359	25,301	189,497	328,630	82,285	14,716	649,788
Other financial assets	3,790	-	14,368	-	-	38,375	56,533
Total financial assets	<u>2,194,483</u>	<u>747,710</u>	<u>2,332,679</u>	<u>1,890,341</u>	<u>641,067</u>	<u>735,998</u>	<u>8,542,278</u>
Liabilities							
Borrowings from the central bank	9,928	13,211	140,686	-	-	1,308	165,133
Deposits and placements from banks and other financial institutions	780,456	101,955	136,115	5,072	239	2,963	1,026,800
Financial liabilities measured at FVTPL	-	-	-	-	-	94,781	94,781
Derivative financial liabilities	-	-	-	-	-	37,526	37,526
Financial assets sold under repurchase agreements	283,601	42,179	24,291	-	-	97	350,168
Deposits from customers	2,834,624	411,040	726,397	854,409	8	67,334	4,893,812
Debt securities issued	63,213	316,452	565,582	257,727	121,091	6,239	1,330,304
Lease liabilities	332	446	2,043	4,674	337	-	7,832
Other financial liabilities	441	230	2,383	-	-	30,359	33,413
Total financial liabilities	<u>3,972,595</u>	<u>885,513</u>	<u>1,597,497</u>	<u>1,121,882</u>	<u>121,675</u>	<u>240,607</u>	<u>7,939,769</u>
Total interest repricing gap	<u>(1,778,112)</u>	<u>(137,803)</u>	<u>735,182</u>	<u>768,459</u>	<u>519,392</u>	<u>495,391</u>	<u>602,509</u>

Note: The above financial assets listed as within one month include overdue amounts as at 30 June 2023 and 31 December 2022 (excluding impairment provisions).

The Group performs sensitivity analysis to measure the potential impact of changes in interest rate on net profit and equity. The table below shows the results of the sensitivity analysis on the balance sheet date.

	30 June 2023		31 December 2022	
	Interest rate fluctuation (Basis points)		Interest rate fluctuation (Basis points)	
	-100	+100	-100	+100
Increase / (decrease) in net profit	2,941	(2,941)	3,487	(3,487)
Increase / (decrease) in other comprehensive income under equity	7,822	(7,335)	8,213	(7,703)

The above sensitivity analysis was performed on the basis of static characteristics of the interest risk of the assets and liabilities. The analysis only measures the impact of changes in the interest rates within one year, showing how annualised interest income would have been affected by repricing of the Group's assets and liabilities within the one-year period.

- Except for current deposits, assets and liabilities, whose maturity dates are within three months or more than three months but will be repricing within one year, are assumed to be re-priced in the middle of each specified period;
- The interest rates of current deposits and statutory deposit reserves with central bank remain unchanged;
- The yield curve moves in parallel with interest rate;
- There are no changes in assets and liabilities at year end. Based on the assumptions, the actual change in net profit may be different from the sensitivity analysis results.

Based on the assumption of the parallel movement of the yield curve along with interest rate change, the sensitivity analysis of the equity is derived by remeasuring the fair value of debt instruments at fair value through other comprehensive income as a result of changes in interest rate with a certain percentage.

3 Liquidity risk

The Group's liquidity risk management is intended to meet the obligations to serve customers for withdrawal and payment, to achieve the balance between the total amount and structure of assets and liabilities; to reduce the liquidity cost, avoid liquidity crisis of the Group, and to effectively respond to systematic liquidity risk by active management.

The senior management of the Bank is responsible for developing appropriate liquidity risk management mechanisms, organisational structures, systems and processes, risk limits, key assumptions for stress test, and emergency plans based on the liquidity risk appetite approved by the board of directors, to ensure the Bank achieves its management objectives. The Asset and Liability Management Committee of the Bank is responsible for reviewing liquidity risk management strategies, risk limits, key assumptions for stress test, etc. Asset-Liability Management Department of the Headquarters of the Bank is responsible for drafting liquidity risk management policies and procedures at a group level and leading specific management of the liquidity risk management, such as qualitative and quantitative analysis. Audit Department of the the Headquarters of the Bank is responsible for the internal audit on liquidity risks. The Group has a prudent liquidity risk preference which complies with the regulatory requirements and management requirements of the Group.

The Group's liquidity risk management system comprises mainly regular and contingent management system which includes 10 components, such as policies and strategies, management framework, regulations, management tools, daily operation, stress tests, system construction, risk monitoring, risk report, and emergency management and drilling.

During the Reporting Period, the Group implemented forward-looking and proactive management of liquidity risk at different levels in accordance with the requirements of the balance in the total amount and structure; it carries out real-time monitoring on daily position accounts in local and foreign currencies, and made centralised allocation of positions in local and foreign currencies; it established a beforehand declaration system for large-amount positions, and established a monitoring mechanism for total liquidity level; it prepared a cash flow gap table on a daily basis, used the gap management method to predict cash flow gap changes in future assets and liabilities's on and off-balance sheet items, and conducted liquidity risk assessments on both internal and external items of the statement of financial position in a timely manner, and in accordance with the liquidity risk policy and risk limit requirements of the Group, adjust the total amount, structure, and pace of the Group's business development to meet the requirements of liquidity safety through active financing arrangements and asset liability portfolio adjustments.

The table below presents the undiscounted cash flows of the Group under contracts of non-derivative financial assets and liabilities by remaining contractual maturities.

	30 June 2023							
	Repayable on demand	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	No maturity	Total
Assets								
Cash and deposits with the central bank	69,005	154	-	-	-	-	341,860	411,019
Deposits and placements with banks and other financial institutions	109,922	116,772	268,455	35,849	-	-	-	530,998
Financial assets purchased under resale agreements	-	75,453	-	-	-	-	-	75,453
Loans and advances to customers	-	1,099,278	1,517,829	1,776,959	1,143,655	79,537	-	5,617,258
Financial investments measured at:								
- FVTPL	566,270	55,566	54,069	38,343	8,219	2,003	29,934	754,404
- Amortised cost	-	82,621	158,883	640,868	644,407	99,255	-	1,626,034
- FVOCI	-	37,563	129,903	360,610	89,247	500	7,029	624,852
Other financial assets	111,955	-	-	-	-	9,696	25,808	147,459
Total financial assets	857,152	1,467,407	2,129,139	2,852,629	1,885,528	190,991	404,631	9,787,477
Liabilities								
Borrowings from the central bank	-	44,747	159,495	-	-	-	-	204,242
Deposits and placements from banks and other financial institutions	614,606	292,004	124,293	4,474	7,622	-	-	1,042,999
Financial liabilities measured at FVTPL	9,028	-	-	4,187	1,705	-	-	14,920
Financial assets sold under repurchase agreements	-	355,390	17,704	-	-	-	-	373,094
Deposits from customers	2,254,442	1,163,816	759,690	1,020,591	9	-	-	5,198,548
Debt securities issued	-	288,275	690,558	276,789	137,072	-	-	1,392,694
Lease liabilities	-	768	2,048	4,734	346	-	-	7,896
Other financial liabilities	40,719	1,281	1,317	1,679	739	-	-	45,735
Total financial liabilities	2,918,795	2,146,281	1,755,105	1,312,454	147,493	-	-	8,280,128
Net liquidity	(2,061,643)	(678,874)	374,034	1,540,175	1,738,035	190,991	404,631	1,507,349
Derivative financial instruments								
- Inflow	-	1,261,080	239,846	51,961	35	-	-	1,552,922
- Outflow	-	1,256,509	240,837	51,590	70	-	-	1,549,006
Net value of derivative financial instruments	-	4,571	(991)	371	(35)	-	-	3,916
Credit commitments	666,171	410,388	571,254	45,235	1,930	-	-	1,694,978

	31 December 2022							
	Repayable on demand	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	No maturity	Total
Assets								
Cash and deposits with the central bank	111,023	171	-	-	-	-	345,895	457,089
Deposits and placements with banks and other financial institutions	126,368	98,099	209,369	96,200	-	-	-	530,036
Financial assets purchased under resale agreements	-	111,474	-	-	-	-	-	111,474
Loans and advances to customers	-	1,170,013	1,303,271	1,341,820	1,494,711	93,584	-	5,403,399
Financial investments measured at:								
- FVTPL	568,330	39,621	48,406	38,710	14,595	1,237	19,140	730,039
- Amortised cost	-	44,470	137,783	665,178	538,692	54,108	-	1,440,231
- FVOCI	-	37,630	205,497	369,450	92,898	806	7,870	714,151
Other financial assets	39,680	-	-	-	-	7,804	14,403	61,887
Total financial assets	845,401	1,501,478	1,904,326	2,511,358	2,140,896	157,539	387,308	9,448,306
Liabilities								
Borrowings from the central bank	-	23,745	144,173	-	-	-	-	167,918
Deposits and placements from banks and other financial institutions	564,341	320,733	139,124	5,695	293	-	-	1,030,186
Financial liabilities measured at FVTPL	91,189	-	-	3,099	493	-	-	94,781
Financial assets sold under repurchase agreements	-	326,083	24,471	-	-	-	-	350,554
Deposits from customers	2,117,549	1,172,671	761,414	983,266	10	-	-	5,034,910
Debt securities issued	-	386,202	586,704	341,481	137,072	-	-	1,451,459
Lease liabilities	-	781	2,072	5,069	435	-	-	8,357
Other financial liabilities	28,471	1,292	1,529	1,468	720	-	-	33,480
Total financial liabilities	2,801,550	2,231,507	1,659,487	1,340,078	139,023	-	-	8,171,645
Net liquidity	(1,956,149)	(730,029)	244,839	1,171,280	2,001,873	157,539	387,308	1,276,661
Derivative financial instruments								
- Inflow	-	147,576	127,188	42,081	97	-	-	316,942
- Outflow	-	146,786	124,007	40,822	56	-	-	311,671
Net value of derivative financial instruments	-	790	3,181	1,259	41	-	-	5,271
Credit commitments	674,372	352,583	705,794	44,719	2,640	-	-	1,780,108

4 Fair value of financial instruments

(1) Fair value hierarchy

According to the the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement, the levels are defined as follows:

- Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities. The financial instruments of this level include listed equity securities, debt instruments and open-end fund investments;
- Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities. The financial instruments of this level include most Over-the-Counter (“OTC”) derivatives and bonds. The sources of the yield curve or counterparty credit risk input value parameters are Thomson Reuters, Bloomberg and ChinaBond.com.
- Level 3 inputs: inputs that are unobservable for underlying assets or liabilities. The financial instruments of this level include equity instruments and debt instruments with significant non-observable components.

(2) Financial instruments not measured at fair value

Financial assets and financial liabilities not measured at fair value in the statement of financial position mainly include: deposits with central banks, deposits and placements with banks and other financial institutions, financial assets purchased under resale agreements, loans and advances to customers (measured at amortised cost), financial investment measured at amortised cost, borrowing from central bank, deposits and placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers, lease liabilities and bonds issued.

The book value and corresponding fair value of financial investment not measured at fair value (financial investment measured at amortised cost) and bonds issued as at 30 June 2023 and 31 December 2022 are listed in the following table.

	30 June 2023				
	<u>Book value</u>	<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:					
Financial investments measured at amortised cost	1,376,148	-	970,647	423,837	1,394,484
Financial liabilities:					
Debt securities issued	1,272,371	-	1,260,757	-	1,260,757
	31 December 2022				
	<u>Book value</u>	<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:					
Financial investments measured at amortised cost	1,196,691	-	807,715	398,823	1,206,538
Financial liabilities:					
Debt securities issued	1,330,304	-	1,321,274	-	1,321,274

(i) Financial investments measured at amortised cost

The fair value of financial investments measured at amortised cost is based on market quotes, and therefore belongs to the first level. If the relevant market information of financial investments measured at amortised cost cannot be obtained, then the discounted cash flow model is used for the valuation of fair value, which belongs to Level 3. Where applicable, the fair value of financial investments measured at amortised cost are determined with reference to the valuation results of China Central Depository & Clearing Co., Ltd., China Securities Index Co., Ltd. or Bloomberg, which belongs to Level 2.

(ii) Debt securities issued

The fair value of bonds issued is based on public quotes on the market. For bonds that cannot be quoted in the market, the fair value is determined by the discounted cash flow method and is based on the actual return rate matching the remaining maturity of the bond.

In addition to the above financial assets and financial liabilities, the fair value of other financial assets and financial liabilities that are not measured at fair value in the statement of financial position are determined with the discounted future cash flow method. There is no significant difference between their book value and fair value because these financial instruments have a shorter duration, or their interest rates fluctuate with market interest rates.

(3) Assets and liabilities measured at fair value on a recurring basis

	30 June 2023			Total
	Level 1	Level 2	Level 3	
Financial investments:				
Financial investments measured at FVTPL				
- Funds	360,374	702	1,085	362,161
- Bonds	943	128,448	853	130,244
- Beneficiary certificates	-	30,197	-	30,197
- Equity	2,722	254	15,621	18,597
- Trust and asset management plans	-	9,861	5,891	15,752
- ABS	-	2,023	-	2,023
- Interbank certificates of deposit	-	398	-	398
- Others	101,274	72,033	7,543	180,850
Financial investments measured at FVOCI				
- Bonds	59,664	445,405	-	505,069
- Interbank certificates of deposit	-	41,528	-	41,528
- ABS	-	8,375	-	8,375
- Repossessed equity	1	-	1,861	1,862
- Others	-	-	5,167	5,167
Loans and advances to customers measured at:				
FVOCI				
- Discount bills	-	358,784	-	358,784
- Trade financing	-	77,404	-	77,404
FVTPL				
- Trade financing	-	29,508	-	29,508
- Discounted bills	-	7,494	-	7,494
Derivative financial assets	-	70,837	-	70,837
Total financial assets	524,978	1,283,251	38,021	1,846,250
Derivative financial liabilities	-	62,341	-	62,341
Financial liabilities measured at FVTPL				
- Interest of other unitholders in consolidated structured entities	8,906	89	416	9,411
- Financial liabilities related to bonds	5,387	-	-	5,387
- Financial liabilities related to precious metal contracts	122	-	-	122
Total financial liabilities	14,415	62,430	416	77,261

	31 December 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial investments:				
Financial investments measured at FVTPL				
- Funds	356,881	428	876	358,185
- Bonds	1,609	104,312	853	106,774
- Beneficiary certificates	-	20,348	-	20,348
- Equity	3,844	-	15,296	19,140
- Trust and asset management plans	-	8,315	5,797	14,112
- Interbank certificates of deposit	-	5,296	-	5,296
- ABS	-	4,683	-	4,683
- Others	86,696	86,057	7,693	180,446
Financial investments measured at FVOCI				
- Bonds	50,872	490,279	-	541,151
- Interbank certificates of deposit	-	91,035	-	91,035
- ABS	-	2,886	-	2,886
- Repossessed equity	202	-	2,498	2,700
- Others	-	-	5,170	5,170
Loans and advances to customers measured at:				
FVOCI				
- Discount bills	-	399,810	-	399,810
- Trade financing	-	68,727	-	68,727
FVTPL				
- Trade financing	-	50,961	-	50,961
- Discounted bills	-	9,262	-	9,262
Derivative financial assets	-	42,829	-	42,829
Total financial assets	<u>500,104</u>	<u>1,385,228</u>	<u>38,183</u>	<u>1,923,515</u>
Derivative financial liabilities	-	37,526	-	37,526
Financial liabilities measured at FVTPL				
- Interest of other unitholders in consolidated structured entities	6,430	101	474	7,005
- Financial liabilities related to bonds	3,099	-	-	3,099
- Financial liabilities related to precious metal contracts	134	-	-	134
Total financial liabilities	<u>9,663</u>	<u>37,627</u>	<u>474</u>	<u>47,764</u>

The Group takes the date of the event that caused the transfer between levels as the date of the transfer. There is no transfer between the first and second levels during the period.

(i) Level 2 financial instruments

The fair value of financial instruments that are not traded in an active market (such as OTC derivatives) is determined using valuation techniques. Valuation techniques use observable market data (if any) as much as possible, and rely as little as possible on the entity's specific estimates. If all significant inputs required to calculate the fair value of a financial instrument are observable data, the financial instrument is included in level 2. If one or more significant inputs are not based on observable market data, the financial instrument is included in level 3.

The financial instruments classified by the Group as level 2 mainly include bonds, foreign exchange forwards and swaps, interest rate swaps and foreign exchange options. The fair value of RMB bonds is determined according to the valuation results of China Central Depository & Clearing Co., Ltd., and the fair value of foreign currency bonds is determined according to Bloomberg's valuation results. Foreign exchange forwards and swaps, interest rate swaps, foreign exchange options are valued using cash flow discounts and the Blair-Scholes model. All significant valuation parameters are obtained from observable market information.

(ii) Level 3 financial instruments

The changes in the Group's Level 3 assets and liabilities as follows:

	Financial investments measured at FVTPL	Financial investments measured at FVOCI	Financial liabilities measured at FVTPL	Total
1 January 2023	30,515	7,668	(474)	37,709
Additions	9,352	-	(508)	8,844
Disposals and settlements	(8,258)	-	493	(7,765)
Total gains / (losses) included in profit or loss	(616)	-	73	(543)
Total gains / (losses) included in other comprehensive income	-	(640)	-	(640)
30 June 2023	<u>30,993</u>	<u>7,028</u>	<u>(416)</u>	<u>37,605</u>
Unrealised gains or losses recognised in profit or loss for the period from 1 January 2023 to 30 June 2023 for the positions held at 30 June 2023	<u>715</u>	<u>-</u>	<u>36</u>	<u>751</u>

	Financial investments measured at FVTPL	Financial investments measured at FVOCI	Financial liabilities measured at FVTPL	Total
1 January 2022	26,672	6,690	(514)	32,848
Additions	8,067	996	(747)	8,316
Disposals and settlements	(4,466)	(2)	634	(3,834)
Total gains / (losses) included in profit or loss	242	-	153	395
Total gains / (losses) included in other comprehensive income	-	(16)	-	(16)
31 December 2022	<u>30,515</u>	<u>7,668</u>	<u>(474)</u>	<u>37,709</u>
Unrealised gains or losses recognised in profit or loss for the year ended 31 December 2022 for the positions held at 31 December 2022	<u>(303)</u>	<u>-</u>	<u>37</u>	<u>(266)</u>

The relevant information of Level 3 of fair value measurement using important unobservable input values is as follows:

<u>30 June 2023</u>	<u>Fair value</u>	<u>Valuation method</u>	<u>Unobservable inputs</u>
Financial investments:			
Financial investments measured at FVTPL			
- Funds	1,085	Refer to recent transactions	Liquidity discount
- Bonds	853	Income approach	Discount rate
- Equity	13,091	Income approach	Discount rate
		Refer to recent transactions	Liquidity discount
- Trust and asset management plans	2,530	Income approach	Discount rate
- Wealth management products and structured deposit	5,891	Refer to recent transactions	Liquidity discount
	1,144	Refer to recent transactions	Liquidity discount
- Others	6,399	Refer to recent transactions	Liquidity discount
	<u>30,993</u>		
Financial investments measured at FVOCI			
- Repossessed equity instruments	1,213	Market approach	Liquidity discount - P/B ratio
	648	Net assets value method	Liquidity discount
- Others	956	Market approach	Liquidity discount - P/B ratio
	4,093	Net assets value method	Liquidity discount
	118	Income approach	Discount rate
	<u>7,028</u>		
Financial liabilities measured at FVTPL			
- Interest of other unitholders in consolidated structured entities	<u>416</u>	Note 1	Note 1

<u>31 December 2022</u>	<u>Fair value</u>	<u>Valuation method</u>	<u>Unobservable inputs</u>
Financial investment:			
Financial investments measured at FVTPL			
- Funds	876	Refer to recent transactions	Liquidity discount
- Bonds	853	Income approach	Discount rate
- Trust and asset management plans	5,797	Income approach	Discount rate
- Equity	11,736	Income approach	Discount rate
	3,560	Refer to recent transactions	Liquidity discount
- Wealth management products and structured deposit	1,133	Refer to recent transactions	Liquidity discount
- Others	6,560	Refer to recent transactions	Liquidity discount
	<u>30,515</u>		
Financial investments measured at FVOCI			
- Repossessed equity instruments	1,704	Market approach	Liquidity discount - P/B ratio
	794	Net assets value method	Liquidity discount
- Others	956	Market approach	Liquidity discount - P/B ratio
	4,093	Net assets value method	Liquidity discount
	121	Income approach	Discount rate
	<u>7,668</u>		
Financial liabilities measured at FVTPL			
- Interest of other unitholders in consolidated structured entities	474	Note 1	Note 1

Note 1: The fair value of the interest of other unit holders in consolidated structured entities is the amount attributable to the investor of the structured entity based on the net value of the structured entity.

5 Offsetting of financial assets and financial liabilities

Some financial assets and financial liabilities in the Group follow executable net amount settlement arrangements or similar agreements. Such arrangements with the Group and counterparties normally allow the net amount settlement under agreements of both parties. If no agreement is reached, it would be settled in full amount. But one party could choose to settle in net amount under the condition that the other party violates the agreement. According to the requirements of the Accounting Standards for Business Enterprises, the Group did not offset these financial assets and financial liabilities.

As at 30 June 2023, the amount of the Group's financial assets and financial liabilities following executable net amount settlement arrangements or similar agreements is not significant.

6 Capital management

The objectives of the Group's capital management are to:

- (1) Satisfy regulatory requirements for capital adequacy ratio on an ongoing basis, ensure operational compliance to ultimately optimise capital stock and structure.
- (2) Ensure adequate capital for resisting corresponding risks, realise the operational safety, and keep capital at an adequate and reasonable level.
- (3) Establish a capital allocation and management system that focuses on economic capital, optimise the resource allocation and management control mechanism at the group level, achieve capital intensive management to ultimately maximise shareholders' value.

The Group manages its capital structure and adjust it based on the changes in economic condition and the risk characteristics. Generally, the mechanism of adjusting the capital structure comprises dividend distribution policies and issuance of additional capital instruments such as tier 1 capital instruments and tier 2 capital instruments, etc.

In China, commercial banks should meet the requirements for capital adequacy ratio set out in the Administrative Measures on the Capital of Commercial Banks (for Trial Implementation) which required the capital adequacy ratio of core tier 1 capital shall not be less than 7.50%, capital adequacy ratio of tier 1 capital shall not be less than 8.50% and capital adequacy ratio shall not be less than 10.50%.

In addition, the PBOC and relevant regulatory authorities have formulated evaluation of systemically important banks and the Additional Regulatory Rules for Systemically Important Banks (for Trial Implementation). According to the above provisions, systemically important banks shall meet certain additional capital requirements in addition to minimum capital requirements, reserve capital and counter-cyclical capital requirements, which are satisfied by core Tier 1 capital. Systemically important banks are divided into five groups, and the additional capital requirements of 0.25%, 0.5%, 0.75%, 1% and 1.5% shall apply to the banks in Group I to Group V respectively. According to the List of Domestic Banks of Systematic Importance in 2022 Issued by the People's Bank of China and China Banking and Insurance Regulatory Commission ("CBIRC") in September 2022, the bank was identified as systemically important banks in Group II. Therefore, the Group should meet the additional capital requirements of systemically important banks, the core Tier 1 capital adequacy ratio should not be less than 8%, the Tier 1 capital adequacy ratio should not be less than 9%, and the capital adequacy ratio should not be less than 11%.

	The Group	
	30 June 2023	31 December 2022
Core tier 1 capital - net	590,704	568,299
Tier 1 capital - net	701,243	678,802
Capital - net	874,948	843,761
Total risk weighted assets	6,448,771	6,182,036
Core tier 1 capital adequacy ratio	9.16%	9.19%
Tier 1 capital adequacy ratio	10.87%	10.98%
Capital adequacy ratio	13.57%	13.65%

- (1) The scope of consolidation for the purpose of calculating the Group's Capital Adequacy Ratios includes domestic and overseas operating units and other financial subsidiaries specified in the capital rules.
- (2) The Group's Core Tier 1 Capital includes ordinary shares, equity components of the convertible corporate bonds, the capital reserve (subject to regulatory limitations), surplus reserve, general risk reserve, retained earnings, minority interests (to the extent permitted in the Core Tier 1 Capital under the Regulation).
- (3) The Group's deductible items from Core Tier 1 Capital include other intangible assets (excluding land use rights) after deducting the related deferred tax liabilities and the net amount of goodwill after deducting related deferred tax liabilities, and other net deferred income tax assets (threshold deduction items) that depend on the Bank's future profits.
- (4) The Group's other Tier 1 Capital includes preference shares, Perpetual bond and minority interests to the extent permitted by the capital rules.
- (5) The Group's Tier 2 Capital includes: Tier 2 capital instruments and related premium (to the extent allowed under the Regulation), excessive allowance for loan losses, and minority interests to the extent permitted by the capital rules.
- (6) Risk-weighted Assets include Credit Risk-weighted Assets, Market Risk-weighted Assets and Operational Risk-weighted Assets. The Group adopts risk weighting approach, standardised approach and basic indicator approach to measure Credit Risk-weighted Assets, Market Risk weighted Assets and Operational Risk-weighted Assets respectively.

IX Assets pledged

Certain assets of the Group are pledged as collateral for financial liabilities, and the analysis of these assets are as follows:

	30 June 2023	31 December 2022
Financial investments	680,116	579,699
Bills	119,614	105,024
Loans	2,467	648
Total	<u>802,197</u>	<u>685,371</u>

X Comparative figures

In order to be consistent with the presentation of financial statements for the current year, a number of comparative figures have been reclassified.

上海浦东发展银行股份有限公司

自 2023 年 1 月 1 日至 2023 年 6 月 30 日止
简明中期财务报表

审阅报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2300256 号

引言

我们审阅了后附的上海浦东发展银行股份有限公司(以下简称“贵行”)及其子公司(以下合称“贵集团”)的简明中期财务报表,包括 2023 年 6 月 30 日的简明合并财务状况表,自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间的简明合并利润表、简明合并综合收益表、简明合并股东权益变动表和简明合并现金流量表,以及主要财务报表附注。按照国际会计准则理事会公布的《国际会计准则第 34 号 - 中期财务报告》的要求编制及列报上述简明中期财务报表是贵行管理层的责任。我们的责任是在实施审阅工作的基础上对上述简明中期财务报表出具审阅报告。

审阅工作范围

我们按照国际审计和鉴证准则理事会颁布的《国际审阅准则第 2410 号 - 独立审计师对企业中期财务信息执行审阅》的规定执行了审阅工作。简明中期财务报表审阅工作主要包括向主要负责财务和会计事务的人员进行查询,执行分析性程序及其他审阅程序。由于审阅的范围远小于按照国际审计准则进行审计的范围,所以不能保证我们会注意到在审计中可能会被发现的所有重大事项。因此,我们不会发表审计意见。

结论

根据我们的审阅,我们没有注意到任何事项使我们相信贵集团上述简明中期财务报表没有在所有重大方面按照《国际会计准则第 34 号 - 中期财务报告》的规定编制。

毕马威华振会计师事务所(特殊普通合伙)
中国 北京

2023 年 8 月 29 日

上海浦东发展银行股份有限公司
 简明合并利润表
 自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间
 (除另有标明外, 所有金额均以人民币百万元列示)

	附注	本集团	
		自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 (未经审计)	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 (未经审计)
利息收入		150,294	150,278
利息支出		(89,866)	(81,597)
利息净收入	三、1	60,428	68,681
手续费及佣金收入		17,520	19,533
手续费及佣金支出		(3,558)	(4,252)
手续费及佣金净收入	三、2	13,962	15,281
净交易损益	三、3	10,014	10,317
金融投资净损益	三、4	4,769	2,368
其他营业净收入		1,950	1,934
营业费用	三、5	(26,207)	(26,069)
资产减值损失	三、6	(38,487)	(38,083)
联营企业及合营企业投资净损益		138	104
税前利润		26,567	34,533
所得税费用	三、7	(2,952)	(3,937)
净利润		23,615	30,596
净利润归属于:			
母公司股东		23,138	30,174
非控制性权益所有者		477	422
母公司普通股股东享有的:			
基本每股收益 (人民币元)	三、8	0.76	1.00
稀释每股收益 (人民币元)	三、8	0.70	0.92

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并综合收益表
 自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间
 (除另有标明外, 所有金额均以人民币百万元列示)

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 (未经审计)	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 (未经审计)
	附注	
净利润	23,615	30,596
其他综合收益	三、34	
以后将重分类进损益的其他综合收益		
收益		
权益法下可转损益的其他综合收益	(1)	-
以公允价值计量且其变动计入 其他综合收益的债务工具 投资公允价值变动	1,809	(4,024)
以公允价值计量且其变动计入 其他综合收益的债务工具 投资信用损失准备	685	1,692
现金流量套期储备	67	171
外币财务报表折算差异	221	94
以后不能重分类进损益的其他综合收益		
指定以公允价值计量且其变动 计入其他综合收益的权益 工具投资公允价值变动	(523)	(20)
其他综合收益, 税后	2,258	(2,087)
综合收益合计	25,873	28,509
综合收益总额归属于:		
母公司股东	25,343	28,042
非控制性权益所有者	530	467

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并财务状况表
 2023年6月30日
 (除另有标明外，所有金额均以人民币百万元列示)

	附注	本集团	
		2023年 6月30日 (未经审计)	2022年 12月31日 (经审计)
资产			
现金及存放中央银行款项	三、9	411,019	457,089
存放和拆放同业及其他金融机构款项	三、10	540,904	531,643
贵金属		834	3,948
衍生金融资产	三、11	70,837	42,829
买入返售金融资产	三、12	75,358	111,411
发放贷款和垫款	三、13	4,866,904	4,798,350
金融投资：	三、14		
-以公允价值计量且其变动计入当期损益的金融投资		740,222	708,984
-以摊余成本计量的金融投资		1,376,148	1,196,691
-以公允价值计量且其变动计入其他综合收益的金融投资		569,404	649,788
投资联营企业及合营企业	三、15	2,795	2,655
固定资产	三、16	42,004	37,157
在建工程		2,654	5,250
使用权资产	三、17	7,632	8,022
无形资产	三、18	9,958	10,349
商誉	三、19	5,351	6,981
递延所得税资产	三、20	64,585	68,690
其他资产	三、21	145,910	64,814
资产总计		8,932,519	8,704,651

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并财务状况表 (续)
 2023年6月30日
 (除另有标明外, 所有金额均以人民币百万元列示)

	附注	本集团	
		2023年 6月30日 (未经审计)	2022年 12月31日 (经审计)
负债			
向中央银行借款		202,042	165,133
同业及其他金融机构存入和拆入款项	三、22	1,123,818	1,111,343
以公允价值计量且其变动计入当期损益的			
金融负债	三、23	14,920	10,238
衍生金融负债	三、11	62,341	37,526
卖出回购金融资产款	三、24	373,094	350,168
吸收存款	三、25	5,069,529	4,893,812
应交所得税		16,361	27,290
已发行债务证券	三、26	1,272,371	1,330,304
递延所得税负债	三、20	641	641
租赁负债	三、17	7,432	7,832
预计负债	三、27	6,541	6,230
其他负债	三、28	62,349	57,359
负债总计		8,211,439	7,997,876

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并财务状况表(续)
 2023年6月30日
 (除另有标明外,所有金额均以人民币百万元列示)

	附注	本集团	
		2023年 6月30日 (未经审计)	2022年 12月31日 (经审计)
股东权益			
股本	三、29	29,352	29,352
其他权益工具	三、30	112,691	112,691
资本公积	三、31	81,762	81,762
盈余公积	三、32	188,929	174,385
一般风险准备	三、33	101,496	99,515
其他储备	三、34	(609)	(3,053)
未分配利润	三、35	199,479	203,220
		713,100	697,872
归属于母公司股东权益合计		713,100	697,872
非控制性权益		7,980	8,903
		721,080	706,775
股东权益合计		721,080	706,775
负债及股东权益合计		8,932,519	8,704,651

本财务报表已于2023年8月29日由董事会批准并由下列人员签署:

董事长: 郑 杨 行长: 潘卫东 暂时分管 刘以研 会计机构负责人: 李连全
 财务工作
 的副行长:

刊载于第12页至第97页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并股东权益变动表
 自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 (未经审计)
 (除另有标明外, 所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2023 年 1 月 1 日余额	29,352	112,691	81,762	174,385	99,515	(3,053)	203,220	697,872	8,903	706,775
净利润	-	-	-	-	-	-	23,138	23,138	477	23,615
其他综合收益	-	-	-	-	-	2,205	-	2,205	53	2,258
综合收益合计	-	-	-	-	-	2,205	23,138	25,343	530	25,873
提取盈余公积及一般风险准备	-	-	-	14,544	3,707	-	(18,251)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(9,393)	(9,393)	-	(9,393)
优先股现金股利分配	-	-	-	-	-	-	(722)	(722)	-	(722)
其他储备结转留存收益	-	-	-	-	-	239	(239)	-	-	-
子公司的股利分配	-	-	-	-	-	-	-	-	(136)	(136)
处置子公司股权	-	-	-	-	(1,726)	-	1,726	-	(1,317)	(1,317)
2023 年 6 月 30 日余额	29,352	112,691	81,762	188,929	101,496	(609)	199,479	713,100	7,980	721,080

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并股东权益变动表
 自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 (未经审计)
 (除另有标明外, 所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2022 年 1 月 1 日余额	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218
净利润	-	-	-	-	-	-	30,174	30,174	422	30,596
其他综合收益	-	-	-	-	-	(2,132)	-	(2,132)	45	(2,087)
综合收益合计	-	-	-	-	-	(2,132)	30,174	28,042	467	28,509
提取盈余公积及一般风险准备	-	-	-	15,093	4,557	-	(19,650)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(12,034)	(12,034)	-	(12,034)
优先股现金股利分配	-	-	-	-	-	-	(722)	(722)	-	(722)
其他储备结转留存收益	-	-	-	-	-	29	(29)	-	-	-
子公司的股利分配	-	-	-	-	-	-	-	-	(105)	(105)
2022 年 6 月 30 日余额	29,352	112,691	81,762	174,385	95,550	718	190,835	685,293	8,573	693,866

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并股东权益变动表
 2022 年度 (经审计)
 (除另有标明外, 所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2022 年 1 月 1 日余额	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218
净利润	-	-	-	-	-	-	51,171	51,171	826	51,997
其他综合收益	-	-	-	-	-	(5,919)	-	(5,919)	50	(5,869)
综合收益合计	-	-	-	-	-	(5,919)	51,171	45,252	876	46,128
提取盈余公积及一般风险准备	-	-	-	15,093	8,522	-	(23,615)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(12,034)	(12,034)	-	(12,034)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
其他储备结转留存收益	-	-	-	-	-	45	(45)	-	-	-
子公司的股利分配	-	-	-	-	-	-	-	-	(184)	(184)
2022 年 12 月 31 日余额	29,352	112,691	81,762	174,385	99,515	(3,053)	203,220	697,872	8,903	706,775

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并现金流量表
 自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间
 (除另有标明外，所有金额均以人民币百万元列示)

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 (未经审计)	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 (未经审计)
经营活动产生的现金流		
税前利润	26,567	34,533
调整：		
折旧与摊销	4,399	4,119
租赁负债利息支出	134	154
资产减值损失	38,487	38,083
筹资活动产生的利息支出	17,731	20,406
金融投资业务利息收入	(32,811)	(31,603)
处置固定资产净损益	(83)	(19)
联营企业及合营企业投资净收益	(138)	(104)
衍生金融工具未实现净损益	2,190	(383)
金融投资净损益	(4,769)	(2,368)
净交易损益	(10,225)	(4,817)
投资、筹资活动产生的汇兑损益	9	9
经营性资产的净变动：		
存放中央银行法定存款准备金	4,035	(7,343)
存放和拆放同业及其他金融机构款项	(18,759)	(90,601)
为交易目的而持有的金融资产	(27,129)	(19,902)
买入返售金融资产	-	(432)
发放贷款和垫款	(98,383)	(116,333)
其他经营性资产	(105,557)	(24,549)

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 简明合并现金流量表 (续)
 自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间
 (除另有标明外, 所有金额均以人民币百万元列示)

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 (未经审计)	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 (未经审计)
经营活动产生的现金流 (续)		
经营性负债的净变动:		
向中央银行借款	35,502	(19,657)
同业及其他金融机构存入和拆入款项	10,115	(152,538)
卖出回购金融资产款	22,942	100,042
吸收存款	175,321	281,462
其他经营性负债	20,163	65,807
	59,741	73,966
所得税前经营活动产生的 净现金流	59,741	73,966
支付所得税	(11,255)	(8,709)
	48,486	65,257
经营活动产生的净现金流	48,486	65,257
投资活动产生的现金流		
收回投资收到的现金	842,680	848,897
收到的投资收益	50,032	47,559
处置固定资产所收到的现金	503	145
购建固定资产、无形资产和其他长期资产支付的 现金	(4,674)	(5,734)
投资支付的现金	(950,682)	(908,140)
	(62,141)	(17,273)
投资活动使用的净现金流	(62,141)	(17,273)

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上海浦东发展银行股份有限公司
 简明合并现金流量表 (续)
 自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间
 (除另有标明外, 所有金额均以人民币百万元列示)

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 (未经审计)	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 (未经审计)
筹资活动产生的现金流		
发行债券及同业存单收到的现金	612,774	723,621
偿还债务支付的现金	(672,761)	(656,905)
分配股利、利润或偿付利息支付的现金	(16,948)	(19,374)
支付其他与筹资活动有关的现金	(1,646)	(1,600)
	(78,581)	45,742
筹资活动(使用)/产生的净现金流	(78,581)	45,742
汇率变动对现金及现金等价物的影响	3,958	4,773
	(88,278)	98,499
现金及现金等价物净(减少)/增加额	372,304	216,126
期初现金及现金等价物余额	284,026	314,625
期末现金及现金等价物余额	284,026	314,625
经营活动的现金流量包括:		
收到的利息	125,180	125,707
支付的利息	(67,992)	(58,916)
	2023 年 6 月 30 日 (未经审计)	2022 年 12 月 31 日 (经审计)
现金及现金等价物的组成:		
库存现金	5,378	5,544
存放中央银行超额存款准备金	63,627	105,479
原始到期日不超过三个月的存放及拆放同业款项	139,615	149,915
原始到期日不超过三个月的买入返售金融资产	75,406	111,366
	284,026	372,304
合计	284,026	372,304

刊载于第 12 页至第 97 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
财务报表附注
(除特别注明外，所有金额均以人民币百万元列示)

一 基本情况

上海浦东发展银行股份有限公司 (以下简称“本行”) 为 1992 年 8 月 28 日经中国人民银行以银复 (1992) 350 号文批准设立的股份制商业银行，注册地为中华人民共和国上海市，总部地址为上海市中山东一路 12 号。1992 年 10 月 19 日由上海市工商行政管理局颁发法人营业执照，1993 年 1 月 9 日正式开业。1999 年 11 月 10 日，本行人民币普通股在上海证券交易所上市交易。

本行法人统一社会信用代码为 9131000013221158XC，金融许可证号为 B0015H131000001。

本行及子公司 (以下统称“本集团”) 主要属于金融行业，主要经营范围为经中国人民银行及国家金融监督管理总局 (以下简称“金融监管局”) 批准的商业银行业务，融资租赁业务，信托业务，理财业务以及经香港证券及期货事务监察委员会颁发的相关牌照所规定的投资银行业务和资产管理业务。本行的主要监管机构为金融监管局，本行境外分行及子公司亦需遵循经营所在地监管机构的监管要求。

本年纳入合并范围的主要子公司详见附注三、38.(1)。

二 编制基础及会计政策

编制基础

本简明中期财务报表是根据国际会计准则理事会公布的《国际会计准则第 34 号—中期财务报告》的要求编制的。

本简明中期财务报表及其附注不包含在年度财务报表中要求披露的所有财务信息和数据。因此本简明中期财务报表应与本集团截至 2022 年 12 月 31 日止的年度财务报表一并阅读。

会计判断和会计估计

管理层在按照《国际会计准则第 34 号—中期财务报告》编制本简明中期财务报表时需要作出判断、估计及假设，而这些判断、估计及假设会对政策的应用及资产及负债、收入及支出的列报金额造成影响。实际结果可能有别于这些估计。

管理层对应用于本集团的政策及估计不明朗因素的主要来源做出的主要判断，与截至 2022 年 12 月 31 日止的年度财务报表内采用的主要判断相同。

会计政策变更

除以下会计政策变更外，编制本简明中期财务报表所采用的会计政策与编制本集团截至 2022 年 12 月 31 日止的年度财务报表一致，以下会计政策变更预期也将体现于 2023 年度财务报表中。本集团已于本年度采用了下列由国际会计准则理事会发布的国际财务报告准则和修订。这些准则和修订于本年度强制生效。

			<u>于此日期起/ 之后的年度内生效</u>	注
(1)	国际财务报告准则第17号	保险合同	2023年1月1日	(i)
(2)	国际会计准则第1号及国际财务报告准则实务公告第2号 (修订)	会计政策的披露	2023年1月1日	(i)
(3)	国际会计准则第8号 (修订)	会计估计的定义	2023年1月1日	(i)
(4)	国际会计准则第12号 (修订)	单项交易产生的与资产和负债相关的递延税项	2023年1月1日	(i)
(5)	国际会计准则第12号 (修订)	国际税收改革——支柱二立法范本	2023年5月23日	(i)

(i) 采用上述准则和修订不会对本集团的财务状况、经营成果产生重大影响。

本集团尚未采用下列已颁布但尚未生效的与本集团相关的准则和修订

			<u>于此日期起 / 之后的年度内生效</u>	注
(1)	国际财务报告准则第16号 (修订)	售后租回交易中的租赁负债	2024年1月1日	(ii)
(2)	国际会计准则第1号 (修订) (2020)	将负债分类为流动负债或非流动负债	2024年1月1日	(ii)
(3)	国际会计准则第1号 (修订) (2022)	附有契约条件的非流动负债	2024年1月1日	(ii)
(4)	国际财务报告准则第10号及国际会计准则第28号的修订	投资者与其合营及联营企业之间的资产出售 / 资产出资	生效日期已 无限期递延	(ii)

(ii) 采用上述准则和修订预期不会对本集团的合并财务报表产生重大影响。

三 主要项目注释

1 利息净收入

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
利息收入		
发放贷款和垫款		
- 公司贷款	50,006	47,244
- 个人贷款	51,027	56,004
- 票据贴现	4,112	6,184
金融投资		
- 以摊余成本计量的金融投资	22,926	23,468
- 以公允价值计量且其变动计入其他综合 收益的金融投资	9,885	7,582
存放和拆放同业及其他金融机构款项	8,473	5,983
存放中央银行款项	2,819	2,737
买入返售金融资产	1,046	1,076
小计	150,294	150,278
利息支出		
吸收存款	(53,117)	(46,082)
已发行债务证券	(17,731)	(20,406)
同业及其他金融机构存入和拆入款项	(14,279)	(10,029)
卖出回购金融资产款	(2,377)	(1,807)
向中央银行借款	(2,362)	(3,273)
小计	(89,866)	(81,597)
利息净收入	60,428	68,681

2 手续费及佣金净收入

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
手续费及佣金收入		
银行卡业务	6,721	7,004
代理业务	3,084	1,795
托管及其他受托业务	2,618	6,144
投行类业务	2,537	2,304
信用承诺	1,302	1,044
结算与清算业务	588	578
其他	670	664
	17,520	19,533
小计		
手续费及佣金支出	(3,558)	(4,252)
	13,962	15,281
手续费及佣金净收入	13,962	15,281

3 净交易损益

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
以公允价值计量且其变动计入		
当期损益的金融资产	11,048	7,546
非外汇衍生金融工具	4,775	1,549
被套期债券	46	(364)
汇兑损益	(3,155)	3,719
贵金属	(2,876)	(2,042)
其他	176	(91)
	10,014	10,317
合计	10,014	10,317

4 金融投资净损益

	注	本集团	
		自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
以摊余成本计量的金融投资		286	1,048
以公允价值计量且其变动计入 其他综合收益的金融投资		227	1,272
股息收入		15	48
其他	(1)	4,241	-
合计		<u>4,769</u>	<u>2,368</u>

(1) 于 2023 年上半年，本行控股子公司上海国际信托有限公司（以下简称“上海信托”）完成对上投摩根的股权转让交易，本集团在上述交易中确认投资收益人民币 42.41 亿元。

5 营业费用

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
员工费用		
-工资、奖金、津贴和补贴	9,970	10,851
-其他社会保障和福利费用	3,759	3,402
小计	<u>13,729</u>	<u>14,253</u>
折旧与摊销费	3,555	3,271
税金及附加	1,051	1,082
短期和低价值资产租赁费	156	171
其他	7,716	7,292
合计	<u>26,207</u>	<u>26,069</u>

6 资产减值损失

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
发放贷款和垫款	29,177	34,029
其他	9,310	4,054
合计	38,487	38,083

7 所得税费用

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
当期所得税费用	(382)	(460)
递延所得税费用	3,334	4,397
合计	2,952	3,937

将基于利润表的税前利润采用适用税率计算的所得税调节为所得税费用：

	本集团	
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
税前利润	26,567	34,533
按中国法定税率计算的所得税	6,642	8,633
子公司采用不同税率的影响	63	(13)
不可抵扣支出的影响	304	284
免税收入的影响	(4,907)	(5,030)
其他所得税调整	850	63
所得税费用	2,952	3,937

8 每股收益

(1) 基本每股收益

基本每股收益以归属于母公司普通股股东的净利润除以本行发行在外普通股的加权平均数计算。优先股的转股特征使得本行存在或有可发行普通股。截至 2023 年 6 月 30 日，转股的触发事件并未发生，因此报告期间优先股的转股特征对本年的基本及稀释每股收益的计算没有影响。

本集团

	<u>自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间</u>	<u>自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间</u>
归属于母公司股东本期净利润	23,138	30,174
减：归属于母公司优先股股东的当年净利润	(722)	(722)
归属于母公司普通股股东的当期净利润	<u>22,416</u>	<u>29,452</u>
本行发行在外普通股股本的加权平均数 (百万股)	29,352	29,352
基本每股收益 (人民币元)	<u>0.76</u>	<u>1.00</u>

本期累计发放优先股股利人民币 7.215 亿元，计算普通股基本每股收益时，已在归属于普通股股东的净利润中扣除当年宣告发放的优先股股利。

(2) 稀释每股收益

本期稀释每股收益基于本行 2019 年公开发行的人民币 500 亿元可转换公司债券在当期期初转换为普通股的假设，以调整可转换公司债券当期计提的利息费用后归属于本行普通股股东的净利润除以本行在假设条件下发行在外的普通股加权平均数计算。

本集团

	<u>自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间</u>	<u>自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间</u>
归属于母公司普通股股东的当年净利润	22,416	29,452
加：本期可转换公司债券的利息费用 (税后)	742	725
本期用于计算稀释每股收益的净利润	<u>23,158</u>	<u>30,177</u>
本行发行在外普通股股本的加权平均数(百万股)	29,352	29,352
加：假定可转换公司债券全部转换为普通股的 加权平均数 (百万股)	3,687	3,579
用以计算稀释每股收益的当年发行在外普通股的 加权平均数 (百万股)	33,039	32,931
稀释每股收益 (人民币元)	<u>0.70</u>	<u>0.92</u>

9 现金及存放中央银行款项

		本集团	
		2023 年	2022 年
注		6 月 30 日	12 月 31 日
库存现金		5,378	5,544
存放中央银行法定准备金	(1)	341,716	345,351
存放中央银行超额存款准备金	(2)	63,627	105,479
存放中央银行财政存款		144	544
应计利息		154	171
合计		411,019	457,089

- (1) 本集团按规定向中国人民银行及境外中央银行缴存法定存款准备金，包括人民币、外币存款准备金以及远期售汇业务外汇风险准备金，此部分资金不能用于本集团的日常经营。
- (2) 超额存款准备金为本集团存放于中国人民银行以及境外中央银行用于资金清算的款项。

10 存放和拆放同业及其他金融机构款项

		本集团	
		2023 年	2022 年
		6 月 30 日	12 月 31 日
存放境内银行		93,433	108,385
存放境外银行		52,171	58,737
存放境内非银行金融机构		1,052	906
拆放境内银行		41,473	39,407
拆放境外银行		51,567	38,714
拆放境内非银行金融机构		296,344	282,110
拆放境外非银行金融机构		758	80
应计利息		4,487	3,873
减：减值准备		(381)	(569)
合计		540,904	531,643

于 2023 年 6 月 30 日及 2022 年 12 月 31 日，本集团存放和拆放同业及其他金融机构款项中包括存出保证金及风险准备金等款项，该等款项的使用存在限制。

11 衍生金融工具

本集团

	2023 年 6 月 30 日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	4,636,820	18,241	(16,679)
汇率衍生工具	2,144,505	28,098	(32,222)
贵金属及其他衍生工具	517,023	24,498	(13,440)
合计		70,837	(62,341)
其中被指定为套期工具的衍生产品：			
公允价值套期			
- 利率互换合同	16,716	381	(135)
现金流量套期			
- 利率互换合同	1,397	32	-
- 货币互换合同	23,256	170	(624)
合计		583	(759)
	2022 年 12 月 31 日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	3,889,642	12,374	(9,973)
汇率衍生工具	1,882,807	21,145	(23,554)
贵金属及其他衍生工具	332,377	9,310	(3,999)
合计		42,829	(37,526)
其中被指定为套期工具的衍生产品：			
公允价值套期			
- 利率互换合同	12,048	545	(100)
- 货币互换合同	-	-	-
现金流量套期			
- 利率互换合同	627	34	-
- 货币互换合同	20,788	134	(148)
合计		713	(248)

财务状况表日各种衍生金融工具的名义金额仅提供了一个与表内所确认的公允价值资产或负债的对比基础，并不代表所涉及的未来现金流量或当前公允价值，因而也不能反映本集团所面临的信用风险或市场风险。随着与衍生金融产品合约条款相关的外汇汇率、市场利率及贵金属价格及其他市场价格的波动，衍生金融产品的估值可能产生对本集团有利（确认为资产）或不利（确认为负债）的影响，这些影响可能在不同期间有较大的波动。

12 买入返售金融资产

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
债券	69,286	111,366
票据	6,120	-
应计利息	17	60
减:减值准备	(65)	(15)
	75,358	111,411
合计	75,358	111,411

13 发放贷款和垫款

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
发放贷款和垫款		
- 以摊余成本计量 (a)	4,504,263	4,371,902
- 以公允价值计量且其变动 计入其他综合收益 (b)	436,188	468,537
- 以公允价值计量且其变动 计入当期损益 (c)	37,002	60,223
	4,977,453	4,900,662
小计	4,977,453	4,900,662
应计利息	16,403	16,309
减: 减值准备		
- 以摊余成本计量的发放贷 款和垫款本金	(126,252)	(118,083)
- 以摊余成本计量的发放贷 款和垫款应计利息	(700)	(538)
	(126,952)	(118,621)
小计	(126,952)	(118,621)
发放贷款和垫款净额	4,866,904	4,798,350

	本集团	
	2023年 6月30日	2022年 12月31日
(a)以摊余成本计量的发放贷款和垫款		
企业贷款		
一般企业贷款	2,514,216	2,392,505
贸易融资	118,726	85,865
贴现	1,409	1,132
个人贷款		
住房贷款	854,809	872,127
经营贷款	462,808	445,633
信用卡及透支	408,621	433,693
消费贷款及其他	143,674	140,947
小计	<u>4,504,263</u>	<u>4,371,902</u>
(b)以公允价值计量且其变动计入其他综合收益的发放贷款和垫款		
企业贷款		
贸易融资	77,404	68,727
贴现	358,784	399,810
小计	<u>436,188</u>	<u>468,537</u>
(c)以公允价值计量且其变动计入当期损益的发放贷款和垫款		
企业贷款		
贸易融资	29,508	50,961
贴现	7,494	9,262
小计	<u>37,002</u>	<u>60,223</u>
发放贷款和垫款合计	<u><u>4,977,453</u></u>	<u><u>4,900,662</u></u>

13.1 按行业分类分布情况

本集团

	2023 年 6 月 30 日		2022 年 12 月 31 日	
	金额	比例 (%)	金额	比例 (%)
企业贷款				
制造业	542,672	10.89	472,245	9.64
租赁和商务服务业	507,928	10.20	469,945	9.59
房地产业	317,475	6.38	322,036	6.57
金融业	233,396	4.69	235,797	4.81
交通运输、仓储和邮政业	188,658	3.79	190,118	3.88
水利、环境和公共设施 管理业	187,988	3.78	191,308	3.90
建筑业	176,713	3.55	157,220	3.21
批发和零售业	170,001	3.42	159,972	3.26
电力、热力、燃气及 水生产和供应业	163,471	3.28	161,222	3.29
采矿业	76,945	1.55	70,194	1.43
信息传输、软件和 信息技术服务业	67,624	1.36	66,636	1.36
科学研究和技术服务业	36,536	0.73	31,425	0.64
文化、体育和娱乐业	21,744	0.44	19,094	0.39
教育	16,889	0.34	14,937	0.30
卫生和社会工作	13,260	0.27	12,665	0.26
农、林、牧、渔业	11,306	0.23	14,202	0.29
住宿和餐饮业	5,467	0.11	6,652	0.14
居民服务、修理和其他 服务业	1,642	0.03	1,850	0.04
公共管理、社会保障和 社会组织	139	0.01	362	0.01
其他	-	0.00	178	0.01
小计	2,739,854	55.05	2,598,058	53.02
贴现	367,687	7.38	410,204	8.37
个人贷款	1,869,912	37.57	1,892,400	38.61
合计	4,977,453	100.00	4,900,662	100.00

13.2 按担保方式分布情况

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
信用贷款	2,023,421	2,057,153
保证贷款	987,773	941,698
抵押贷款	1,740,255	1,661,258
质押贷款	226,004	240,553
合计	4,977,453	4,900,662

13.3 逾期贷款

本集团

	2023 年 6 月 30 日				
	逾期 1 天 至 90 天 (含 90 天)	逾期 90 天 至 1 年 (含 1 年)	逾期 1 年 至 3 年 (含 3 年)	逾期 3 年以上	合计
信用贷款	12,284	12,586	1,935	1,819	28,624
保证贷款	3,928	6,390	13,320	1,747	25,385
抵押贷款	17,096	11,363	11,303	2,138	41,900
质押贷款	2,081	1,647	2,937	432	7,097
合计	35,389	31,986	29,495	6,136	103,006

	2022 年 12 月 31 日				
	逾期 1 天 至 90 天 (含 90 天)	逾期 90 天 至 1 年 (含 1 年)	逾期 1 年 至 3 年 (含 3 年)	逾期 3 年以上	合计
信用贷款	17,264	13,300	2,102	2,067	34,733
保证贷款	6,936	8,290	9,181	2,124	26,531
抵押贷款	14,916	11,821	10,341	2,037	39,115
质押贷款	3,586	1,966	1,840	136	7,528
合计	42,702	35,377	23,464	6,364	107,907

本集团及本行将本金或利息逾期 1 天及以上的贷款整笔归类为逾期贷款。

13.4 贷款减值准备变动

(a) 以摊余成本计量的贷款和垫款的减值准备变动

本集团

	注	第一阶段 12 个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2023 年 1 月 1 日余额		38,285	23,056	56,742	118,083
本期转移:					
- 至第一阶段		959	(775)	(184)	-
- 至第二阶段		(1,446)	1,905	(459)	-
- 至第三阶段		(711)	(7,053)	7,764	-
本期净增加	(1)	2,456	3,645	23,269	29,370
本期核销 / 处置		-	-	(26,324)	(26,324)
收回原核销贷款和垫款		-	-	5,138	5,138
其他变动		47	-	(62)	(15)
2023 年 6 月 30 日余额		<u>39,590</u>	<u>20,778</u>	<u>65,884</u>	<u>126,252</u>
	注	第一阶段 12 个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2022 年 1 月 1 日余额		33,081	14,763	62,243	110,087
本年转移:					
- 至第一阶段		1,421	(1,243)	(178)	-
- 至第二阶段		(1,523)	4,226	(2,703)	-
- 至第三阶段		(899)	(7,310)	8,209	-
本年净增加	(1)	6,065	12,620	46,190	64,875
本年核销 / 处置		-	-	(64,956)	(64,956)
收回原核销贷款和垫款		-	-	8,625	8,625
其他变动		140	-	(688)	(548)
2022 年 12 月 31 日余额		<u>38,285</u>	<u>23,056</u>	<u>56,742</u>	<u>118,083</u>

(1) 该项目包括由模型参数的更新导致的违约概率、违约敞口、违约损失率变动以及阶段变化对预期信用损失计量产生的影响。

(2) 第一阶段金融工具为自初始确认后信用风险未显著增加的金融工具；第二阶段金融工具为自初始确认后信用风险显著增加，但尚未发生信用减值的金融工具；第三阶段金融工具为在财务状况表日已发生信用减值的金融工具。信用减值的判断标准详见附注八第 1.(3)项。

(b) 以公允价值计量且其变动计入其他综合收益的发放贷款和垫款减值准备变动

本集团

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2023年1月1日余额	583	-	8	591
本期转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	-	-	-	-
- 至第三阶段	-	-	-	-
本期净(减少)/增加	(239)	2	44	(193)
2023年6月30日余额	344	2	52	398
	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2022年1月1日余额	325	4	190	519
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	-	-	-	-
- 至第三阶段	-	-	-	-
本年净增加/(减少)	258	(4)	14	268
本年核销及处置	-	-	(196)	(196)
2022年12月31日余额	583	-	8	591

14 金融投资

		本集团	
		2023 年	2022 年
注		6 月 30 日	12 月 31 日
以公允价值计量且其			
变动计入当期损益的金融投资	(a)	740,222	708,984
以摊余成本计量的金融投资	(b)	1,376,148	1,196,691
以公允价值计量且其			
变动计入其他综合收益的金融投资	(c)	569,404	649,788
金融投资净额		<u>2,685,774</u>	<u>2,555,463</u>

(a) 以公允价值计量且其变动计入当期损益的金融投资

		本集团	
		2023 年	2022 年
注		6 月 30 日	12 月 31 日
基金投资		362,161	358,185
政府债券		79,574	54,617
企业债券		42,882	38,413
券商收益凭证		30,197	20,348
权益投资		18,597	19,140
资金信托及资产管理计划		15,752	14,112
金融债券		6,331	8,812
资产支持证券		2,023	4,683
政策性银行债券		1,457	4,932
同业存单		398	5,296
其他投资	(1)	180,850	180,446
合计		<u>740,222</u>	<u>708,984</u>

- (1) 其他投资主要包括本集团纳入合并范围的结构化主体投资、本集团将长期应付职工薪酬委托给长江养老保险股份有限公司进行投资的资产以及其他理财产品。本集团纳入合并范围的结构化主体投资包括本集团控制的基金产品、资金信托以及资产管理计划，主要投向各类债券及负有第三方回购安排的权益性投资等资产；于 2023 年 6 月 30 日，本集团上述纳入合并范围的结构化主体投资的底层资产规模为人民币 1,730.71 亿元 (于 2022 年 12 月 31 日：人民币 1,720.36 亿元)。

(b) 以摊余成本计量的金融投资

		本集团	
		2023 年	2022 年
注		6 月 30 日	12 月 31 日
	政府债券	601,343	563,491
	资金信托及资产管理计划		
	- 资产支持证券	203,951	191,872
	- 贷款	185,865	199,085
	- 其他	1,511	1,907
	政策性银行债券	252,911	198,999
	金融债券	78,219	31,910
	企业债券	28,709	12,381
	同业存单	1,679	1,656
	资产支持证券	216	261
	其他投资 (1)	29,043	177
	小计	1,383,447	1,201,739
	应计利息	16,673	14,424
	减值准备		
	- 投资本金	(23,925)	(19,431)
	- 投资应计利息	(47)	(41)
	小计	(23,972)	(19,472)
	以摊余成本计量的金融投资净额	1,376,148	1,196,691

- (1) 其他投资主要包括本集团纳入合并范围的结构化主体投资及其他债权投资。本集团纳入合并范围的结构化主体投资为本集团控制的资产管理计划，主要投向各类债券；于 2023 年 6 月 30 日，本集团上述纳入合并范围的结构化主体投资的底层资产规模为人民币 286.16 亿元（于 2022 年 12 月 31 日：无）。

(i) 以摊余成本计量的金融投资减值准备变动如下：

本集团

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预 期信用损失	第三阶段 整个存续期预 期信用损失	总计
2023年1月1日				
余额	2,109	1,081	16,241	19,431
本期转移：				
- 至第一阶段	3	(3)	-	-
- 至第二阶段	(92)	109	(17)	-
- 至第三阶段	(95)	(592)	687	-
本期净(减少)/ 增加	(558)	691	5,252	5,385
本期核销	-	-	(897)	(897)
其他	2	-	4	6
	<u>1,369</u>	<u>1,286</u>	<u>21,270</u>	<u>23,925</u>
2023年6月 30日余额				
	<u>1,369</u>	<u>1,286</u>	<u>21,270</u>	<u>23,925</u>
	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预 期信用损失	第三阶段 整个存续期预 期信用损失	总计
2022年1月1日				
余额	2,032	640	17,071	19,743
本年转移：				
- 至第一阶段	118	(118)	-	-
- 至第二阶段	(143)	143	-	-
- 至第三阶段	(12)	(134)	146	-
本年净增加	112	550	4,972	5,634
本年核销	-	-	(5,948)	(5,948)
其他	2	-	-	2
	<u>2,109</u>	<u>1,081</u>	<u>16,241</u>	<u>19,431</u>
2022年12月 31日余额				
	<u>2,109</u>	<u>1,081</u>	<u>16,241</u>	<u>19,431</u>

(c) 以公允价值计量且其变动计入其他综合收益的金融投资

	本集团	
	2023年 6月30日	2022年 12月31日
政府债券	210,204	250,527
企业债券	123,086	103,102
金融债券	89,420	84,877
政策性银行债券	82,359	102,645
同业存单	41,528	91,035
资产支持证券	8,375	2,886
其他权益工具投资	5,167	5,170
抵债股权	1,862	2,700
小计	562,001	642,942
应计利息	7,403	6,846
合计	569,404	649,788

(i) 以公允价值计量且其变动计入其他综合收益的金融投资减值准备变动如下：

本集团

	第一阶段	第二阶段	第三阶段	总计
	12个月预期 信用损失	整个存续期预期 信用损失	整个存续期预期 信用损失	
2023年1月1日				
余额	590	227	2,921	3,738
本期转移：				
- 至第一阶段	-	-	-	-
- 至第二阶段	(13)	13	-	-
- 至第三阶段	(27)	(68)	95	-
本期净增加	513	32	668	1,213
本期核销	-	-	(136)	(136)
其他变动	8	3	29	40
2023年6月 30日余额	1,071	207	3,577	4,855

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2022年1月1日				
余额	340	224	640	1,204
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	(11)	11	-	-
- 至第三阶段	-	(129)	129	-
本年净增加	246	114	2,155	2,515
本年核销	-	-	(65)	(65)
其他变动	15	7	62	84
2022年12月31日余额	590	227	2,921	3,738

15 投资联营企业及合营企业

	附注	本集团	
		2023年 6月30日	2022年 12月31日
合营企业	三、38(2)	2,446	2,319
联营企业	三、38(2)	349	336
合计		2,795	2,655

本集团

	2023年 1月1日	追加投资	按权益法 调整的 净损益	按权益法 调整的其他 综合收益	宣告 分配的 现金股利	其他变动	2023年 6月30日
浦银安盛基金 管理有限公司 (以下简称 “浦银安盛”)	1,286	-	87	-	-	-	1,373
浦发硅谷银行 有限公司 (以下简称 “浦发硅谷”)	1,033	-	33	(1)	-	8	1,073
其他	336	-	18	-	(5)	-	349
合计	2,655	-	138	(1)	(5)	8	2,795

	2022年 1月1日	减少投资	按权益法 调整的 净损益	按权益法 调整的其他 综合收益	宣告 分配的 现金股利	其他变动	2022年 12月31日
浦银安盛	1,519	(362)	175	-	(46)	-	1,286
浦发硅谷	994	-	23	-	-	16	1,033
其他	306	-	32	-	(2)	-	336
合计	<u>2,819</u>	<u>(362)</u>	<u>230</u>	<u>-</u>	<u>(48)</u>	<u>16</u>	<u>2,655</u>

16 固定资产

本集团

	房屋及 建筑物	运输工具	电子计算机 及其他设备	飞行及 船舶设备	合计
原值					
2022年1月1日	14,139	449	9,809	23,419	47,816
本年购入	341	25	1,482	3,722	5,570
在建工程转入	2,942	-	6	-	2,948
本年处置	(137)	(30)	(580)	-	(747)
2022年12月31日	<u>17,285</u>	<u>444</u>	<u>10,717</u>	<u>27,141</u>	<u>55,587</u>
本期购入	654	9	434	2,601	3,698
在建工程转入	3,070	-	5	-	3,075
本期处置	(117)	(15)	(223)	-	(355)
2023年6月30日	<u>20,892</u>	<u>438</u>	<u>10,933</u>	<u>29,742</u>	<u>62,005</u>
累计折旧					
2022年1月1日	(5,230)	(352)	(6,642)	(4,105)	(16,329)
本年计提	(473)	(26)	(1,257)	(1,027)	(2,783)
本年处置	111	28	543	-	682
2022年12月31日	<u>(5,592)</u>	<u>(350)</u>	<u>(7,356)</u>	<u>(5,132)</u>	<u>(18,430)</u>
本期计提	(292)	(14)	(668)	(844)	(1,818)
本期处置	43	14	190	-	247
2023年6月30日	<u>(5,841)</u>	<u>(350)</u>	<u>(7,834)</u>	<u>(5,976)</u>	<u>(20,001)</u>
账面价值					
2023年6月30日	<u>15,051</u>	<u>88</u>	<u>3,099</u>	<u>23,766</u>	<u>42,004</u>
2022年12月31日	<u>11,693</u>	<u>94</u>	<u>3,361</u>	<u>22,009</u>	<u>37,157</u>

于 2023 年 6 月 30 日，本集团原值为人民币 47.61 亿元 (2022 年 12 月 31 日：人民币 12.15 亿元)，净值为人民币 46.61 亿元 (2022 年 12 月 31 日：人民币 11.26 亿元) 的房屋及建筑物已在使用但产权登记正在办理中。

17 租赁

(1) 使用权资产

本集团

原值	<u>房屋及 建筑物</u>	<u>设备及其他</u>	<u>合计</u>
2022 年 1 月 1 日	16,859	138	16,997
本年增加	2,522	33	2,555
本年减少	(2,383)	(19)	(2,402)
	<hr/>	<hr/>	<hr/>
2022 年 12 月 31 日	16,998	152	17,150
本期增加	1,188	5	1,193
本期减少	(1,402)	(9)	(1,411)
	<hr/>	<hr/>	<hr/>
2023 年 6 月 30 日	16,784	148	16,932
	<hr/>	<hr/>	<hr/>
累计折旧			
2022 年 1 月 1 日	(8,365)	(72)	(8,437)
本年增加	(2,919)	(29)	(2,948)
本年减少	2,238	19	2,257
	<hr/>	<hr/>	<hr/>
2022 年 12 月 31 日	(9,046)	(82)	(9,128)
本期增加	(1,488)	(14)	(1,502)
本期减少	1,322	8	1,330
	<hr/>	<hr/>	<hr/>
2023 年 6 月 30 日	(9,212)	(88)	(9,300)
	<hr/>	<hr/>	<hr/>
账面价值			
2023 年 6 月 30 日	<u>7,572</u>	<u>60</u>	<u>7,632</u>
2022 年 12 月 31 日	<u>7,952</u>	<u>70</u>	<u>8,022</u>

(2) 租赁负债

于财务状况表日按剩余到期日的分析如下：

本集团

	<u>2023 年 6 月 30 日</u>	<u>2022 年 12 月 31 日</u>
3 个月以内	768	782
3 个月到 1 年	2,040	2,075
1 年至 5 年	4,742	5,058
5 年以上	346	442
	<hr/>	<hr/>
未折现租赁负债合计	<u>7,896</u>	<u>8,357</u>
	<hr/> <hr/>	<hr/> <hr/>
期/年末租赁负债账面价值	<u>7,432</u>	<u>7,832</u>

18 无形资产

本集团

	<u>土地使用权</u>	<u>软件及其他</u>	<u>品牌及特许 经营权</u>	<u>合计</u>
原值				
2022 年 1 月 1 日	6,800	8,626	2,236	17,662
本年增加	-	1,455	-	1,455
本年处置	-	(1)	-	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
2022 年 12 月 31 日	6,800	10,080	2,236	19,116
本期增加	-	491	-	491
本期处置	-	(120)	-	(120)
	<hr/>	<hr/>	<hr/>	<hr/>
2023 年 6 月 30 日	<u>6,800</u>	<u>10,451</u>	<u>2,236</u>	<u>19,487</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
累计摊销				
2022 年 1 月 1 日	(800)	(6,324)	-	(7,124)
本年摊销	(174)	(1,470)	-	(1,644)
本年处置	-	1	-	1
	<hr/>	<hr/>	<hr/>	<hr/>
2022 年 12 月 31 日	(974)	(7,793)	-	(8,767)
本期摊销	(87)	(754)	-	(841)
本期处置	-	79	-	79
	<hr/>	<hr/>	<hr/>	<hr/>
2023 年 6 月 30 日	<u>(1061)</u>	<u>(8,468)</u>	<u>-</u>	<u>(9,529)</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
账面价值				
2023 年 6 月 30 日	<u>5,739</u>	<u>1,983</u>	<u>2,236</u>	<u>9,958</u>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2022 年 12 月 31 日	<u>5,826</u>	<u>2,287</u>	<u>2,236</u>	<u>10,349</u>

19 商誉

	<u>2023 年</u> <u>6 月 30 日</u>	<u>2022 年</u> <u>12 月 31 日</u>
商誉		
上海信托	5,351	6,981
减：减值准备	-	-
	5,351	6,981
合计	5,351	6,981

商誉为本行于 2016 年 3 月发行普通股收购上海信托 97.33%的股权产生的。

本集团的所有商誉已于购买日分摊至相关的资产组或资产组组合，分摊情况根据经营分部汇总如下：

	<u>2023 年</u> <u>6 月 30 日</u>	<u>2022 年</u> <u>12 月 31 日</u>
上海信托	4,739	4,739
上海信托子公司		
- 上投摩根基金管理有限公司 (以下简称 “上投摩根”)	-	1,630
- 其他	612	612
	5,351	6,981
合计	5,351	6,981

在进行商誉减值测试时，本集团将相关资产或资产组组合 (含商誉) 的账面价值与其可收回金额进行比较，如果可收回金额低于账面价值，相关差额计入当期损益。本集团的商誉分摊本期间未发生变化。

上海信托资产组的可回收余额按照其公允价值减去处置费用后的净额确定。管理层选取可比公司案例采用市净率方法评估上海信托资产组的公允价值，并根据特定风险因素对市净率进行修正。对于其他子公司资产组，管理层采用现金流量预测方法计算相关可回收金额。

上投摩根由本行控股子公司上海信托和摩根资产管理（英国）有限公司（以下简称“摩根资产（英国）”）于 2004 年共同出资设立，上海信托持股 51%、摩根资产（英国）持股 49%。根据国资产权管理规定，2019 年 7 月上海信托在上海联合产权交易所公开挂牌转让上投摩根 2% 股权，后由摩根资产以不低于评估价的人民币 2.41 亿元挂牌价格摘牌；2020 年 8 月上海信托在上海联合产权交易所公开挂牌转让上投摩根 49% 股权，后由摩根资产以不低于评估价的人民币 70 亿元挂牌价格摘牌。于财务状况表日，上海信托已完成上投摩根股权投资，本集团原分摊至上投摩根的商誉资产已作转出处理。

20 递延所得税

20.1 本集团及本行互抵后的递延所得税资产和负债列示如下：

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
递延所得税资产	64,585	68,690
递延所得税负债	(641)	(641)

20.2 互抵前的递延所得税资产和负债及对应的暂时性差异列示如下：

本集团

	2023 年 6 月 30 日		2022 年 12 月 31 日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
资产减值准备	243,736	60,929	250,428	62,606
衍生金融负债公允价值变动	62,341	15,584	37,528	9,382
应付职工薪酬	8,569	2,143	9,128	2,282
预计负债	6,541	1,636	6,230	1,558
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	10,234	2,559	12,639	3,160
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	2,266	567	1,744	436
贵金属公允价值变动	1,333	333	3,237	809
其他	13,895	3,475	14,565	3,643
小计	348,915	87,226	335,499	83,876
互抵金额		(22,641)		(15,186)
互抵后的递延所得税资产金额		64,585		68,690

	2023 年 6 月 30 日		2022 年 12 月 31 日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
衍生金融资产公允价值变动 以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	(70,837)	(17,709)	(42,770)	(10,693)
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	(3,722)	(931)	(3,818)	(955)
非同一控制下企业合并形成的 可辨认净资产公允价值与 账面价值差异	(8,410)	(2,102)	(5,598)	(1,400)
贵金属公允价值变动	(2,450)	(613)	(2,460)	(615)
其他	(12)	(3)	(517)	(129)
	(7,697)	(1,924)	(8,139)	(2,035)
小计	<u>(93,128)</u>	<u>(23,282)</u>	<u>(63,302)</u>	<u>(15,827)</u>
互抵金额		22,641		15,186
互抵后的递延所得税负债金额		<u>(641)</u>		<u>(641)</u>

20.3 递延所得税的变动情况列示如下：

	附注	本集团	
		自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
期初净额		68,049	58,324
计入利润表的递延所得税	三、7	(3,334)	(4,397)
计入其他综合收益的递延所得税	三、34	(771)	713
期末净额		<u>63,944</u>	<u>54,640</u>

21 其他资产

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
待清算款项	99,792	25,423
存出保证金	25,808	14,403
其他应收款	9,403	11,400
预付土地及其他款项	2,945	4,654
应收利息	3,606	3,787
信托业保障基金代垫款	1,001	1,520
长期待摊费用	1,497	1,398
抵债资产	414	444
其他	1,444	1,785
	145,910	64,814
合计	145,910	64,814

22 同业及其他金融机构存入和拆入款项

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
境内银行存放款项	204,962	198,159
境外银行存放款项	1,383	3,220
境内非银行金融机构存放款项	559,669	551,064
境外非银行金融机构存放款项	12,552	15,603
境内银行拆入款项	272,855	280,294
境外银行拆入款项	64,312	56,443
境内非银行金融机构拆入款项	2,761	3,596
应计利息	5324	2,964
	1,123,818	1,111,343
合计	1,123,818	1,111,343

23 以公允价值计量且其变动计入当期损益的金融负债

		本集团	
		2023 年 6 月 30 日	2022 年 12 月 31 日
	注		
与贵金属卖空相关的金融负债		122	134
与债券相关的金融负债		5,387	3,099
合并结构化主体中其他份额持有人权益	(1)	9,411	7,005
合计		14,920	10,238

(1) 本集团将纳入合并财务报表范围的结构化主体的其他份额持有人权益指定为以公允价值计量且其变动计入当期损益的金融负债。于 2023 年 6 月 30 日及 2022 年 12 月 31 日，上述公允价值未发生由于信用风险变化导致的重大变动。

24 卖出回购金融资产款

		本集团	
		2023 年 6 月 30 日	2022 年 12 月 31 日
债券		249,585	242,281
票据		119,390	104,743
同业存单		4,038	3,047
应计利息		81	97
合计		373,094	350,168

25 吸收存款

		本集团	
		2023 年 6 月 30 日	2022 年 12 月 31 日
活期存款			
- 公司		1,803,629	1,656,442
- 个人		403,064	413,721
定期存款			
- 公司		1,797,049	1,836,412
- 个人		995,714	917,007
其他存款		2,343	2,896
小计		5,001,799	4,826,478
应计利息		67,730	67,334
合计		5,069,529	4,893,812

26 已发行债务证券

		本集团	
		2023 年	2022 年
注		6 月 30 日	12 月 31 日
发行存款证及同业存单	(1)	846,083	887,197
已发行债券			
18 浦发银行二级 01	(2)	20,000	20,000
18 浦发银行二级 02	(3)	20,000	20,000
20 浦发银行二级 01	(4)	32,000	32,000
20 浦发银行二级 02	(5)	8,000	8,000
20 浦发银行二级 03	(6)	30,000	30,000
20 浦发银行二级 04	(7)	10,000	10,000
20 浦发银行 01	(8)	-	50,000
21 浦发银行 01	(9)	60,000	60,000
21 浦发银行 02	(10)	40,000	40,000
22 浦发银行 01	(11)	25,000	25,000
22 浦发银行 02	(11)	5,000	5,000
22 浦发银行 03	(12)	30,000	30,000
22 浦发银行 04	(13)	30,000	30,000
23 浦发银行绿色金融债	(14)	30,000	-
香港中期票据	(15)	10,568	10,122
新加坡中期票据	(16)	2,178	2,085
伦敦中期票据	(17)	2,905	2,781
浦发转债	(18)	49,998	49,998
20 浦银租赁二级	(19)	1,100	1,100
20 浦银租赁债	(20)	2,800	2,800
21 浦银租赁绿色债	(21)	3,000	3,000
21 浦银租赁债 01	(22)	2,000	2,000
22 浦银租赁债 01	(23)	1,450	1,450
小计		415,999	435,336
加：待摊销金额及其他		2,000	1,532
已发行债券		417,999	436,868
应计利息		8,289	6,239
合计		1,272,371	1,330,304

- (1) 于 2023 年 6 月 30 日，本集团在全国银行间债券市场公开发行但尚未到期的同业存单共计 177 笔，最长期限为 366 天，利率区间为 1.88%至 2.76% (于 2022 年 12 月 31 日，本集团及本行在银行间市场公开发行但尚未到期的同业存单共计 153 笔，最长期限为 365 天，利率区间为 1.85%至 2.65%)。

本集团发行的存款证均由本集团境外机构发行。于 2023 年 6 月 30 日，本集团公开发行但尚未到期的存款证共计 95 笔，最长期限为 365 天，利率区间为 0%到 5.80% (于 2022 年 12 月 31 日，本集团公开发行但尚未到期的存款证共计 92 笔，最长期限为 365 天，利率区间为 0%到 5.66%)。

- (2) 2018 年 9 月 5 日，本行在全国银行间债券市场发行总额为人民币 200 亿元的二级资本工具。该债券期限为 10 年，本行具有在第 5 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 4.96%。
- (3) 2018 年 9 月 14 日，本行在全国银行间债券市场发行总额为人民币 200 亿元的二级资本工具。该债券期限为 10 年，本行具有在第 5 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 4.96%。
- (4) 2020 年 7 月 30 日，本行在全国银行间债券市场发行总额为人民币 320 亿元的二级资本工具。该债券期限为 10 年，本行具有在第 5 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 3.87%。
- (5) 2020 年 7 月 30 日，本行在全国银行间债券市场发行总额为人民币 80 亿元的二级资本工具。该债券期限为 15 年，本行具有在第 10 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 4.18%。
- (6) 2020 年 9 月 15 日，本行在全国银行间债券市场发行总额为人民币 300 亿元的二级资本工具。该债券期限为 10 年，本行具有在第 5 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 4.27%。
- (7) 2020 年 9 月 15 日，本行在全国银行间债券市场发行总额为人民币 100 亿元的二级资本工具。该债券期限为 15 年，本行具有在第 10 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 4.52%。
- (8) 2020 年 4 月 27 日，本行在全国银行间债券市场公开发行总额为人民币 500 亿元的“2020 年第一期金融债券”。该期债券期限为 3 年，票面年利率固定为 2.08%。截至 2023 年 6 月 30 日，本行已完成兑付。

- (9) 2021年3月23日，本行在全国银行间债券市场公开发行总额为人民币600亿元的“2021年第一期金融债券”。该期债券期限为3年，票面年利率固定为3.48%。
- (10) 2021年12月2日，本行在全国银行间债券市场公开发行总额为人民币400亿元的“2021年第二期金融债券”。该期债券期限为3年，票面年利率固定为2.97%。
- (11) 2022年1月21日，本行在全国银行间债券市场公开发行总额为人民币250亿元的“2022年第一期金融债券（品种一）”，总额为人民币50亿元的“2022年第一期金融债券（品种二）”。上述债券期限均为3年，票面年利率均固定为2.69%。
- (12) 2022年2月24日，本行在全国银行间债券市场公开发行总额为人民币300亿元的“2022年第二期金融债券”。该期债券期限为3年，票面年利率固定为2.78%。
- (13) 2022年11月9日，本行在全国银行间债券市场公开发行总额为人民币300亿元的“2022年第三期金融债券”。该期债券期限为3年，票面年利率固定为2.45%。
- (14) 2023年3月24日，本行在全国银行间债券市场公开发行总额为人民币300亿元的“2023年第一期绿色金融债券”。该期债券期限为3年，票面年利率固定为2.79%。
- (15) 2020年7月27日，本行在香港联交所发行总额为5亿美元的中期票据；该票据期限为3年，票面年利率浮动为3ML+85BPS。2021年7月13日，本行在香港联交所同步发行了总额为20亿港币的中期票据和总额为7亿美元的中期票据；上述票据期限分别为2年和3年，票面利率分别为固定利率0.600%和固定利率0.875%。
- (16) 2021年1月19日，本行在新加坡交易所发行总额为3亿美元的中期票据；该票据期限为3年，票面年利率固定为1.00%。
- (17) 2022年7月15日，本行在伦敦交易所发行总额为4亿美元的中期票据；该票据期限为3年，票面年利率固定为3.25%。
- (18) 本行可转换公司债券发行规模为人民币500亿元，于2019年11月15日在上海证券交易所上市，存续的起止日期为2019年10月28日至2025年10月27日，存续期间共六年，第一年债券利率为0.20%、第二年债券利率为0.80%、第三年债券利率为1.50%、第四年债券利率为2.10%、第五年债券利率为3.20%、第六年债券利率为4.00%。本债券采用每年付息一次的付息方式，到期归还本金和最后一年利息。本债券转股期自债券发行结束之日满六个月后的第一个交易日起至可转债到期日止，即为2020年5月4日至2025年10月27日。

本债券的初始转股价格为 15.05 元/股，在本次发行之后，当本行出现因派送股票股利、转增股本、增发新股或配股等情况（不包括因本次发行的可转债转股而增加的股本）使本行股份发生变化或派送现金股利时，本行将按一定公式进行转股价格的调整。本债券持有人在转股期内申请转股，转股数量的计算方式为本债券持有人申请转股的本债券票面总金额除以申请转股当日有效的转股价格。在本行发行的可转债期满后五个交易日内，本行将以本债券可转债面值的 110%（含最后一年利息）赎回全部未转股的可转债。本债券具体发行条款参见相关发行公告。

截止 2023 年 6 月 30 日，累计已有人民币 1,393,000 元浦发转债转为公司普通股，累计转股股数 95,024 股，占浦发转债转股前公司已发行普通股股份总额 0.0003%。上述转债对本行其他权益工具的累积影响不重大。

本集团及本行已发行可转换公司债券的负债和权益成份分拆如下：

	负债成份	权益成份 (附注三、30)	合计
可转换公司债券发行金额	47,214	2,786	50,000
直接交易费用	(78)	(4)	(82)
	<hr/>	<hr/>	<hr/>
于发行日余额	47,136	2,782	49,918
期初累计摊销	4,588	-	4588
期初累计转股	(2)	-	(2)
	<hr/>	<hr/>	<hr/>
于 2023 年 1 月 1 日余额	51,722	2,782	54,504
本期摊销	468	-	468
	<hr/>	<hr/>	<hr/>
于 2023 年 6 月 30 日余额	<u>52,190</u>	<u>2,782</u>	<u>54,972</u>

- (19) 2020 年 8 月 11 日，本行子公司浦银金融租赁有限公司在全国银行间债券市场发行总额为人民币 11 亿元的二级资本工具。该债券期限为 10 年，本行具有在第 5 年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为 4.20%。
- (20) 2020 年 11 月 17 日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币 30 亿元的“2020 年金融债券”。该期债券期限为 3 年，票面年利率固定为 3.88%。于 2023 年 6 月 30 日，本集团实际对外发行金额为人民币 28 亿元。

- (21) 2021 年 7 月 6 日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币 30 亿元的“2021 年绿色金融债券”。该期债券期限为 3 年，票面年利率固定为 3.38%。
- (22) 2021 年 10 月 21 日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币 20 亿元的“2021 年第一期金融债券”。该期债券期限为 3 年，票面年利率固定为 3.30%。
- (23) 2022 年 7 月 8 日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币 15 亿元的“2022 年第一期金融债券（货运物流）”。该期债券期限为 3 年，票面年利率固定为 2.93%。于 2023 年 6 月 30 日，本集团实际对外发行金额为人民币 14.50 亿元。

27 预计负债

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
财务担保合同和贷款承诺减值准备	6,540	6,229
其他	1	1
合计	6,541	6,230

28 其他负债

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
待清算款项	28,017	25,634
应付股利	9,527	42
应付职工薪酬	7,367	12,672
应交增值税及其他税费	4,142	4,923
预收履约款及保证金	3,563	3,175
合同负债	2,971	3,238
预提费用	2,340	2,414
其他	4,422	5,261
合计	62,349	57,359

29 股本

本集团

	2023 年 6 月 30 日	2022 年 12 月 31 日
境内上市人民币普通股 (A 股)	29,352	29,352

本行发行的 A 股股本均为普通股，每股面值人民币 1 元，享有同等权益。

30 其他权益工具

本集团及本行

	注	2023 年 6 月 30 日	2022 年 12 月 31 日
计入本行一级资本的其他权益工具			
— 浦发转债权益成份	(1)	2,782	2,782
计入本行其他一级资本的其他权益工具	(2)	109,909	109,909
合计		112,691	112,691

(1) 于 2023 年 6 月 30 日，本行发行的可转换公司债券权益成份为人民币 27.82 亿元 (2022 年：人民币 27.82 亿元)，具体信息参见附注三、26.(18)。

(2) 计入本行其他一级资本的其他权益工具

发行在外的 其他权益工具	付息率	发行 价格 (元)	数量	期初 金额	本期 变动	期末 金额	到期日或 续期情况	转换情况
浦发优 1 (a)	第一个 5 年的股息 率为 6%； 第二个 5 年的股息 率为 5.58%	100	1.5 亿	15,000	-	15,000	无到期日	未发生转换
浦发优 2 (a)	第一个 5 年的股息 率为 5.5%； 第二个 5 年的股息 率为 4.81%	100	1.5 亿	15,000	-	15,000	无到期日	未发生转换
19 浦发银行 永续债 (b)	前 5 年的股息率为 4.73%	100	3.0 亿	30,000	-	30,000	无到期日	未发生转换
20 浦发银行 永续债 (b)	前 5 年的股息率为 4.75%	100	5.0 亿	50,000	-	50,000	无到期日	未发生转换
减：发行费用				(91)	-	(91)		
账面价值				109,909	-	109,909		

(a) 于 2014 年 11 月 28 日和 2015 年 3 月 6 日，本行向境内投资者发行票面金额合计人民币 300 亿元的非累积优先股，本行按扣除发行费用后的金额计人民币 299.20 亿元计入其他权益工具。在优先股存续期间，在满足相关要求的情况下，如得到监管部门的批准，本行有权在优先股发行日期满 5 年之日起于每年的优先股股息支付日行使赎回权，赎回全部或部分本次发行的优先股，优先股股东无权要求本行赎回优先股。发行的优先股采用分阶段调整的票面股息率，即在一个 5 年的股息率调整期内以固定股息率每年一次以现金方式支付股息。本行有权全部或部分取消优先股股息的宣派和支付。

当本行发生下述强制转股触发事件时，经监管部门批准，本行发行并仍然存续的优先股将全部或部分转为本行普通股：

- 1、 当本行核心一级资本充足率降至 5.125% (或以下) 时，由本行董事会决定，本次发行的优先股应按照强制转股价格全额或部分转为本行 A 股普通股，并使本行的核心一级资本充足率恢复至 5.125% 以上；

- 2、 当本行发生二级资本工具触发事件时，发行的优先股应按照强制转股价格全额转为本行 A 股普通股。

当满足强制转股触发条件时，仍然存续的优先股将在监管部门批准的前提下以人民币 7.62 元/股的价格全额或部分转换为 A 股普通股。在董事会决议日后，当本行发生送红股、转增股本、增发新股 (不包括因本行发行的带有可转为普通股条款的融资工具，如优先股、可转换公司债券等转股而增加的股本) 和配股等情况时，本行将按上述条件出现的先后顺序，依次对转股价格按照既定公式进行累计调整。

依据适用的法律法规和“中国银监会关于浦发银行非公开发行优先股及修改公司章程的批复”(银监复 [2014] 564 号)，优先股募集资金用于补充本行其他一级资本。

在本行清算时，本行优先股股东优先于普通股股东分配，其所获得的清偿金额为票面金额，如本行剩余财产不足以支付的，按照优先股股东持股比例分配。

- (b) 于 2019 年 7 月和 2020 年 11 月，本行在全国银行间债券市场分别发行“上海浦东发展银行股份有限公司 2019 年无固定期限资本债券”(发行规模为人民币 300 亿元) 和“上海浦东发展银行股份有限公司 2020 年无固定期限资本债券”(发行规模为人民币 500 亿元)，本行按扣除发行费用后合计的金额计入其他权益工具。上述无固定期限资本债的存续期与本行持续经营存续期一致。在满足相关要求的情况下，如得到监管部门的批准，本行有权在无固定期限资本债发行日期满 5 年之日起于每年的无固定期限资本债利息支付日行使赎回权，赎回全部或部分本次发行的无固定期限资本债，无固定期限资本债持有人无权要求本行赎回无固定期限资本债。本行有权全部或部分取消无固定期限资本债利息的宣派和支付。

依据适用的法律法规、“中国银保监会关于浦发银行发行无固定期限资本债券的批复”([2019] 596 号)及“中国银保监会关于浦发银行发行无固定期限资本债券的批复”(银保监复 [2020] 595 号)，本行固定期限资本债募集资金用于补充本行其他一级资本。

本行无固定期限资本债的受偿顺序在存款人、一般债权人和处于高于本无固定期限资本债顺位的次级债务之后、本行股东持有的所有类别股份之前；本行无固定期限资本债与发行人其他偿还顺序相同的其他一级资本工具同顺位受偿。

对于“上海浦东发展银行股份有限公司 2019 年无固定期限资本债券”，当本行发生相关部门认为的下述触发事件并获得监管部门批准前提下，本行有权在无需获得本无固定期限资本债投资者同意的情况下对本次债券进行减记。

- 1、 当其他一级资本工具触发事件发生时，即本行核心一级资本充足率降至 5.125% (或以下)，本行有权在报监管部门并获得同意、但无需获得债券持有人同意的情况下，将届时已发行且存续的本无固定期限资本债按照票面总金额全部或部分减记，促使核心一级资本充足率恢复到 5.125%以上；
- 2、 当二级资本工具触发事件发生时，本行有权在无需获得债券持有人同意的情况下将届时已发行且存续的本无固定期限资本债按照票面总金额全部减记。

对于“上海浦东发展银行股份有限公司 2020 年无固定期限资本债券”，当无法生存触发事件发生时，本行有权在无需获得债券持有人同意的情况下，将本次债券的本金进行部分或全部减记。

无法生存触发事件是指以下两种情形的较早发生者：(1) 监管部门认定若不进行减记发行人将无法生存；(2) 相关部门认定若不进行公共部门注资或提供同等效力的支持，发行人将无法生存。

31 资本公积

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
股本溢价	81,691	81,691
其他资本公积		
- 子公司增资变动	50	50
- 其他	21	21
合计	81,762	81,762

如附注三、26 (18)所述，经监管部门等相关机构批准，本行于 2019 年公开发行票面金额为人民币 500 亿元 A 股可转换公司债券。截至 2023 年 6 月 30 日，约人民币 1,393,000 元可转换公司债券转为 A 股普通股，累积增加本行股本为 95,024 股，并相应增加了本行股本溢价。

32 盈余公积

本集团及本行

	2023 年 1 月 1 日	本期增加	2023 年 6 月 30 日
法定盈余公积	22,206	-	22,206
任意盈余公积	152,179	14,544	166,723
合计	174,385	14,544	188,929

	2022 年 1 月 1 日	本年增加	2022 年 12 月 31 日
法定盈余公积	22,206	-	22,206
任意盈余公积	137,086	15,093	152,179
合计	159,292	15,093	174,385

根据有关规定，本行应当按照法定财务报表税后利润的10%提取法定盈余公积。当本行法定盈余公积金累计额达到本行股本的50%时，可不再提取。在提取法定盈余公积金后，可提取任意盈余公积金。

33 一般风险准备

本集团

	2023年 1月1日	本期增加	2023年 6月30日
一般风险准备	<u>99,515</u>	<u>1,981</u>	<u>101,496</u>

	2022年 1月1日	本年增加	2022年 12月31日
一般风险准备	<u>90,993</u>	<u>8,522</u>	<u>99,515</u>

本行按财政部《金融企业准备金计提管理办法》(财金[2012]20号)的规定提取一般准备。

本集团一般风险准备还包括本行下属子公司根据其所属行业或所属地区的法规提取的其他一般准备。

34 其他储备

本集团

	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间							归属于母公司股 东的其他综合 收益期末余额
	归属于母公司股 东的其他综合 收益期初余额	本期所得税 前发生额	减：其他综合 收益本期转出	减：所得税费用	税后归属于 母公司	税后归属于 非控制性权益	所有者权益 内部结转	
将重分类进损益的其他综合收益								
以公允价值计量且其变动计入 其他综合收益的债务工具								
- 公允价值变动	(7,106)	2,640	(227)	(604)	1,810	(1)	-	(5,296)
- 减值准备	3,376	1,060	(136)	(239)	685	-	-	4,061
外币报表折算差额	320	221	-	-	190	31	-	510
现金流量套期储备	6	89	-	(22)	44	23	-	50
其他	1	(1)	-	-	(1)	-	-	-
不能重分类进损益的其他综合收益								
以公允价值计量且其变动计入 其他综合收益的权益工具								
- 公允价值变动	350	(617)	-	94	(523)	-	239	66
	<u>(3,053)</u>	<u>3,392</u>	<u>(363)</u>	<u>(771)</u>	<u>2,205</u>	<u>53</u>	<u>239</u>	<u>(609)</u>

	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间							归属于母公司股 东的其他综合 收益期末余额
	归属于母公司股 东的其他综合 收益期初余额	本期所得税 前发生额	减：其他综合 收益本期转出	减：所得税费用	税后归属于 母公司	税后归属于 非控制性权益	所有者权益 内部结转	
将重分类进损益的其他综合收益								
以公允价值计量且其变动计入其他综 合收益的债务工具								
- 公允价值变动	1,039	(3,994)	(1,272)	1,242	(4,024)	-	-	(2,985)
- 减值准备	1,417	2,297	(65)	(540)	1,692	-	-	3,109
外币报表折算差额	(15)	94	-	-	69	25	-	54
现金流量套期储备	17	166	-	5	151	20	-	168
其他	1	-	-	-	-	-	-	1
不能重分类进损益的其他综合收益								
以公允价值计量且其变动计入 其他综合收益的权益工具								
- 公允价值变动	362	(26)	-	6	(20)	-	29	371
	2,821	(1,463)	(1,337)	713	(2,132)	45	29	718

	2022 年							归属于母公司股东的其他综合收益年末余额
	归属于母公司股东的其他综合收益年初余额	本年所得税前发生额	减：其他综合收益本年转出	减：所得税费用	税后归属于母公司	税后归属于非控制性权益	所有者权益内部结转	
将重分类进损益的其他综合收益								
以公允价值计量且其变动计入其他综合收益的债务工具								
- 公允价值变动	1,039	(8,291)	(2,509)	2,655	(8,145)	-	-	(7,106)
- 减值准备	1,417	2,867	(261)	(647)	1,959	-	-	3,376
外币报表折算差额	(15)	376	-	-	335	41	-	320
现金流量套期储备	17	(3)	-	1	(11)	9	-	6
其他	1	-	-	-	-	-	-	1
不能重分类进损益的其他综合收益								
以公允价值计量且其变动计入其他综合收益的权益工具								
- 公允价值变动	362	(61)	-	4	(57)	-	45	350
	2,821	(5,112)	(2,770)	2,013	(5,919)	50	45	(3,053)

35 利润分配

(1) 2022 年度利润分配

于 2023 年 6 月 28 日，股东大会批准的本行 2022 年度利润分配方案如下：

- (i) 按当年税后利润 30% 的比例提取任意盈余公积，共计人民币 145.44 亿元；
- (ii) 提取一般准备人民币 45 亿元；
- (iii) 以实施利润分配股权登记日普通股总股本为基数，向全体普通股股东每 10 股派送现金股利人民币 3.2 元（含税）。

(2) 2021 年度利润分配

于 2022 年 6 月 17 日，股东大会批准的本行 2021 年度利润分配方案如下：

- (i) 按当年税后利润 30% 的比例提取任意盈余公积，共计人民币 150.93 亿元；
- (ii) 提取一般准备人民币 45 亿元；
- (iii) 以实施利润分配股权登记日普通股总股本为基数，向全体普通股股东每 10 股派送现金股利人民币 4.1 元（含税）。

(3) 优先股股利分配

于 2023 年 2 月 24 日，本行董事会审议通过浦发优 2 股息发放方案。按照浦发优 2 票面股息率 4.81% 计算，发放股息共计人民币 7.215 亿元（含税），股息发放日为 2023 年 3 月 13 日。

于 2022 年 10 月 27 日，本行董事会审议通过浦发优 1 股息发放方案。按照浦发优 1 票面股息率 5.58% 计算，发放股息共计人民币 8.37 亿元（含税），股息发放日为 2022 年 12 月 5 日。

于 2022 年 1 月 26 日，本行董事会审议通过浦发优 2 股息发放方案。按照浦发优 2 票面股息率 4.81% 计算，发放股息共计人民币 7.215 亿元（含税），股息发放日为 2022 年 3 月 11 日。

(4) 无固定期限资本债付息

于 2022 年 11 月，本行按照 2020 年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币 23.75 亿元。

于 2022 年 7 月，本行按照 2019 年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币 14.19 亿元。

36 金融资产转移

在日常业务中，本集团进行的某些交易会将已确认的金融资产转让给第三方或特殊目的信托。这些金融资产转移若全部或部分符合终止确认条件，相关金融资产全部或部分终止确认。当本集团保留了已转让资产的绝大部分风险与报酬时，相关金融资产转移不符合终止确认条件，本集团继续在财务状况表上确认上述资产。

资产证券化交易

本集团进行的部分证券化交易会使本集团终止确认全部转移的金融资产。2023 年上半年，本集团通过该类资产证券化交易转移的金融资产账面原值人民币 128.62 亿元，符合完全终止确认条件 (2022 年上半年：人民币 91.42 亿元)。

除上述证券化交易外，截至 2023 年 6 月 30 日，本集团将账面原值为人民币 358.74 亿元 (2022 年 12 月 31 日：人民币 358.74 亿元) 的信贷资产转让给证券化实体，本集团在上述交易中既没有转移也没有保留与所转让信贷资产所有权有关的几乎所有风险和报酬，且保留了对该信贷资产的控制。本集团在财务状况表上会按照本集团的继续涉入程度确认该项资产，其余部分终止确认。截至 2023 年 6 月 30 日，本集团继续确认的资产价值为人民币 46.50 亿元 (2022 年 12 月 31 日：人民币 46.50 亿元)。

信贷资产转让

2023 年上半年，本集团直接向第三方转让信贷资产人民币 43.71 亿元，均为向资产管理公司转让不良贷款，且均已终止确认 (2022 年上半年，本集团直接向第三方转让信贷资产人民币 39.50 亿元，均为向资产管理公司转让不良贷款，且均已终止确认)。

证券借出交易

于证券借出交易中，交易对手在本集团无任何违约的情况下，可以将上述证券出售或再次用于担保，但同时需承担在协议规定的到期日将上述证券归还于本集团的义务。对于上述业务，本集团认为本集团保留了相关证券的绝大部分风险和报酬，故未对相关证券进行终止确认。在 2023 年 6 月 30 日，本集团在证券借出交易中转让资产的账面价值为人民币 601.42 亿元 (2022 年 12 月 31 日：人民币 676.32 亿元)。

37 在未纳入合并财务报表范围的结构化主体中的权益

(1) 在第三方机构发起设立的结构化主体中享有的权益

本集团通过直接持有投资而在第三方机构发起设立的结构化主体中享有权益。这些结构化主体未纳入本集团的合并财务报表范围，主要包括基金投资、资金信托及资产管理计划、资产支持证券以及其他投资。这些结构化主体的性质和目的主要是管理投资者的资产并赚取管理费，其融资方式是向投资者发行投资产品。

本集团通过直接持有投资而在第三方机构发起设立的结构化主体中享有的权益的账面价值及最大损失敞口列示如下

账面价值	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
以公允价值计量且其变动计入当期损益的		
金融投资		
基金投资	361,650	357,183
权益投资	11,241	10,371
资金信托及资产管理计划	8,036	9,761
资产支持证券	2,020	4,683
其他投资	6,399	6,560
以摊余成本计量的金融投资		
资金信托及资产管理计划	367,827	372,761
资产支持证券	118	207
以公允价值计量且其变动计入其他综合收益的		
金融投资		
资产支持证券	8,375	2,886
抵债股权	673	828
其他投资	1,575	1,575

资金信托及资产管理计划和资产支持证券的最大损失敞口按其在财务状况表中确认的分类为其在报告日的公允价值或摊余成本。基金投资和其他投资的最大损失敞口为其在报告日的公允价值。

(2) 在本集团作为发起人但未纳入合并财务报表范围的结构化主体中享有的权益

本集团发起设立的未纳入合并财务报表范围的结构化主体主要为本集团发行的理财产品、信托计划、基金投资及资产支持证券等。这些结构化主体的性质和目的主要是管理投资者的资产并收取管理费，其融资方式是向投资者发行投资产品。本集团在这些未纳入合并财务报表范围的结构化主体中享有的权益主要包括直接持有投资或通过管理这些结构化主体收取管理费收入。

截至 2023 年 6 月 30 日，本集团发起设立但未纳入本集团合并财务报表范围的理财产品投资的资产规模为人民币 8,748.20 亿元 (2022 年 12 月 31 日：人民币 9,802.63 亿元)。

自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间及 2022 年度，本集团未向自身发起设立的理财产品提供重大财务支持。

截至 2023 年 6 月 30 日，本集团发起设立但未纳入本集团合并财务报表范围的信托计划总规模为人民币 3,396.28 亿元 (2022 年 12 月 31 日：人民币 3,054.63 亿元)。

截至 2023 年 6 月 30 日，本集团发起设立但未纳入本集团合并财务报表范围的基金投资总规模为人民币 511.38 亿元 (2022 年 12 月 31 日：人民币 2,012.25 亿元)。

截至 2023 年 6 月 30 日，本集团发起设立但未纳入本集团合并财务报表范围的资产支持证券总规模为人民币 1,104.58 亿元 (2022 年 12 月 31 日：人民币 1,367.37 亿元)。

自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间，本集团通过向自身发起设立的理财产品、信托计划投资者提供服务获取的手续费收入分别为人民币 11.15 亿元和人民币 3.45 亿元 (自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间：分别为人民币 30.44 亿元、人民币 11.54 亿元)。本集团从自身发起设立的其他未并表结构化主体中所获取的手续费收入不重大。

(3) 本集团于本年度发起但于 2023 年 6 月 30 日已不再享有权益的未纳入合并财务报表范围的结构化主体

本集团无于 2023 年 1 月 1 日之后发行，并于 2023 年 6 月 30 日之前已到期的理财产品。(本集团于 2022 年 1 月 1 日之后发行，并于 2022 年 6 月 30 日之前已到期的理财产品发行总量不重大)。

本集团于 2023 年 1 月 1 日之后发行，并于 2023 年 6 月 30 日之前已到期的资产支持证券发行总量共计人民币 2.80 亿元 (本集团于 2022 年 1 月 1 日之后发行，并于 2022 年 6 月 30 日之前已到期的资产支持证券发行总量共计人民币 1.15 亿元)。

本集团无于 2023 年 1 月 1 日之后发行，并于 2023 年 6 月 30 日之前已到期的信托计划与基金投资。

38 在其他主体中的权益

(1) 在主要子公司中的权益

(i) 集团内主要子公司

<u>子公司名称</u>	<u>主要经营地</u>	<u>注册地</u>	<u>取得方式</u>	<u>持股比例 (直接)</u>
浦银金融租赁股份有限公司	上海	上海	设立	61.02%
上海信托	上海	上海	收购	97.33%
浦银国际控股有限公司	香港	香港	收购	100.00%
浦银理财有限责任公司	上海	上海	设立	100.00%
绵竹浦发村镇银行有限责任公司	四川绵竹	四川绵竹	设立	55.00%
溧阳浦发村镇银行股份有限公司	江苏溧阳	江苏溧阳	设立	51.00%
巩义浦发村镇银行股份有限公司	河南巩义	河南巩义	设立	51.00%
上海奉贤浦发村镇银行股份有限公司	上海奉贤	上海奉贤	设立	51.00%
资兴浦发村镇银行股份有限公司	湖南资兴	湖南资兴	设立	51.00%
重庆巴南浦发村镇银行股份有限公司	重庆巴南	重庆巴南	设立	51.00%
邹平浦发村镇银行股份有限公司	山东邹平	山东邹平	设立	51.00%
泽州浦发村镇银行股份有限公司	山西晋城	山西晋城	设立	51.00%
大连甘井子浦发村镇银行股份有限公司	辽宁甘井子	辽宁甘井子	设立	51.00%
韩城浦发村镇银行股份有限公司	陕西韩城	陕西韩城	设立	51.00%
江阴浦发村镇银行股份有限公司	江苏江阴	江苏江阴	设立	51.00%
浙江平阳浦发村镇银行股份有限公司	浙江平阳	浙江平阳	设立	51.00%
浙江新昌浦发村镇银行股份有限公司	浙江新昌	浙江新昌	设立	51.00%
沅江浦发村镇银行股份有限公司	湖南沅江	湖南沅江	设立	51.00%
茶陵浦发村镇银行股份有限公司	湖南株洲	湖南株洲	设立	51.00%
临川浦发村镇银行股份有限公司	江西抚州	江西抚州	设立	51.00%
临武浦发村镇银行股份有限公司	湖南郴州	湖南郴州	设立	51.00%
衡南浦发村镇银行股份有限公司	湖南衡阳	湖南衡阳	设立	51.00%
哈尔滨呼兰浦发村镇银行股份有限公司	黑龙江哈尔滨	黑龙江哈尔滨	设立	51.00%
公主岭浦发村镇银行股份有限公司	吉林四平	吉林四平	设立	51.00%
榆中浦发村镇银行股份有限公司	甘肃兰州	甘肃兰州	设立	51.00%
富民浦发村镇银行股份有限公司	云南富民	云南富民	设立	51.00%
宁波海曙浦发村镇银行股份有限公司	浙江宁波	浙江宁波	设立	51.00%
乌鲁木齐米东浦发村镇银行股份有限公司	新疆乌鲁木齐	新疆乌鲁木齐	设立	51.00%
天津宝坻浦发村镇银行股份有限公司	天津宝坻	天津宝坻	设立	51.00%
重庆铜梁浦发村镇银行股份有限公司	重庆铜梁	重庆铜梁	设立	51.00%
黔西南义龙浦发村镇银行股份有限公司	贵州义龙	贵州义龙	设立	51.00%
扶风浦发村镇银行股份有限公司	陕西宝鸡	陕西宝鸡	设立	51.00%

上述子公司均为非上市公司，全部纳入本行合并报表的合并范围。

(ii) 重要非全资子公司的相关信息

本行评估了每一家子公司的非控制性权益，认为每一家子公司的非控制性权益对本集团均不重大。

(2) 在合营企业和联营企业中的权益

(i) 主要合营企业和联营企业的基础信息

被投资单位名称	注	主要经营地	注册地	对集团是否 具有战略性	持股比例 (直接)	业务性质
合营企业：						
浦银安盛	(a)	上海	上海	是	51%	金融业
浦发硅谷		上海	上海	是	50%	金融业

本集团对上述股权投资均采用权益法核算。

(a) 根据浦银安盛的章程，涉及决定公司的战略计划和公司自有资金的投资计划、授权董事会批准公司的年度财务预算方案与决算方案、批准公司的利润分配方案与弥补亏损方案、批准公司的任何股权转让和批准修改章程等事项的股东会决议须以特别决议的形式，经持有与会股东代表所持表决权三分之二以上的股东代表同意才能通过，因此虽然本集团持有浦银安盛 51%的表决权股份，但仍无法单独对其施加控制。

(ii) 主要合营企业和联营企业的主要财务信息

本集团的合营及联营企业均为非上市公司。上述合营企业及联营企业的净利润和净资产对本集团影响均不重大。

四 分部报告

本集团高级管理层按照本行各地分行及子公司所处的不同经济地区审阅本集团的经营情况。本行的各地分行及子公司主要服务于当地客户和极少数其他地区客户，因此经营分部以资产所在地为依据。

本集团各经营分部的主要收入来源于向客户提供各种商业银行服务及投资业务，包括存贷款、票据、贸易融资、货币市场拆借及证券投资等。

本集团的地区经营分部如下：

总行：	总行本部 (总行本部及直属机构)
长三角地区：	上海、江苏、浙江、安徽地区分行
珠三角及海西地区：	广东、福建地区分行
环渤海地区：	北京、天津、河北、山东地区分行
中部地区：	山西、河南、湖北、湖南、江西、海南地区分行
西部地区：	重庆、四川、贵州、云南、广西、陕西、甘肃、青海、宁夏、 新疆、内蒙古、西藏地区分行
东北地区：	辽宁、吉林、黑龙江地区分行
境外及附属机构：	境外分行及境内外子公司

自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间

	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
利息收入	68,804	44,513	16,682	17,352	11,328	13,208	4,701	8,580	(34,874)	150,294
其中：外部利息收入	61,732	30,598	11,512	12,131	10,702	12,188	3,694	7,737	-	150,294
分部间利息收入	7,072	13,915	5,170	5,221	626	1,020	1,007	843	(34,874)	-
利息支出	(49,769)	(27,807)	(12,130)	(11,150)	(5,939)	(7,847)	(2,724)	(7,378)	34,878	(89,866)
其中：外部利息支出	(27,257)	(24,892)	(7,791)	(10,651)	(5,611)	(4,664)	(2,610)	(6,390)	-	(89,866)
分部间利息支出	(22,512)	(2,915)	(4,339)	(499)	(328)	(3,183)	(114)	(988)	34,878	-
利息净收入	19,035	16,706	4,552	6,202	5,389	5,361	1,977	1,202	4	60,428
手续费及佣金净收入	6,126	2,983	1,421	815	518	15	58	2,026	-	13,962
净交易损益	8,883	337	143	50	56	169	48	330	(2)	10,014
金融投资净损益	817	-	-	-	-	-	-	3,952	-	4,769
其他营业净收入 / (支出)	19	28	88	33	6	51	3	1,806	(84)	1,950
营业费用	(6,025)	(6,493)	(2,327)	(3,140)	(2,181)	(2,656)	(1,006)	(2,461)	82	(26,207)
资产减值损失	(26,279)	(905)	(1,008)	(2,556)	(2,607)	(3,752)	(183)	(1,197)	-	(38,487)
联营企业及合营企业投资 净损益	120	-	-	-	-	-	-	18	-	138
分部税前利润 / (亏损) 总额	2,696	12,656	2,869	1,404	1,181	(812)	897	5,676	-	26,567

2023 年 6 月 30 日

	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
发放贷款和垫款	525,325	1,601,801	638,209	617,590	504,845	579,031	190,968	212,118	(2,983)	4,866,904
分部资产总额	4,879,656	2,545,669	756,986	1,036,242	584,373	642,433	274,684	486,573	(2,274,097)	8,932,519
吸收存款	(79,137)	(2,210,676)	(603,557)	(888,218)	(502,153)	(464,747)	(217,644)	(104,129)	732	(5,069,529)
分部负债总额	(4,203,374)	(2,533,123)	(754,099)	(1,034,924)	(583,128)	(643,363)	(274,438)	(459,087)	2,274,097	(8,211,439)
分部资产负债净头寸	676,282	12,546	2,887	1,318	1,245	(930)	246	27,486	-	721,080

自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
利息收入	64,493	42,493	16,553	19,637	13,016	15,705	4,643	4,834	(31,096)	150,278
其中：外部利息收入	58,146	31,377	12,198	12,951	12,824	14,053	4,188	4,541	-	150,278
分部间利息收入	6,347	11,116	4,355	6,686	192	1,652	455	293	(31,096)	-
利息支出	(41,635)	(25,645)	(11,432)	(12,707)	(6,550)	(9,419)	(2,732)	(2,576)	31,099	(81,597)
其中：外部利息支出	(28,980)	(21,895)	(6,724)	(10,355)	(4,994)	(4,184)	(2,191)	(2,274)	-	(81,597)
分部间利息支出	(12,655)	(3,750)	(4,708)	(2,352)	(1,556)	(5,235)	(541)	(302)	31,099	-
利息净收入	22,858	16,848	5,121	6,930	6,466	6,286	1,911	2,258	3	68,681
手续费及佣金净收入 / (支出)	9,001	2,112	1,311	584	155	(270)	119	2,269	-	15,281
净交易损益	7,991	529	196	433	199	277	61	634	(3)	10,317
金融投资净损益	2,325	-	-	-	-	-	-	43	-	2,368
其他营业净收入	38	93	8	27	-	52	5	1,711	-	1,934
营业费用	(6,067)	(6,261)	(2,291)	(2,948)	(2,240)	(2,527)	(954)	(2,781)	-	(26,069)
资产减值损失	(14,413)	(5,015)	(2,943)	(1,622)	(3,814)	(8,770)	(603)	(903)	-	(38,083)
联营企业及合营企业投 资净损益	93	-	-	-	-	-	-	11	-	104
分部利润 / (亏损) 总额	21,826	8,306	1,402	3,404	766	(4,952)	539	3,242	-	34,533

2022 年 12 月 31 日										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
发放贷款和垫款	553,520	1,538,543	611,277	631,186	515,155	570,421	189,937	190,514	(2,203)	4,798,350
分部资产总额	4,700,936	2,454,245	754,000	958,945	576,903	621,781	266,418	441,247	(2,069,824)	8,704,651
吸收存款	(82,640)	(2,101,837)	(621,945)	(846,142)	(489,845)	(444,747)	(205,831)	(101,606)	781	(4,893,812)
分部负债总额	(4,048,318)	(2,434,215)	(748,895)	(951,537)	(575,835)	(628,896)	(265,383)	(414,621)	2,069,824	(7,997,876)
分部资产负债净头寸	652,618	20,030	5,105	7,408	1,068	(7,115)	1,035	26,626	-	706,775

五 或有事项及承诺

1 信用承诺

本集团信用承诺明细如下：

	2023 年 6 月 30 日	2022 年 12 月 31 日
信用卡承诺	653,069	662,248
银行承兑汇票	630,520	729,985
开出信用证	252,989	236,245
开出保函	108,564	109,643
其他贷款承诺	49,836	41,987
	<hr/>	<hr/>
合计	<u>1,694,978</u>	<u>1,780,108</u>

2 国债兑付承诺

本集团受财政部委托作为其代理人承销国债。国债持有人可以要求提前兑付持有的国债，而本集团亦有义务对国债履行兑付责任。本集团国债提前兑付金额为国债本金及应付利息。于 2023 年 6 月 30 日，本集团及本行具有提前兑付义务的国债本金余额为人民币 70.28 亿元 (2022 年 12 月 31 日：人民币 77.81 亿元)。上述国债的原始期限为三至五年不等。管理层认为在该等国债到期日前，本集团所需提前兑付的国债金额并不重大。

3 资本性承诺

截至 2023 年 6 月 30 日止，本集团已签订合同但尚未支付的资本支出为人民币 76.91 亿元 (2022 年 12 月 31 日：人民币 75.40 亿元)。此外，本行子公司已签订合同但尚未支付的经营性固定资产采购计划为人民币 36.91 亿元 (2022 年 12 月 31 日：人民币 40.50 亿元)。

截至 2023 年 6 月 30 日止，本集团已批准但未签订合同的资本支出为人民币 47.94 亿元 (2022 年 12 月 31 日：人民币 53.30 亿元)。此外，本行子公司已批准但未签订合同的融资租赁承诺和经营性固定资产采购计划为人民币 33.46 亿元 (2022 年 12 月 31 日：人民币 8.30 亿元)。

4 诉讼事项

于 2023 年 6 月 30 日，本集团作为被告被起诉尚未判决的诉讼案件有 189 笔，涉及金额约人民币 48.64 亿元，本集团作为第三人被起诉尚未判决的诉讼案件有 155 笔，涉及金额约人民币 3.31 亿元，预计赔付金额不重大 (于 2022 年 12 月 31 日，本集团作为被告被起诉尚未判决的诉讼案件有 196 笔，涉及金额约人民币 78.00 亿元，本集团作为第三人被起诉尚未判决的诉讼案件有 209 笔，涉及金额约人民币 3.14 亿元，预计赔付金额不重大)。

六 委托贷款业务

本集团向第三方提供委托贷款业务。因委托贷款业务而持有的资产未包括在财务报表中。于 2023 年 6 月 30 日，本集团的委托贷款余额为人民币 665.53 亿元 (2022 年 12 月 31 日：人民币 673.63 亿元)。

七 关联方关系及其交易

1 持有本行 5%及以上股份的主要股东

于 2023 年 6 月 30 日和 2022 年 12 月 31 日，持有本行 5%及以上普通股份的主要股东包括：

	<u>直接持股比例</u>	<u>主营业务</u>
上海国际集团有限公司	21.57%	投资管理
中国移动通信集团广东有限公司	18.18%	移动通信
富德生命人寿保险股份有限公司—传统	9.47%	保险业务
富德生命人寿保险股份有限公司—资本金	6.01%	保险业务

2 对本行施加重大影响的其他股东

于 2023 年 6 月 30 日及 2022 年 12 月 31 日，对本行施加重大影响的其他主要股东包括：

	<u>直接持股比例</u>	<u>主营业务</u>
中国烟草总公司江苏省公司	0.78%	烟草制品

3 子公司

子公司的基本情况及相关信息详见附注三、38.(1) 在主要子公司中的权益。

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4 合营企业和联营企业

合营企业和联营企业的基本情况及相关信息详见附注三、38.(2) 在合营企业和联营企业中的权益。

5 其他主要关联方

其他关联方主要包括持有本行 5%及以上普通股股份主要股东所属集团，其他对本集团施加重大影响的主要股东所属集团，本行关键管理人员 (包括董事、监事和高级管理层) 及其关系密切的家庭成员以及该等关键管理人员或与其关系密切的家庭成员能控制、共同控制的公司以及担任董事 (不含同为双方的独立董事)、高级管理人员的公司。

6 关联方交易及余额

本集团与关联方进行的主要交易的金额及于报告期末的主要往来款项余额如下：

	<u>主要股东</u>	<u>合营企业 及联营企业</u>	<u>其他主要关联方- 主要股东 所属集团 (不含股东)</u>	<u>其他主要关联方- 关键管理人员及 其近亲属有重大 影响的企业 (不含股东)</u>	<u>其他主要关联方- 关联自然人</u>	<u>合计</u>	<u>占有关同类 交易金额/ 余额的比例</u>
自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间 进行的主要交易金额如下：							
利息收入	-	-	19	24	1	44	0.03%
利息支出	(271)	(21)	(1,341)	(141)	(1)	(1,775)	1.98%
手续费及佣金净收入	1	1	8	1	1	12	0.09%
净交易损益	-	57	-	(24)	-	33	0.22%
联营企业及合营企业投资净损益	-	138	-	-	-	138	100.00%
营业费用	(6)	-	(25)	-	-	(31)	0.12%
其他综合收益	2	-	-	2	-	4	0.18%

	主要股东	合营企业 及联营企业	其他主要关联方- 主要股东所属集团 (不含股东)	其他主要关联方- 关键管理人员及其近亲属 有重大影响的企业(不含股东)	其他主要关联方- 关联自然人	合计	占有关同类 交易金额/ 余额的比例
于 2023 年 6 月 30 日							
主要往来款项的余额如下:							
存放和拆放同业及其他金融 机构款项	-	-	-	73	-	73	0.01%
发放贷款和垫款	-	-	1,033	1,477	23	2,533	0.05%
衍生金融资产	-	5	-	566	-	571	0.81%
金融投资:							
- 以公允价值计量且其变动计入 当期损益的金融投资	-	-	-	3,256	-	3,256	0.44%
- 以摊余成本计量的金融投资	-	-	-	457	-	457	0.03%
- 以公允价值计量且其变动计入 其他综合收益的金融投资	102	-	-	1,526	-	1,628	0.29%
投资联营企业及合营企业	-	2,795	-	-	-	2,795	100.00%
其他资产	-	-	4	-	-	4	0.01%
同业及其他金融机构存入和 拆入款项	-	(1,633)	(23,443)	(2,947)	-	(28,023)	2.49%
衍生金融负债	-	(21)	-	(743)	-	(764)	1.23%
吸收存款	(12,378)	(3,107)	(82,334)	(21,641)	(34)	(119,494)	2.36%
其他负债	(1)	-	(14)	-	-	(15)	0.03%
于 2023 年 6 月 30 日							
重大表外项目如下:							
开出保函	-	4	91	-	-	95	0.09%
信用卡承诺	-	-	-	-	13	13	0.01%
提供信贷业务担保	-	-	1,756	8,209	-	9,965	0.34%
发行理财产品资金投向	-	-	-	590	-	590	0.08%
衍生金融工具名义本金	-	2,324	-	70,074	-	72,398	0.99%

注 (1): 于 2023 年 6 月 30 日, 本行关键管理人员持有本行所发行的普通股共计 1,059,600 股, 并定期获取相应的现金股利分红。

注 (2): 于 2023 年 6 月 30 日, 中国移动通信集团广东有限公司直接持有本行发行的可转换公司债券中 18.17% 的份额。

	<u>主要股东</u>	<u>合营企业 及联营企业</u>	<u>其他主要关联方 - 主要股东所属 集团 (不含股东)</u>	<u>其他主要关联方 - 关键管理人员 及其近亲属有重 大影响的企业 (不含股东)</u>	<u>其他主要关联方 - 关联自然人</u>	<u>合计</u>	<u>占有关同类 交易金额 / 余额的比例</u>
自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间 进行的主要交易金额如下:							
利息收入	-	-	32	14	1	47	0.03%
利息支出	(119)	(6)	(759)	(48)	(1)	(933)	1.14%
手续费及佣金净收入	-	60	9	11	-	80	0.41%
净交易损益	-	1	(93)	-	-	(92)	-0.89%
联营企业及合营企业投资 净损益	-	104	-	-	-	104	100.00%
营业费用	(4)	-	(85)	-	-	(89)	0.34%
其他综合收益	-	-	(27)	-	-	(27)	1.29%

	主要股东	合营企业 及联营企业	其他主要关联方- 主要股东所属集团 (不含股东)	其他主要关联方- 关键管理人员及其近亲属 有重大影响的企业(不含股东)	其他主要关联方- 关联自然人	合计	占有关同类 交易金额/ 余额的比例
于 2022 年 12 月 31 日							
主要往来款项的余额如下:							
存放和拆放同业及其他金融 机构款项	-	-	-	75	-	75	0.01%
发放贷款和垫款	-	-	1,555	1,729	23	3,307	0.07%
衍生金融资产	-	1	-	218	-	219	0.51%
金融投资:							
- 以公允价值计量且其变动计入 当期损益的金融投资	-	-	-	3,316	-	3,316	0.47%
- 以摊余成本计量的金融投资	-	-	-	447	-	447	0.04%
- 以公允价值计量且其变动计入 其他综合收益的金融投资	101	-	-	1,007	-	1,108	0.17%
投资联营企业及合营企业	-	2,655	-	-	-	2,655	100.00%
其他资产	-	-	2	-	-	2	0.01%
同业及其他金融机构存入和 拆入款项	-	(1,463)	(15,097)	(2,496)	-	(19,056)	1.86%
衍生金融负债	-	(18)	-	(177)	-	(195)	0.52%
吸收存款	(6,197)	(4,066)	(41,256)	(13,534)	(1)	(65,054)	1.33%
其他负债	(1)	-	(37)	-	-	(38)	0.07%
于 2022 年 12 月 31 日							
重大表外项目如下:							
开出保函	-	-	107	-	-	107	0.10%
信用卡承诺	-	-	-	-	12	12	0.01%
提供信贷业务担保	-	-	400	8,639	-	9,039	0.32%
银行承兑汇票	-	-	67	-	-	67	0.01%
发行理财产品资金投向	-	-	-	1,240	-	1,240	0.13%
衍生金融工具名义本金	-	919	-	59,192	-	60,111	0.98%

注 (1): 于 2022 年 12 月 31 日, 本行关键管理人员持有本行所发行的普通股共计 1,290,600 股, 并定期获取相应的现金股利分红。

注 (2): 于 2022 年 12 月 31 日, 中国移动通信集团广东有限公司直接持有本行发行的可转换公司债券中 18.17% 的份额。

7 存在控制关系的关联方

与本行存在控制关系的关联方为本行的控股子公司。与控股子公司之间的重大往来余额及交易均已在合并财务报表中抵销，主要交易的详细情况如下：

期 / 年末余额：	2023 年 6 月 30 日	2022 年 12 月 31 日
存放和拆放同业及其他金融机构款项	8,052	6,851
发放贷款和垫款	2,983	2,203
以公允价值计量且其变动计入其他综合收益的金融 投资	255	252
同业及其他金融机构存入和拆入款项	11,518	13,424
衍生金融负债	2	16
吸收存款	732	781
其他往来款	(28)	99
	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
报告期间交易：		
存放和拆放同业及其他金融机构款项利息收入	88	51
净交易损益	14	-
发放贷款和垫款利息收入	65	14
以公允价值计量且其变动计入其他综合收益的金融 投资利息收入	5	12
同业及其他金融机构存放款项利息支出	149	146
吸收存款利息支出	4	1
手续费及佣金收入	23	8
手续费及佣金支出	432	132
其他营业净收入	-	2
营业费用	100	-

8 关键管理人员薪酬

关键管理人员是指有权利及责任直接或间接地计划、指令和控制本集团活动的人员，包括董事、监事和高级管理人员。

关键管理人员各期薪酬 (不包括由本行承担的社会保险费) 如下：

	自 2023 年 1 月 1 日至 2023 年 6 月 30 日止期间	自 2022 年 1 月 1 日至 2022 年 6 月 30 日止期间
支付关键管理人员薪酬	<u>6</u>	<u>7</u>

关键管理人员薪酬为在过去 12 个月或者根据相关协议安排在未来 12 个月内在本行任职的董事、监事及高级管理人员于本年度获得由本行发放的除本行承担的社会保险费外的全部薪酬。

9 与年金计划的交易

本集团设立的企业年金基金除正常的供款外，于报告期内均未发生其它关联交易。

10 重大关联授信

重大关联交易是指本行与单个关联方之间单笔交易金额达到本行最近一期经审计净资产值 1%以上，或累计交易金额达到本行最近一期经审计净资产值 5%以上的交易。

于 2023 年上半年，本行与附注七、1 至 5 定义的集团外关联方开展的重大关联交易中无新增重大关联授信。

报告期内，与本行授信相关的重大关联交易具体情况请参见本行公开披露的相关董事会决议。

八 金融风险管理

本集团的经营面临多种金融风险，本集团分析、评估、接受和管理某种程度的风险或风险组合。管理金融风险对于金融行业至关重要，同时商业运营也必然会带来金融风险。本集团的目标是达到风险与收益之间恰当的平衡，同时尽量减少对本集团财务报表的不利影响。

本集团制定金融风险管理政策的目的是为了识别并分析相关风险，以制定适当的风险限额和控制程序，并通过可靠的信息系统对风险及其限额进行监控。

本集团面临的主要金融风险为信用风险、市场风险和流动性风险。其中市场风险包括汇率风险、利率风险和商品价格风险。

本行董事会确定本集团的风险偏好。本行高级管理层根据董事会确定的风险偏好，在信用风险、市场风险和流动性风险等领域制定相应的风险管理政策及程序，经董事会批准后由总行各部门负责执行。

1 信用风险

信用风险是因债务人或交易对手未按照约定履行其义务从而使银行业务发生损失的风险。

(1) 信用风险管理

(i) 贷款

本集团管理、限制以及控制所发现的信用风险集中度，特别是集中于单一借款人、集团、行业和区域。

本集团对同一借款人、集团、区域和行业设定限额，以优化信用风险结构。本集团适时监控上述风险，必要之时增加审阅的频率。

本集团通过定期分析借款人偿还本金和利息的能力管理信贷风险暴露，并据此适时地更新借款额度。

本集团制定了一系列政策，采取各种措施缓释信用风险。其中获取抵质押物、保证金以及取得公司或个人的担保是本集团控制信用风险的重要手段之一。本集团规定了可接受的特定抵质押物的种类，主要包括以下几个类型：

- 住宅，土地使用权
- 商业资产，如商业房产、存货和应收款项
- 金融工具，如债券和股票

抵质押物公允价值一般需经过本集团指定的专业评估机构的评估。当有迹象表明抵质押物发生减值时，本集团会重新审阅该等抵质押物是否能够充分覆盖相应贷款的信用风险。为降低信用风险，本集团规定了不同抵质押物的最高抵押率（贷款额与抵质押物公允价值的比例），企业贷款和零售贷款的主要抵质押物种类及其对应的最高抵押率如下：

<u>抵质押物</u>	<u>最高抵押率</u>
定期存单	90% - 100%
国债	90% - 100%
金融债	95%
公司类债券(含金融机构)	80%
收费权	60% - 70%
特许经营权	50%
商业用房、标准厂房	60%
商品住宅	70%
土地使用权	50% - 60%

管理层基于最新的外部估价评估抵质押物的公允价值，同时根据经验、当前的市场情况和处置费用对公允价值进行调整。

对于由第三方担保的贷款，本集团会评估担保人的财务状况，历史信用及其代偿能力。

(ii) 债券及其他票据

本集团通过控制投资规模、设定发行主体准入名单、评级准入、投后管理等机制管理债券及其他票据的信用风险敞口。一般情况下，外币债券要求购买时的发行主体外部信用评级（以标准普尔或同等评级机构为标准）在 **BBB-**或以上。境外人民币债券要求购买时发行主体的外部信用评级（中央银行认定的信用评级机构）在 **BBB+**或以上。境内中长期人民币债券评级（中央银行认定的信用评级机构）为 **AA** 或以上，短期债券评级（中央银行认定的信用评级机构）为 **A-1**。本行自营通过控制投资规模、发行主体准入名单审批、评级准入、投后管理等机制管理债券及其他票据的信用风险敞口。

(iii) 以摊余成本计量的其他金融资产

以摊余成本计量的其他金融资产主要包括资金信托及资产管理计划。本集团对合作的信托公司、证券公司和基金公司实行评级准入制度，对信托计划及资产管理计划最终融资方设定授信额度，并定期进行后续风险管理。对本行自营资金自主投资的信托计划及资产管理计划最终融资方设定额度管理，并定期进行后续风险管理。

(iv) 同业往来

本集团对单个金融机构的信用风险进行定期的审阅和管理。对于与本集团有资金往来的单个银行或非银行金融机构均设定有信用额度。本行对单个金融机构的信用风险进行定期的审阅和管理。

(v) 衍生金融工具

本集团对衍生金融工具的交易进行额度限制。对于企业客户，本集团还通过收取保证金来缓释衍生金融工具相关的信用风险。

(vi) 信用承诺

信用承诺的主要目的是确保客户能够获得所需的资金。承兑汇票、信用证和开出保函等信用承诺为本集团作出的不可撤销的承诺，即本集团承诺代客户向第三方付款或在客户无法履行其对第三方的付款义务时将代其履行支付义务，本集团承担与贷款相同的信用风险。在客户申请的信用承诺金额超过其原有授信额度的情况下，本集团将收取保证金以降低提供该项服务所承担的信用风险。本集团面临的潜在信用风险的金额等同于信用承诺的总金额。此外，本集团授予客户信用卡额度和贷款承诺，客户在未来支用信用卡额度和贷款承诺时会产生现金流出。

(vii) 受托管理信托计划

受托管理信托计划的信用风险主要表现为，在交易过程中交易对手不履行承诺，不能或不愿履行合约承诺而使信托财产或固有财产遭受潜在损失的可能性。本集团对受托管理信托计划严格实行“贷前调查、贷中审查、贷后检查”。在产品交易结构设计上，通过引入金融机构信用、财产抵押、权利质押等担保方式，综合运用规避、预防、分散、转移、补偿等手段管理风险，分散、转移融资主体的信用风险，尽力降低信用风险敞口。

(2) 信用风险衡量

本集团根据《贷款风险分类指引》(银监发 [2007] 54 号) 管理信贷资产质量, 根据《贷款风险分类指引》要求, 将信贷资产分为正常、关注、次级、可疑、损失五类, 其中后三类贷款被视为不良贷款。

报告期内, 本集团建立健全防范化解重大风险长效机制, 积极防控重点领域风险, 持续改善资产质量。

(3) 预期信用损失计量方法

本集团根据新准则要求将需要确认预期信用损失准备的金融工具划分为三个阶段, 第一阶段是“信用质量正常”阶段, 仅需计算未来一年预期信用损失, 第二阶段是“信用风险显著增加”阶段, 以及第三阶段是“已发生信用减值”阶段, 需计算整个生命周期的预期信用损失。本集团按新准则要求开发了减值模型来计算预期信用损失, 采用自上而下的开发方法, 建立了国内生产总值、居民消费价格指数等宏观指标与风险参数回归模型, 并定期预测乐观、基准和悲观共三种宏观情景, 应用减值模型计算多情景下的预期信用损失。

信用风险评级

本集团采用内部信用风险评级反映单个交易对手的违约概率评估结果, 且对不同类别的交易对手采用不同的内部评级模型。在贷款申请时收集的借款人及特定贷款信息 (例如: 可支配收入、零售敞口的担保率、公司借款人的销售收入和行业分类) 都被纳入评级模型。同时, 本集团还将征信机构借款人评分等外部数据作为补充信息。此外, 本模型还将信用风险管理人员的专家判断纳入到逐笔信用敞口的最终内部信用评级中, 从而将可能未被其他来源考虑的因素纳入评级模型。

本集团无按照企业会计准则相关要求认定为“低风险”并进行信用风险管理的金融资产。

阶段划分

信用风险显著增加

本集团在每个财务状况表日评估相关金融资产的信用风险自初始确认后是否已显著增加。本集团进行金融资产的预期信用损失阶段划分时充分考虑反映其信用风险是否出现显著变化的各种合理且有依据的信息, 包括前瞻性信息。主要考虑因素有监管及经营环境、内外部信用评级、偿债能力、经营能力、贷款合同条款、还款行为等。

当触发以下一个或多个定量、定性或上限标准时, 本集团认为金融工具的信用风险已发生显著增加:

定量标准:

本集团通过信用风险评级是否下跌到一定等级如企业贷款和金融投资交易对手在报告日的信用风险评级较初始确认时的信用风险评级下降达到 B 级及以下或违约概率较初始确认的违约概率是否大幅上升如个人贷款交易对手在报告日违约概率达到初始违约概率的 8-10 倍等表明信用风险显著增加的情况，判断金融资产的信用风险自初始确认后是否发生显著增加。

定性标准:

对于企业贷款和金融投资，如果借款人在风险监控清单上和 / 或该工具满足以下一个或多个标准:

- 信用利差显著上升
- 借款人出现业务、财务和 / 或经济状况的重大不利变化
- 实际或预期的宽限期或重组
- 借款人经营情况的实际或预期的重大不利变化
- 出现现金流 / 流动性问题的早期迹象，例如应付账款/贷款还款的延期

上限标准:

交易对手在合同付款日后逾期超过 30 天仍未付款。

根据监管机构相关通知政策，本集团审慎评估受新型冠状病毒肺炎疫情影响的借款人的贷款延期延付申请，为满足政策条件的借款人提供临时性延期还款便利，并依据延期还款的具体条款和借款人的还款能力等分析判断相关金融资产的信用风险是否自初始确认后显著增加。

违约和已发生信用减值

当金融资产发生减值时，本集团将该金融资产界定为已发生违约。当金融资产符合以下一项或多项条件时，本集团将该金融资产界定为已发生信用减值:

定性标准:

交易对手满足“难以还款”的标准，表明交易对手发生重大财务困难，示例包括:

- 发行方或债务人发生重大财务困难
- 债务人违反合同，如偿付利息或本金违约或逾期等
- 债权人出于债务人财务困难有关的经济或合同考虑，给予债务人在任何其他情况下都不会做出让步
- 债务人很可能破产或进行其他债务重组
- 发行方或债务人财务困难导致该金融资产的活跃市场消失
- 以大幅折扣购买或源生一项金融资产，该折扣反映了发生信用损失的事实

上限标准：

交易对手在合同付款日后逾期超过 90 天仍未付款。

上述标准适用于本集团所有的金融资产，且与内部信用风险管理目标保持一致。违约定义已被一致地应用于本集团的预期信用损失计算过程中对违约概率、违约损失率及违约风险敞口的模型建立。

信用风险敞口的分组

在统计预期信用损失准备和宏观经济指标关联性时，本集团将具有类似信用风险特征的资产划入同一组合，在进行分组时，本集团获取了充分的信息，确保其统计上的可靠性。根据产品类型、客户类型、客户所属行业等信用风险特征，对信用风险敞口进行风险分组。本集团定期对分组的合理性进行重检修正，对风险分组进行定性、定量的评估，当组合内的风险敞口信用风险特征发生变化时，及时对分组合理性进行重检，必要时根据相关信用风险敞口的风险特征重新划分组别。

对预期信用损失计量所使用的参数、假设及估计技术的说明

根据信用风险是否显著增加或已发生信用减值，本集团对不同的资产分别以 12 个月或整个存续期的预期信用损失计量准备损失。预期信用损失是违约概率、违约风险敞口及违约损失率三者的乘积。相关定义如下：

- 违约概率是指债务人在未来 12 个月或在整个剩余存续期发生违约的可能性。
- 违约风险敞口是指发生违约时某一债项应被偿付的金额。
- 违约损失率是指某一债项违约导致的损失金额占该违约债项风险暴露的比例。

本集团通过预计未来各单个敞口的违约概率、违约损失率和违约风险敞口，来确定预期信用损失。这种做法可以有效地计算未来各月的预期信用损失。

整个存续期违约概率是基于到期信息由 12 个月违约概率推演而成。到期分析覆盖了贷款从初始确认到整个存续期结束的违约变化情况。到期组合的基础是可观察的历史数据，并假定同一组合和信用等级的资产的情况相同。上述分析以历史数据作为支持。

本集团根据对影响违约后回收的因素来确定违约损失率。不同产品类型的违约损失率有所不同。

在确定 12 个月及整个存续期预期信用损失时应考虑前瞻性经济信息。

本报告期内，估计技术或关键假设未发生重大变化。

预期信用损失模型中包括的前瞻性信息

信用风险显著增加的评估及预期信用损失的计算均涉及前瞻性信息。本集团通过进行历史数据分析，识别出影响各资产组合的信用风险及预期信用损失的关键经济指标。

本集团依据行业最佳实践结合集团内部专家判断，选择了一系列宏观经济指标，并形成基准、乐观、悲观等多情景下的宏观经济指标预测值。对各模型敞口建立实际违约概率/违约损失率与宏观因子间的统计学关系，并通过对应宏观因子预测值计算得到实际违约概率/违约损失率的前瞻性结果。

本集团在每一个报告日重新评估情景的数量及其特征。本集团结合统计分析及专家判断来确定情景权重，并同时考虑了各情景所代表的可能结果的范围，于期末基准情景权重占比最高。本集团在判断信用风险是否发生显著增加时，使用了基准及其他情景下的整个存续期违约概率/违约损失率乘以情景权重，并考虑了定性和上限标准。在确定金融工具处于第一阶段、第二阶段或第三阶段时，也相应确定了应当按照 12 个月或整个存续期的预期信用损失计量损失准备。本集团以加权的 12 个月预期信用损失 (第一阶段) 或加权的整个存续期预期信用损失 (第二阶段及第三阶段) 计量相关的损失准备。

本集团所使用的宏观经济信息包括国内生产总值、居民消费价格指数、生产价格指数等宏观指标。其中，2023 年国内生产总值同比增长率基准情景下为 5.0%，乐观情景和悲观情景下 2023 年国内生产总值同比增长率预测值分别在基准情景预测值基础上上浮和下浮一定水平形成。

本集团认为这些预测体现了集团对可能结果的最佳估计，并分析了本集团不同组合的非线性及不对称特征，以确定所选择的情景能够适当地代表可能发生的情景。与其他经济预测类似，对预计值和发生可能性的估计具有的高度的固有不确定性，因此实际结果可能同预测存在重大差异。

评价预期信用风险的组合方法

在统计预期信用损失准备和宏观经济指标关联性时，本集团将具有类似信用风险特征的资产划入同一组合，在进行分组时，本集团获取了充分的信息，确保其统计上的可靠性。当无法从内部获取足够信息时，本集团参照内部 / 外部的补充数据用于建立模型。用于确定分组特征的信息以及补充数据列示如下：

企业贷款和金融投资

- 行业
- 担保类型

个人贷款

- 产品类型 (例如，住房贷款、消费贷款、信用卡)
- 还款方式
- 额度使用率区间
- 按照抵押率 (贷款余额 / 押品价值) 的区间

(4) 风险敞口

纳入减值评估范围的金融资产和担保承诺

下表对纳入预期信用损失评估范围的金融工具的信用风险敞口进行了分析。下列金融资产的账面价值即本集团就这些资产的最大信用风险敞口。

	2023 年 6 月 30 日			合计
	第一阶段	第二阶段	第三阶段	
存放中央银行款项	405,641	-	-	405,641
存放和拆放同业及其他金融 机构款项	522,963	-	-	522,963
买入返售金融资产	75,358	-	-	75,358
发放贷款和垫款				
- 以摊余成本计量	4,213,107	148,184	32,423	4,393,714
- 以公允价值计量且其变动计入 其他综合收益	434,849	1,238	101	436,188
金融投资				
- 以摊余成本计量	1,276,186	34,786	65,176	1,376,148
- 以公允价值计量且其变动计入 其他综合收益	556,009	1,142	5,224	562,375
其他金融资产	134,044	495	5,071	139,610
合计	<u>7,618,157</u>	<u>185,845</u>	<u>107,995</u>	<u>7,911,997</u>
	2022 年 12 月 31 日			
	第一阶段	第二阶段	第三阶段	合计
存放中央银行款项	451,545	-	-	451,545
存放和拆放同业及其他金融 机构款项	520,603	-	-	520,603
买入返售金融资产	111,411	-	-	111,411
发放贷款和垫款				
- 以摊余成本计量	4,124,772	114,014	30,804	4,269,590
- 以公允价值计量且其变动计入 其他综合收益	467,913	609	15	468,537
金融投资				
- 以摊余成本计量	1,110,862	33,764	52,065	1,196,691
- 以公允价值计量且其变动计入 其他综合收益	638,547	1,304	2,067	641,918
其他金融资产	52,218	204	4,111	56,533
合计	<u>7,477,871</u>	<u>149,895</u>	<u>89,062</u>	<u>7,716,828</u>

	2023年 6月30日	2022年 12月31日
	最大信用风险敞口	最大信用风险敞口
担保及承诺：		
信用卡承诺	648,039	658,618
银行承兑汇票	629,289	727,909
开出信用证	252,885	235,945
开出保函	108,431	109,469
其他贷款承诺	49,794	41,938
	<hr/>	<hr/>
合计	<u>1,688,438</u>	<u>1,773,879</u>

未纳入减值评估范围的金融资产

下表对未纳入预期信用损失评估范围的金融资产的最大信用风险敞口进行了分析。

	2023年 6月30日	2022年 12月31日
	最大信用风险敞口	最大信用风险敞口
以公允价值计量且其变动计入当期损益的		
金融投资	740,222	708,984
衍生金融资产	70,837	42,829
发放贷款和垫款	37,002	60,223
	<hr/>	<hr/>
合计	<u>848,061</u>	<u>812,036</u>

(5) 已发生信用减值的发放贷款和垫款

本集团密切监控已发生信用减值的金融资产对应的担保品，因为相较于其他担保品，本集团为降低潜在信用损失而没收这些担保品的可能性更大。于2023年6月30日，本集团已发生信用减值的发放贷款和垫款账面余额为人民币973.80亿元(2022年12月31日：人民币862.12亿元)，其中，有担保物覆盖的部分为人民币463.22亿元(2022年12月31日：人民币335.30亿元)。

(6) 债券及其他投资

下表列示了标准普尔或债券发行机构所在国家主要评级机构的评级对本集团持有债券及其他债项投资的评级情况。

	2023 年 6 月 30 日			合计
	以公允价值计量 且其变动计入 当期损益的 <u>金融投资</u>	以摊余成本计 量的金融投资	以公允价值计量 且其变动计入 其他综合收益 的金融投资	
中长期债券:				
AAA	40,881	629,457	143,913	814,251
AA+到 AA-	-	6,302	10,439	16,741
A+到 A-	274	914	1,511	2,699
A-以下	2,442	4,939	21,281	28,662
短期债券:				
AAA	1,334	9,429	228	10,991
AA+到 AA-	375	23	-	398
A 及 A 以下	100	203	733	1,036
未评级	205,005	724,881	384,270	1,314,156
	250,411	1,376,148	562,375	2,188,934

	2022 年 12 月 31 日			合计
	以公允价值计量 且其变动计入 当期损益的 <u>金融投资</u>	以摊余成本计 量的金融投资	以公允价值计量 且其变动计入 其他综合收益 的金融投资	
中长期债券:				
AAA	19,215	568,206	133,477	720,898
AA+到 AA-	2,989	4,101	14,486	21,576
A+到 A-	327	6,117	22,596	29,040
A-以下	726	5,136	28,738	34,600
短期债券:				
AAA	3,823	10,475	1,188	15,486
AA+到 AA-	518	-	-	518
A 及 A 以下	115	1,370	-	1,485
未评级	208,840	601,286	441,433	1,251,559
	236,553	1,196,691	641,918	2,075,162

2 市场风险

市场风险是指因市场价格(利率、汇率、股票价格和商品价格)的不利变动而使银行表内和表外业务发生损失的风险。本集团面临的市场风险存在于本集团的交易账户与银行账户中,主要包括利率风险和汇率风险,以及商品价格风险。本集团认为本集团面临的商品价格风险并不重大。

董事会承担对市场风险管理实施监控的最终责任,确保集团有效地识别、计量、监测和控制各项业务所承担的各类市场风险。在董事会的授权下,高级管理层负责集团市场风险管理体系的建设,建立分工明确的市场风险管理组织结构、权限结构和责任机制。执行层各部门负责从政策流程、计量方法、计量模型、分析报告、限额管控等方面落实集团市场风险管理的执行工作,及时准确地识别、计量、监测与控制所辖领域内的市场风险,并向董事会和高级管理层进行汇报。

同时,集团市场风险管理遵照内部控制与外部督查相结合的原则,各业务经营部门承担有关市场风险管理的日常内控职责,并与市场风险管理部门和合规部门,以及审阅部门构成市场风险管理的三道防线。

本集团按照既定标准和当前管理能力测度市场风险,其主要的测度方法包括压力测试、风险价值分析、返回检验、缺口分析、敏感性分析等。在新产品或新业务上线前,该产品和业务中的市场风险将按照规定流程予以辨识。

(1) 汇率风险

本集团主要在中华人民共和国境内经营，主要经营人民币业务，外币业务以美元为主。下表汇总了本集团于财务状况表日的外币汇率风险敞口分布，各原币金融资产和金融负债的账面价值已折合为人民币金额：

	2023年6月30日				
	人民币	美元 折合人民币	港币 折合人民币	其他币种 折合人民币	本外币 折合人民币 合计
现金及存放中央银行 款项	368,184	42,056	536	243	411,019
存放和拆放同业及其他 金融机构款项	403,557	92,871	5,035	21,500	522,963
衍生金融资产	65,076	5,687	20	54	70,837
买入返售金融资产	75,140	218	-	-	75,358
发放贷款和垫款	4,679,378	128,237	42,830	16,459	4,866,904
金融投资：					
以公允价值计量且其 变动计入当期损益 的金融投资	728,930	11,106	186	-	740,222
以摊余成本计量的 金融投资	1,344,587	30,221	1,094	246	1,376,148
以公允价值计量且其 变动计入其他综合 收益的金融投资	444,215	113,663	6,035	5,491	569,404
其他金融资产	138,918	541	27	124	139,610
金融资产总额	8,247,985	424,600	55,763	44,117	8,772,465
向中央银行借款	202,042	-	-	-	202,042
同业及其他金融机构存 入和拆入款项	878,206	130,462	14,522	14,521	1,037,711
以公允价值计量且其变 动计入当期损益的 金融负债	14,920	-	-	-	14,920
衍生金融负债	60,037	2,294	4	6	62,341
卖出回购金融资产款	361,194	11,900	-	-	373,094
吸收存款	4,822,679	217,897	11,143	17,810	5,069,529
已发行债务证券	1,220,102	49,538	2,731	-	1,272,371
租赁负债	6,512	3	863	54	7,432
其他金融负债	41,769	1,751	308	1,701	45,529
金融负债总额	7,607,461	413,845	29,571	34,092	8,084,969
金融工具净头寸	640,524	10,755	26,192	10,025	687,496
货币衍生合约	32,137	(21,701)	(10,293)	(452)	(309)
信用承诺	1,627,254	50,901	4,398	5,885	1,688,438

	2022 年 12 月 31 日				
	人民币	美元 折合人民币	港币 折合人民币	其他币种 折合人民币	本外币 折合人民币 合计
现金及存放中央银行 款项	410,885	41,178	4,774	252	457,089
存放和拆放同业及其他 金融机构款项	393,830	98,303	5,881	22,589	520,603
衍生金融资产	38,160	4,614	3	52	42,829
买入返售金融资产	111,395	16	-	-	111,411
发放贷款和垫款	4,609,625	132,841	38,499	17,385	4,798,350
金融投资：					
以公允价值计量且其 变动计入当期损益 的金融投资	699,988	8,996	-	-	708,984
以摊余成本计量的 金融投资	1,174,049	22,410	-	232	1,196,691
以公允价值计量且其 变动计入其他综合 收益的金融投资	535,992	106,628	3,740	3,428	649,788
其他金融资产	29,226	21,730	3,897	1,680	56,533
金融资产总额	8,003,150	436,716	56,794	45,618	8,542,278
向中央银行借款	165,133	-	-	-	165,133
同业及其他金融机构存 入和拆入款项	842,710	145,542	18,646	19,902	1,026,800
以公允价值计量且其变 动计入当期损益的 金融负债	94,781	-	-	-	94,781
衍生金融负债	36,047	1,460	16	3	37,526
卖出回购金融资产款	337,259	8,743	4,166	-	350,168
吸收存款	4,636,107	229,607	16,633	11,465	4,893,812
已发行债务证券	1,291,088	33,804	5,412	-	1,330,304
租赁负债	6,907	1	859	65	7,832
其他金融负债	30,571	1,214	278	1,350	33,413
金融负债总额	7,440,603	420,371	46,010	32,785	7,939,769
金融工具净头寸	562,547	16,345	10,784	12,833	602,509
货币衍生合约	15,543	(12,119)	(6,085)	(6,027)	(8,688)
信用承诺	1,707,794	55,080	4,890	6,115	1,773,879

本集团采用敏感性分析衡量汇率变化对本集团净利润的可能影响。下表列出了于财务状况表日按当日金融资产和金融负债进行汇率敏感性分析结果。

净利润	2023 年 6 月 30 日		2022 年 12 月 31 日	
	汇率变动		汇率变动	
(减少) / 增加	-1%	1%	-1%	1%
美元对人民币	82	(82)	(32)	32
其他外币对人民币	(191)	191	(86)	86

以上敏感性分析基于资产和负债具有静态的汇率风险结构，其计算了当其他因素不变时，外币对人民币汇率的合理可能变动对净利润的影响。有关的分析基于以下假设：(1) 各种汇率敏感度是指各币种对人民币于报告日当天收盘(中间价)汇率绝对值波动 1%造成的汇兑损益；(2) 其他外币汇率变动是指其他外币对人民币汇率同时同向波动；(3) 计算外汇敞口时，包含了即期外汇敞口和远期外汇敞口。由于基于上述假设，汇率变化导致本集团净利润出现的实际变化可能与此敏感性分析的结果不同。

(2) 利率风险

利率风险是指由于利率水平、期限结构等要素发生不利变动导致整体收益和经济价值遭受损失的风险，包括银行账簿的利率风险和交易账簿的利率风险。

银行账簿利率风险，是指利率水平、期限结构等不利变动导致银行账簿经济价值和整体收益遭受损失的风险。本集团已建立完善的银行账簿利率风险治理体系，本行董事会负责批准银行账簿利率风险偏好及重要的政策与程序，承担银行账簿利率风险管理的最终责任；本行高级管理层负责根据董事会批准的银行账簿利率风险偏好，制定适当的银行账簿利率风险管理机制、组织架构、制度与流程等，以保障管理目标的实现；本行总行资产负债管理部负责牵头组织实施日常风险识别、计量、监测、控制与缓释管理，本行总行审计部负责对银行账簿利率风险管理独立开展内部审计。

本集团主要采用重定价缺口分析、久期分析、敏感性分析、情景模拟等适当的计量方法与工具对银行账簿利率风险进行计量、监测。报告期内，本集团秉承中性审慎的银行账簿利率风险偏好及风险策略管理，加强对国内外宏观政策及货币政策的研判，结合利率市场化、利率曲线变化趋势的影响，实行动态监测与前瞻性风险管理；报告期内，本集团通过资产负债主动配置工具、价格工具引导业务规模与期限结构按照风险管理策略及资产负债经营目标方向调整，保持银行账簿利率风险指标在董事会风险偏好范围内并可持续运行。

此外，本集团密切关注国际基准利率改革监管政策与同业动态，转换工作持续开展，相关工作有序进行。

本集团的利率风险敞口如下表列示。各项金融资产和金融负债按合同约定的重新定价日与到期日两者较早者，以账面价值列示。

	2023 年 6 月 30 日						
	1 个月以内	1 至 3 个月	3 个月至 1 年	1 至 5 年	5 年以上	不计息	合计
资产							
现金及存放中央银行款项	397,391	-	-	-	-	13,628	411,019
存放和拆放同业及其他金融机构款项	154,860	69,861	259,782	33,975	-	4,485	522,963
衍生金融资产	-	-	-	-	-	70,837	70,837
买入返售金融资产	75,123	218	-	-	-	17	75,358
发放贷款和垫款	741,761	678,272	2,934,736	370,475	125,957	15,703	4,866,904
金融投资：							
以公允价值计量且其变动计入当期损益的金融投资	14,007	42,263	52,154	27,613	6,894	597,291	740,222
以摊余成本计量的金融投资	120,330	35,815	130,756	521,045	551,576	16,626	1,376,148
以公允价值计量且其变动计入其他综合收益的金融投资	11,134	22,841	115,512	325,247	80,238	14,432	569,404
其他金融资产	3,611	-	25,774	-	-	110,225	139,610
金融资产总额	1,518,217	849,270	3,518,714	1,278,355	764,665	843,244	8,772,465
负债							
向中央银行借款	2,029	41,649	155,648	-	-	2,716	202,042
同业及其他金融机构存入和拆入款项	776,302	126,682	119,984	3,909	5,510	5,324	1,037,711
以公允价值计量且其变动计入当期损益的金融负债	-	-	-	-	-	14,920	14,920
衍生金融负债	-	-	-	-	-	62,341	62,341
卖出回购金融资产款	325,633	29,681	17,699	-	-	81	373,094
吸收存款	2,981,484	416,913	736,776	866,618	8	67,730	5,069,529
已发行债务证券	89,104	198,840	628,596	226,451	121,091	8,289	1,272,371
租赁负债	263	501	2,003	4,394	271	-	7,432
其他金融负债	384	230	1,825	-	-	43,090	45,529
金融负债总额	4,175,199	814,496	1,662,531	1,101,372	126,880	204,491	8,084,969
净额	(2,656,982)	34,774	1,856,183	176,983	637,785	638,753	687,496

	2022 年 12 月 31 日						合计
	1 个月以内	1 至 3 个月	3 个月至 1 年	1 至 5 年	5 年以上	不计息	
资产							
现金及存放中央银行款项	438,508	-	-	-	-	18,581	457,089
存放和拆放同业及其他金融机构款项	157,534	64,404	203,168	91,624	-	3,873	520,603
衍生金融资产	-	-	-	-	-	42,829	42,829
买入返售金融资产	111,411	-	-	-	-	-	111,411
发放贷款和垫款	1,395,798	630,198	1,770,381	886,827	99,375	15,771	4,798,350
金融投资：							
以公允价值计量且其变动计入当期损益的金融投资	16,637	14,019	45,332	34,596	10,930	587,470	708,984
以摊余成本计量的金融投资	61,446	13,788	109,933	548,664	448,477	14,383	1,196,691
以公允价值计量且其变动计入其他综合收益的金融投资	9,359	25,301	189,497	328,630	82,285	14,716	649,788
其他金融资产	3,790	-	14,368	-	-	38,375	56,533
金融资产总额	2,194,483	747,710	2,332,679	1,890,341	641,067	735,998	8,542,278
负债							
向中央银行借款	9,928	13,211	140,686	-	-	1,308	165,133
同业及其他金融机构存入和拆入款项	780,456	101,955	136,115	5,072	239	2,963	1,026,800
以公允价值计量且其变动计入当期损益的金融负债	-	-	-	-	-	94,781	94,781
衍生金融负债	-	-	-	-	-	37,526	37,526
卖出回购金融资产款	283,601	42,179	24,291	-	-	97	350,168
吸收存款	2,834,624	411,040	726,397	854,409	8	67,334	4,893,812
已发行债务证券	63,213	316,452	565,582	257,727	121,091	6,239	1,330,304
租赁负债	332	446	2,043	4,674	337	-	7,832
其他金融负债	441	230	2,383	-	-	30,359	33,413
金融负债总额	3,972,595	885,513	1,597,497	1,121,882	121,675	240,607	7,939,769
净额	(1,778,112)	(137,803)	735,182	768,459	519,392	495,391	602,509

注：以上列示为 1 个月以内的金融资产包括于 2023 年 6 月 30 日和 2022 年 12 月 31 日的逾期金额 (扣除减值准备)。

本集团采用敏感性分析衡量利率变化对本集团净利润和权益的可能影响。下表列出于财务状况表日按当日资产和负债进行利率敏感性分析结果。

	2023 年 6 月 30 日		2022 年 12 月 31 日	
	利率变动 (基点)		利率变动 (基点)	
	-100	+100	-100	+100
净利润增加 / (减少)	2,941	(2,941)	3,487	(3,487)
权益中其他综合收益 增加 / (减少)	7,822	(7,335)	8,213	(7,703)

以上敏感性分析基于资产和负债具有静态的利率风险结构。有关的分析仅衡量一年内利率变化，反映为一年内本集团资产和负债的重新定价对本集团按年化计算利息收入的影响，基于以下假设：(1) 除活期存款外，所有在三个月内及三个月后但一年内重新定价或到期的资产和负债均假设在有关期间中间重新定价或到期；(2) 活期存款和央行存款准备金利率保持不变；(3) 收益率曲线随利率变化而平行移动；(4) 资产和负债组合并无其他变化。由于基于上述假设，利率增减导致本集团净利润出现的实际变化可能与此敏感性分析的结果不同。

权益变动的敏感性分析是基于收益率曲线随利率变动而平移的假设，通过设定利率变动一定百分比对期末以公允价值计量且其变动计入其他综合收益的债务工具公允价值进行重新估算得出的。

3 流动性风险

本集团流动性风险管理目标是确保履行对客户提款及支付义务，实现资产负债总量与结构均衡；通过积极主动管理，降低流动性成本，避免自身流动性危机发生，并有效应对系统性流动性风险。

本集团建立了较为完善的流动性风险治理体系。本行董事会负责审核批准流动性风险偏好及重要的政策与程序，承担对流动性风险管理的最终责任；本行监事会负责对董事会和高管层的流动性风险管理履职情况进行监督；本行高级管理层负责根据董事会批准的流动性风险偏好，制定适当的流动性风险管理机制、组织架构、制度与流程、风险限额、压力测试关键假设及应急预案方案等，以保障管理目标的实现；本行资产负债管理委员会负责审议流动性风险管理策略、风险限额、压力测试关键假设等。本行总行资产负债管理部负责拟定集团流动性风险管理政策和程序，并牵头开展流动性风险管理各项定性分析和定量计量监测等具体管理工作。本行总行审计部负责对流动性风险独立开展内部审计。本集团流动性风险偏好审慎，符合监管要求和本集团自身管理需要。

本集团流动性风险管理体系主要分为日常流动性管理体系与应急管理体系，具体内容主要涉及十个方面，分别是政策策略、管理架构、规章制度、管理工具、日常运行、压力测试、系统建设、风险监测、风险报告、应急管理以及应急演练。

报告期内，本集团根据总量平衡、结构均衡的要求，实行分层次的流动性风险前瞻性、主动性管理；对本外币日常头寸账户进行实时监测，对本外币头寸实行集中调拨；建立大额头寸提前申报制度，对流动性总量水平建立监测机制；按日编制现金流缺口表，运用缺口管理方法预测未来财务状况表内外项目现金流缺口变化状况；及时对财务状况表内外项目进行流动性风险评估，根据本集团流动性风险政策和风险限额要求，通过主动融资安排、资产负债组合调整，使本集团的业务发展总量、结构、节奏满足流动性安全的要求。

下表按剩余期限列示的本集团非衍生金融资产和非衍生金融负债为合同规定的未贴现现金流。

	2023年6月30日							合计
	即时偿还	3个月内	3个月至1年	1至5年	5年以上	已逾期	无期限	
资产								
现金及存放中央银行款项	69,005	154	-	-	-	-	341,860	411,019
存放和拆放同业及其他金融机构款项	109,922	116,772	268,455	35,849	-	-	-	530,998
买入返售金融资产	-	75,453	-	-	-	-	-	75,453
发放贷款和垫款	-	1,099,278	1,517,829	1,776,959	1,143,655	79,537	-	5,617,258
金融投资：								
以公允价值计量且其变动计入当期损益的金融投资	566,270	55,566	54,069	38,343	8,219	2,003	29,934	754,404
以摊余成本计量的金融投资	-	82,621	158,883	640,868	644,407	99,255	-	1,626,034
以公允价值计量且其变动计入其他综合收益的金融投资	-	37,563	129,903	360,610	89,247	500	7,029	624,852
其他金融资产	111,955	-	-	-	-	9,696	25,808	147,459
金融资产总额	<u>857,152</u>	<u>1,467,407</u>	<u>2,129,139</u>	<u>2,852,629</u>	<u>1,885,528</u>	<u>190,991</u>	<u>404,631</u>	<u>9,787,477</u>
负债								
向中央银行借款	-	44,747	159,495	-	-	-	-	204,242
同业及其他金融机构存入和拆入款项	614,606	292,004	124,293	4,474	7,622	-	-	1,042,999
以公允价值计量且其变动计入当期损益的金融负债	9,028	-	-	4,187	1,705	-	-	14,920
卖出回购金融资产款	-	355,390	17,704	-	-	-	-	373,094
吸收存款	2,254,442	1,163,816	759,690	1,020,591	9	-	-	5,198,548
已发行债务证券	-	288,275	690,558	276,789	137,072	-	-	1,392,694
租赁负债	-	768	2,048	4,734	346	-	-	7,896
其他金融负债	40,719	1,281	1,317	1,679	739	-	-	45,735
金融负债总额	<u>2,918,795</u>	<u>2,146,281</u>	<u>1,755,105</u>	<u>1,312,454</u>	<u>147,493</u>	<u>-</u>	<u>-</u>	<u>8,280,128</u>
净额	<u>(2,061,643)</u>	<u>(678,874)</u>	<u>374,034</u>	<u>1,540,175</u>	<u>1,738,035</u>	<u>190,991</u>	<u>404,631</u>	<u>1,507,349</u>
衍生金融工具								
-流入	-	1,261,080	239,846	51,961	35	-	-	1,552,922
-流出	-	1,256,509	240,837	51,590	70	-	-	1,549,006
衍生金融工具净额	<u>-</u>	<u>4,571</u>	<u>(991)</u>	<u>371</u>	<u>(35)</u>	<u>-</u>	<u>-</u>	<u>3,916</u>
信用承诺	<u>666,171</u>	<u>410,388</u>	<u>571,254</u>	<u>45,235</u>	<u>1,930</u>	<u>-</u>	<u>-</u>	<u>1,694,978</u>

	2022年12月31日							合计
	即时偿还	3个月内	3个月至1年	1至5年	5年以上	已逾期	无期限	
资产								
现金及存放中央银行款项	111,023	171	-	-	-	-	345,895	457,089
存放和拆放同业及其他金融机构款项	126,368	98,099	209,369	96,200	-	-	-	530,036
买入返售金融资产	-	111,474	-	-	-	-	-	111,474
发放贷款和垫款	-	1,170,013	1,303,271	1,341,820	1,494,711	93,584	-	5,403,399
金融投资：								
以公允价值计量且其变动计入当期损益的金融投资	568,330	39,621	48,406	38,710	14,595	1,237	19,140	730,039
以摊余成本计量的金融投资	-	44,470	137,783	665,178	538,692	54,108	-	1,440,231
以公允价值计量且其变动计入其他综合收益的金融投资	-	37,630	205,497	369,450	92,898	806	7,870	714,151
其他金融资产	39,680	-	-	-	-	7,804	14,403	61,887
金融资产总额	845,401	1,501,478	1,904,326	2,511,358	2,140,896	157,539	387,308	9,448,306
负债								
向中央银行借款	-	23,745	144,173	-	-	-	-	167,918
同业及其他金融机构存入和拆入款项	564,341	320,733	139,124	5,695	293	-	-	1,030,186
以公允价值计量且其变动计入当期损益的金融负债	91,189	-	-	3,099	493	-	-	94,781
卖出回购金融资产款	-	326,083	24,471	-	-	-	-	350,554
吸收存款	2,117,549	1,172,671	761,414	983,266	10	-	-	5,034,910
已发行债务证券	-	386,202	586,704	341,481	137,072	-	-	1,451,459
租赁负债	-	781	2,072	5,069	435	-	-	8,357
其他金融负债	28,471	1,292	1,529	1,468	720	-	-	33,480
金融负债总额	2,801,550	2,231,507	1,659,487	1,340,078	139,023	-	-	8,171,645
净额	(1,956,149)	(730,029)	244,839	1,171,280	2,001,873	157,539	387,308	1,276,661
衍生金融工具								
-流入	-	147,576	127,188	42,081	97	-	-	316,942
-流出	-	146,786	124,007	40,822	56	-	-	311,671
衍生金融工具净额	-	790	3,181	1,259	41	-	-	5,271
信用承诺	674,372	352,583	705,794	44,719	2,640	-	-	1,780,108

4 金融工具的公允价值

(1) 公允价值层次

按照在公允价值计量中对计量整体具有重大意义的最低层次的输入值，公允价值层次可分为：

- 第一层次—相同资产或负债在活跃市场上未经调整的报价。这一层次包括上市的权益证券、债权工具和开放式基金投资。
- 第二层次—除第一层次输入值外相关资产或负债直接或间接可观察的输入值。这一层次包括大部分场外交易的衍生工具和债券。收益率曲线或对手方信用风险的输入值参数的来源是 Thomson Reuters、Bloomberg 和中国债券信息网。
- 第三层次—相关资产或负债的不可观察输入值。这一层次包括权益工具和具有重大非可观察组成部分的债权工具。

(2) 非以公允价值计量的金融工具

财务状况表中不以公允价值计量的金融资产和金融负债主要包括：存放中央银行款项、存放和拆放同业及其他金融机构款项、买入返售金融资产、发放贷款和垫款(以摊余成本计量)、以摊余成本计量的金融投资、向中央银行借款、同业及其他金融机构存入和拆入款项、卖出回购金融资产款、吸收存款、租赁负债和已发行债务证券。

下表列示了本集团在财务状况表日，未按公允价值列示的金融投资—以摊余成本计量的金融投资、已发行债务证券的账面价值以及相应的公允价值。

	2023 年 6 月 30 日				
	账面价值	公允价值			合计
		第一层次	第二层次	第三层次	
金融资产：					
金融投资—以摊余成本计量的金融投资	1,376,148	-	970,647	423,837	1,394,484
金融负债：					
已发行债务证券	1,272,371	-	1,260,757	-	1,260,757
	2022 年 12 月 31 日				
	账面价值	公允价值			合计
		第一层次	第二层次	第三层次	
金融资产：					
金融投资—以摊余成本计量的金融投资	1,196,691	-	807,715	398,823	1,206,538
金融负债：					
已发行债务证券	1,330,304	-	1,321,274	-	1,321,274

(i) 金融投资—以摊余成本计量的金融投资

以摊余成本计量的金融投资的公允价值以市场报价为基础，属于第一层次。如果以摊余成本计量的金融投资无法获得相关的市场信息，则使用现金流贴现模型来进行估价，属于第三层次。在适用的情况下，以摊余成本计量的金融投资参照中央国债登记结算有限责任公司、中证指数有限公司或彭博的估值结果来确定，属于第二层次。

(ii) 已发行债务证券

已发行债务证券的公允价值以市场上公开报价为基础。对无法获得市场报价的债券，其公允价值以与该债券的剩余期限匹配类似的实际收益率为基础的，以现金流量贴现法确定计算。

除上述金融资产和金融负债外，在财务状况表中非以公允价值计量的其他金融资产和金融负债采用未来现金流折现法确定其公允价值，由于这些金融工具期限较短，或其利率随市场利率浮动，其账面价值和公允价值无重大差异。

(3) 持续的以公允价值计量的资产和负债

	2023 年 6 月 30 日			
	第一层次	第二层次	第三层次	合计
金融投资：				
以公允价值计量且其变动计入				
当期损益的金融投资				
- 基金投资	360,374	702	1,085	362,161
- 债券投资	943	128,448	853	130,244
- 券商收益凭证	-	30,197	-	30,197
- 权益投资	2,722	254	15,621	18,597
- 资金信托及				
资产管理计划	-	9,861	5,891	15,752
- 资产支持证券	-	2,023	-	2,023
- 同业存单	-	398	-	398
- 其他投资	101,274	72,033	7,543	180,850
以公允价值计量且其变动计入				
其他综合收益的金融投资				
- 债券投资	59,664	445,405	-	505,069
- 同业存单	-	41,528	-	41,528
- 资产支持证券	-	8,375	-	8,375
- 抵债股权	1	-	1,861	1,862
- 其他投资	-	-	5,167	5,167
发放贷款和垫款：				
以公允价值计量且其				
变动计入其他综合收益				
- 贴现	-	358,784	-	358,784
- 贸易融资	-	77,404	-	77,404
以公允价值计量且其				
变动计入当期损益				
- 贸易融资	-	29,508	-	29,508
- 贴现	-	7,494	-	7,494
衍生金融资产	-	70,837	-	70,837
金融资产合计	524,978	1,283,251	38,021	1,846,250
衍生金融负债	-	62,341	-	62,341
以公允价值计量且其变动计入				
当期损益的金融负债				
- 合并结构化主体中其他份				
额持有人权益	8,906	89	416	9,411
- 与债券相关的金融负债	5,387	-	-	5,387
- 与贵金属相关的金融负债	122	-	-	122
金融负债合计	14,415	62,430	416	77,261

	2022 年 12 月 31 日			
	第一层次	第二层次	第三层次	合计
金融投资：				
以公允价值计量且其变动计入当期损益的金融投资				
- 基金投资	356,881	428	876	358,185
- 债券投资	1,609	104,312	853	106,774
- 券商收益凭证	-	20,348	-	20,348
- 权益投资	3,844	-	15,296	19,140
- 资金信托及资产管理计划	-	8,315	5,797	14,112
- 同业存单	-	5,296	-	5,296
- 资产支持证券	-	4,683	-	4,683
- 其他投资	86,696	86,057	7,693	180,446
以公允价值计量且其变动计入其他综合收益的金融投资				
- 债券投资	50,872	490,279	-	541,151
- 同业存单	-	91,035	-	91,035
- 资产支持证券	-	2,886	-	2,886
- 抵债股权	202	-	2,498	2,700
- 其他投资	-	-	5,170	5,170
发放贷款和垫款：				
以公允价值计量且其变动计入其他综合收益				
- 贴现	-	399,810	-	399,810
- 贸易融资	-	68,727	-	68,727
以公允价值计量且其变动计入当期损益				
- 贸易融资	-	50,961	-	50,961
- 贴现	-	9,262	-	9,262
衍生金融资产	-	42,829	-	42,829
金融资产合计	500,104	1,385,228	38,183	1,923,515
衍生金融负债	-	37,526	-	37,526
以公允价值计量且其变动计入当期损益的金融负债				
- 合并结构化主体中其他份额持有人权益	6,430	101	474	7,005
- 与债券相关的金融负债	3,099	-	-	3,099
- 与贵金属相关的金融负债	134	-	-	134
金融负债合计	9,663	37,627	474	47,764

本集团以导致各层次之间转换的事项发生日为确认各层次之间转换的时点。本期间无第一层次与第二层次间的转换。

(i) 第二层次的金融工具

没有在活跃市场买卖的金融工具 (例如场外衍生工具) 的公允价值利用估值技术确定。估值技术尽量利用可观察市场数据 (如有), 尽量少依赖主体的特定估计。如计算一金融工具的公允价值所需的所有重大输入为可观察数据, 则该金融工具列入第二层次。如一项或多项重大输入并非根据可观察市场数据, 则该金融工具列入第三层次。

本集团划分为第二层次的金融工具主要包括债券投资、外汇远期及掉期、利率掉期及外汇期权等。人民币债券的公允价值按照中央国债登记结算有限责任公司的估值结果确定, 外币债券的公允价值按照彭博的估值结果确定。外汇远期及掉期、利率掉期、外汇期权等采用现金流折现法和布莱尔-斯科尔斯模型等方法对其进行估值。所有重大估值参数均采用可观察市场信息。

(ii) 第三层次的金融工具

本集团上述第三层次资产和负债变动如下:

	以公允价值计 量且其变动计 入当期损益的 金融投资	以公允价值计 量且其变动计 入其他综合收 益的金融投资	以公允价值计 量且其变动计 入当期损益的 金融负债	合计
2023 年 1 月 1 日	30,515	7,668	(474)	37,709
购入	9,352	-	(508)	8,844
出售或结算	(8,258)	-	493	(7,765)
计入损益的利得或损失	(616)	-	73	(543)
计入其他综合收益的利得或 损失的变动	-	(640)	-	(640)
2023 年 6 月 30 日	<u>30,993</u>	<u>7,028</u>	<u>(416)</u>	<u>37,605</u>
2023 年 6 月 30 日仍持有的 金融工具计入 2023 年上半 年损益的未实现利得或损失	<u>715</u>	<u>-</u>	<u>36</u>	<u>751</u>

	以公允价值计 量且其变动计 入当期损益的 <u>金融投资</u>	以公允价值计 量且其变动计 入其他综合收 益的 <u>金融投资</u>	以公允价值计 量且其变动计 入当期损益的 <u>金融负债</u>	<u>合计</u>
2022 年 1 月 1 日	26,672	6,690	(514)	32,848
购入	8,067	996	(747)	8,316
出售或结算	(4,466)	(2)	634	(3,834)
计入损益的利得或损失	242	-	153	395
计入其他综合收益的利得或 损失的变动	-	(16)	-	(16)
2022 年 12 月 31 日	<u>30,515</u>	<u>7,668</u>	<u>(474)</u>	<u>37,709</u>
2022 年 12 月 31 日仍持有的 金融工具计入 2022 年损益 的未实现利得或损失	<u>(303)</u>	<u>-</u>	<u>37</u>	<u>(266)</u>

使用重要不可观察输入值的第三层次公允价值计量的相关信息如下：

	2023 年 6 月 30 日 <u>公允价值</u>	<u>估值技术</u>	<u>不可观察 输入值</u>
金融投资			
以公允价值计量且其变动计入 当期损益的金融投资			
- 基金投资	1,085	参考最近交易	流动性折扣
- 债券投资	853	收益法	贴现率
- 权益投资	13,091	收益法	贴现率
	2,530	参考最近交易	流动性折扣
- 资金信托及资产管理计划	5,891	收益法	贴现率
- 理财产品及结构性存款	1,144	参考最近交易	流动性折扣
- 其他投资	6,399	参考最近交易	流动性折扣
	<u>30,993</u>		
以公允价值计量且其变动计入 其他综合收益的金融投资			
- 抵债股权	1,213	市场法	流动性折扣-市净率
	648	资产净值法	流动性折扣
- 其他投资	956	市场法	流动性折扣-市净率
	4,093	资产净值法	流动性折扣
	118	收益法	贴现率
	<u>7,028</u>		
以公允价值计量且其变动计入 当期损益的金融负债			
- 合并结构化主体中其他份额 持有人权益	<u>416</u>	注 1	注 1

	2022 年 12 月 31 日 公允价值	估值技术	不可观察 输入值
金融投资			
以公允价值计量且其变动计入当期损益的金融投资			
- 基金投资	876	参考最近交易	流动性折扣
- 债券投资	853	收益法	贴现率
- 资金信托及资产管理计划	5,797	收益法	贴现率
- 权益投资	11,736	收益法	贴现率
	3,560	参考最近交易	流动性折扣
- 理财产品及结构性存款	1,133	参考最近交易	流动性折扣
- 其他投资	6,560	参考最近交易	流动性折扣
	30,515		
以公允价值计量且其变动计入其他综合收益的金融投资			
- 抵债股权	1,704	市场法	流动性折扣-市净率
	794	资产净值法	流动性折扣
- 其他投资	956	市场法	流动性折扣-市净率
	4,093	资产净值法	流动性折扣
	121	收益法	贴现率
	7,668		
以公允价值计量且其变动计入当期损益的金融负债			
- 合并结构化主体中其他份额持有人权益	474	注 1	注 1

注 1：合并结构化主体中其他份额持有人权益的公允价值是基于结构化主体的净值计算的归属于结构化主体投资人的金额。

5 金融资产与金融负债的抵销

本集团部分金融资产与金融负债遵循可执行的净额结算安排或类似协议。本集团与其交易对手之间的该类协议通常允许在双方同意的情况下以净额结算。如果双方没有达成一致，则以总额结算。但在一方违约前提下，另一方可以选择以净额结算。根据企业会计准则的要求，本集团未对这部分金融资产与金融负债进行抵销。

截至 2023 年 6 月 30 日止，本集团上述遵循可执行的净额结算安排或类似协议的金融资产与金融负债的金额不重大。

6 资本管理

本集团资本管理的基本目标是：

- (1) 资本充足率持续满足监管要求，确保经营的合规性，并在此基础上实现资本总量和结构的优化。
- (2) 确保资本能充分抵御相应的风险，实现本集团经营的安全性，保持充足而合理的资本水平。
- (3) 建立以经济资本为核心的资本配置和管理体系，在集团层面优化资源配置和经营管理机制，实现资本集约化经营，最终实现股东价值最大化。

本集团对资本结构进行管理，并根据经济环境的变化和面临的风险特征，本集团可能将调整资本结构。本集团调整资本结构的方法通常包括调整股利分配、增加资本、发行合格一级资本工具及发行合格二级资本工具等。

我国商业银行应满足《商业银行资本管理办法（试行）》规定的资本充足率要求，核心一级资本充足率不得低于 7.50%，一级资本充足率不得低于 8.50%，资本充足率不得低于 10.50%。

此外，中国人民银行和相关监管部门已制定《系统重要性银行评估办法》及《系统重要性银行附加监管规定（试行）》，根据上述规定，系统重要性银行在满足最低资本要求、储备资本和逆周期资本要求基础上，还应满足一定的附加资本要求，由核心一级资本满足。系统重要性银行分为五组，第一组到第五组的银行分别适用 0.25%、0.5%、0.75%、1%和 1.5%的附加资本要求。根据 2022 年 9 月发布的《中国人民银行、中国银行保险监督管理委员会发布 2022 年我国系统重要性银行名单》，本行入选系统重要性银行第二组，故本集团应当满足系统重要性银行附加资本要求，核心一级资本充足率不得低于 8%，一级资本充足率不得低于 9%，资本充足率不得低于 11%。

	本集团	
	2023 年 6 月 30 日	2022 年 12 月 31 日
核心一级资本净额	590,704	568,299
一级资本净额	701,243	678,802
资本净额	874,948	843,761
风险加权资产总额	6,448,771	6,182,036
核心一级资本充足率	9.16%	9.19%
一级资本充足率	10.87%	10.98%
资本充足率	13.57%	13.65%

- (1) 本集团并表资本充足率的计算范围包括境内外分支机构及符合规定的金融机构类附属公司。
- (2) 本集团核心一级资本包括：普通股股本、可转换公司债券权益成份、资本公积可计入部分、盈余公积、一般风险准备、未分配利润、非控制性权益资本可计入核心一级资本部分。
- (3) 本集团核心一级资本监管扣除项目包括其他无形资产（不含土地使用权）扣减与之相关的递延税负债后的净额、商誉扣减与之相关的递延税负债后的净额和其他依赖于银行未来盈利的净递延税资产（门槛扣除项目）。
- (4) 本集团其他一级资本包括优先股、无固定期限资本债以及非控制性权益资本可计入其他一级资本部分。
- (5) 本集团二级资本包括：二级资本工具及其溢价可计入金额、超额贷款损失准备，以及非控制性权益资本可计入二级资本部分。
- (6) 风险加权资产包括信用风险加权资产、市场风险加权资产和操作风险加权资产。本集团采用权重法计量信用风险加权资产，采用标准法计量市场风险加权资产，采用基本指标法计量操作风险加权资产。

九 已作质押资产

本集团部分金融资产被用做金融负债的质押物，相关资产的分析如下：

	2023年 6月30日	2022年 12月31日
金融投资	680,116	579,699
票据	119,614	105,024
贷款	2,467	648
合计	<u>802,197</u>	<u>685,371</u>

十 比较数据

为与本期财务报表列报方式保持一致，若干比较数据已经过重分类。

Independent Auditor's Report
To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

Independent Auditor's Report

KPMG Huazhen Tongzi NO. 2300077

To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.:

Opinion

We have audited the financial statements of Shanghai Pudong Development Bank Co., Ltd. ("the Bank") and its subsidiaries ("the Group") set out on pages 283 to 398, which comprise the consolidated and the Bank's statement of financial position as at 31 December 2022, the consolidated and the Bank's statement of profit or loss and other comprehensive income, the consolidated and the Bank's statement of changes in equity and the consolidated and the Bank's statement of cash flows for the year then ended and relevant notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the consolidated and the Bank's financial position as at 31 December 2022 and of its consolidated and the Bank's financial performance and its consolidated and the Bank's cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the IASB. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements regarding audit of financial statements in China, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS
ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

Independent Auditor's Report

To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.

KPMG Huazhen Tongzi NO. 2300077 (incorporated in the People's Republic of China with limited liability)

Key audit matters (continued)

Measurement of expected credit losses ("ECL") for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments

Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments involve significant management judgments.</p> <p>The Group established internal controls for the ECL measurement.</p>	<p>Our audit procedures to assess ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments included the following:</p> <ul style="list-style-type: none"> ● Understanding and evaluating the design and operating effectiveness of the key internal controls over financial reporting related to ECL measurement for loans and advances to customers, financial investment at amortized cost, financial guarantees and loan commitments: <ul style="list-style-type: none"> -Understanding and evaluating the design and operating effectiveness of the key internal controls of the financial reporting process, including credit approval, recording, monitoring, periodic re-evaluation of credit grading, and the accrual of loss allowance; in particular, we assessed the design and operating effectiveness of the key internal controls over financial reporting related to the classification of loans by credit quality across all stages, financial investment at amortized cost, credit quality of financial guarantees and loan commitments; -Understanding and evaluating the design and operating effectiveness of information system controls, including: general information technology control, completeness of key internal historical data, inter-system data transmission, mapping of parameters of ECL model, and system calculation logic of loss allowance for ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments, based on the works of our Information Technology Risk Management ("IRM") Specialists and Financial Risk Management ("FRM") Specialists;

Key audit matters (continued)

Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments (continued)	
Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group assesses whether the credit risks of loans and advances to customers, financial investments at amortized cost and financial guarantees and loan commitments have increased significantly since their initial recognition, and applies a three - stage impairment model to measure their ECL. For loans and advances to customers, financial investments at amortized cost and financial guarantees and loan commitments, management assesses loss allowance using the risk parameter modelling approach that incorporates key parameters, including probability of default, loss given default, exposure at default and discount rates.</p>	<ul style="list-style-type: none"> ● Based on the work of FRM Specialists, evaluating the reliability of ECL models and parameters used, including prudently evaluating probability of default, loss given default, exposure at default, discount rate, forward-looking information adjustment and other adjustment factors, and evaluating the reasonableness of key management judgments involved; ● Evaluating the completeness and accuracy of key data used by the ECL models. For key internal data related to the original business files, we compared the respective amount of loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments used by the management to evaluate the loss allowances with the general ledger amounts, in order to assess the completeness of lists. Select samples and compare the information of the loans and advances to customers and financial investment at amortized cost, financial guarantees and loan commitments with relevant agreements and other relevant documents to assess the accuracy of the lists. For key external data, we compared it with public information to check its accuracy; ● Evaluating key parameters involving subjective judgments by seeking evidence from external sources and comparing it with internal records including historical loss scenarios and security types. As part of these procedures, we inquired management about the reasons for modifications of key estimates and parameters input, and assessed the consistency of judgement used by management;

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To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.

KPMG Huazhen Tongzi NO. 2300077 (incorporated in the People's Republic of China with limited liability)

Key audit matters (continued)

Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments (continued)

Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>The measurement models of expected credit losses involve significant management judgments and assumptions, primarily including the following:</p> <p>(1) Division of business operations sharing similar credit risk characteristics into the same group, selection of appropriate models and determination of relevant key parameters;</p> <p>(2) Criteria for determining a significant increase in credit risk, default and credit impairments;</p> <p>(3) Application of economic indicators, economic scenarios and their respective weightings for forward-looking information.</p>	<ul style="list-style-type: none"> • Comparing the predictive economic indicators used by the management to measure the ECL in the previous year with the actual situation of the current year to consider whether there are indicators of management bias; • For key internal data which was generated by the system calculation, we selected samples and compared the input data used in the system with the original business files to evaluate the accuracy of the data input. In addition, based on the work of IRM Specialists, we selected samples and tested the logic of preparing overdue information of loans and advances to customers; • Selecting samples to assess the reasonableness of management judgement on whether the credit risk has increased significantly since initial recognition and whether credit impairment has occurred. We analysed the loan portfolio by industry sector to select samples in industries sensitive to the current business cycle and regulatory policies. We also focused on loans with perceived higher risk and selected samples from non-performing loans, overdue but performing loans and borrowers with warning signs and adverse press coverage. On the basis of sample selection, we reviewed the business documents, checked the overdue information, inquired customer managers about the operation conditions of borrowers, checked the financial information of the borrower and searched for market information about the borrower's business and operation.

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 To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.
 KPMG Huazhen Tongzi NO. 2300077 (incorporated in the People's Republic of China with limited liability)

Key audit matters (continued)

Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments (continued)	
Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>Measurement of ECL for loans and advances to customers, financial investment at amortized cost, financial guarantees and loan commitments is subject to inherent uncertainty and involves management judgments, and has an important influence on operation conditions and capital positions of the Group. In view of these reasons, we identified ECL measurement as a key audit matter.</p>	<ul style="list-style-type: none"> ● Performing credit reviews for the selected credit impaired loans and advances to customers and financial investment at amortized cost by assessing the forecast of recoverable cash flows through inquiry, applying professional judgment and performing independent research. We also evaluated the timing and realisation method of collaterals and considered other sources of repayment asserted by the management. We assessed the consistency of the application of key assumptions made by the management and compared the assumptions with our data sources; ● Selecting samples and reviewing the calculation of ECL to assess the application of ECL model by the Group; ● According to the relevant accounting standards, evaluate the reasonableness of the information disclosure of financial statements in terms of loans and advances to customers, financial investments measured at amortised cost, financial guarantee contracts and loan commitments.

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To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.

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Key audit matters (continued)

Consolidation of structured entities	
Refer to Notes II.4(1) and III.37 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.</p> <p>The Group may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity, through issuing a wealth management product, an asset-backed security, a trust plan, an asset management plan or a securities investment fund.</p>	<p>Our audit procedures to assess the recognition of interests in and consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> • Making enquiries of management and inspecting documents relating to the judgment process over whether a structured entity is consolidated or not to assess whether the Group has a robust process in this regard; • Selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected: <ul style="list-style-type: none"> -Inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity; -Inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity;

Key audit matters (continued)

Consolidation of structured entities (continued)	
Refer to Notes II.4(1) and III.37 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>In determining whether the Group should retain any partial interests in a structured entity or should consolidate a structured entity, management is required to consider the risks and rewards retained, the power the Group is able to exercise over the activities of the entity and its ability to influence the Group's own returns from the entity. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.</p> <p>We identified the recognition of interests in and consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and nature of each entity.</p>	<ul style="list-style-type: none"> ● Selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected (continued): <ul style="list-style-type: none"> -Evaluating management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to influence its own returns from the structured entity; -Assessing management's judgement over whether the structured entity should be consolidated or not; ● Evaluating the disclosures relating to structured entities in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

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To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.

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Key audit matters (continued)

Assessment of the fair value of financial instruments

Refer to Notes II.4(8), II.4(22), II.4(30) described in the accounting policies, and VIII.4 to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>Financial instruments carried at fair value account for a significant part of the Group's assets and liabilities. The effect of fair value adjustments of financial instruments may impact either the profit or loss or other comprehensive income.</p> <p>The valuation of the Group's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation techniques for which use quoted market prices and observable inputs, respectively. Where such observable data is not readily available, as in the case of level 3 financial instruments, then estimates need to be developed which can involve significant management judgement.</p> <p>The Group has developed its own models to value certain level 2 and level 3 financial instruments, which also involve significant management judgement.</p> <p>We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the degree of judgement exercised by management in determining the inputs used in the valuation models.</p>	<p>Our audit procedures to assess the fair value of financial instruments included the following:</p> <ul style="list-style-type: none"> ● Assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification, front office and back office reconciliations and model approval for financial instruments; ● Assessing the level 1 fair values, on a sample basis, by comparing the fair values applied by the Group with publicly available market data; ● Engaging our Financial Risk Management specialists to assist us in performing independent valuations, on a sample basis, of level 2 and level 3 financial instruments and comparing our valuations with the Group's valuations. Our procedures included comparing the valuation model of the Group with the industry-wide accepted valuation methodology, developing parallel models, obtaining inputs independently and verifying the inputs; ● Assessing the appropriate application of fair value adjustment that form an integral part of fair values, inquiring of management about any changes in the fair value adjustment methodologies and assessing the appropriateness of the inputs applied; and ● Assessing whether the disclosures in the consolidated financial statements appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

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Other Information

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

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

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

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

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by IASB, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report

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KPMG Huazhen Tongzi NO. 2300077 (incorporated in the People's Republic of China with limited liability)

However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shi Hai Yun.

KPMG Huazhen LLP

Beijing, the People's Republic of China

17 April, 2023

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Statement of Profit or Loss
For the year ended 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		2022	2021	2022	2021
Interest income		299,520	300,693	293,781	295,132
Interest expense		(165,851)	(164,735)	(162,810)	(161,564)
Net interest income	III.1	133,669	135,958	130,971	133,568
Fee and commission income		37,766	39,847	33,308	35,488
Fee and commission expense		(9,075)	(10,713)	(10,860)	(10,778)
Net fee and commission income	III.2	28,691	29,134	22,448	24,710
Net trading profit or loss	III.3	17,172	20,115	17,735	19,125
Net gains or losses arising from financial investments	III.4	5,313	2,276	5,386	2,332
Other net operating income		3,661	3,417	529	586
Operating expenses	III.5	(56,588)	(53,708)	(51,368)	(48,830)
Impairment losses	III.6	(75,999)	(78,344)	(74,674)	(77,188)
Share of profits from associates and joint ventures		230	223	198	190
Profit before income tax		56,149	59,071	51,225	54,493
Income tax expense	III.7	(4,152)	(5,305)	(2,746)	(4,184)
Net profit		51,997	53,766	48,479	50,309
Net profit attributable to:					
Shareholders of the Bank		51,171	53,003	48,479	50,309
Non-controlling interests		826	763	-	-
Earnings per share attributable to the shareholders of the Bank:					
Basic earnings per share (expressed in RMB)	III.8	1.56	1.62		
Diluted earnings per share (expressed in RMB)	III.8	1.44	1.50		

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Statement of Comprehensive Income
For the year ended 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		2022	2021	2022	2021
Net profit		51,997	53,766	48,479	50,309
Other comprehensive income	III.34				
<i>Items that may be reclassified to profit or loss</i>					
Other comprehensive income recognised under equity method		-	1	-	1
Changes in fair value of debt investments at fair value through other comprehensive income		(8,145)	(437)	(7,715)	(102)
Credit impairment allowance of debt investments at fair value through other comprehensive income		1,959	(673)	1,915	(439)
Cash flow hedge reserve		(2)	29	(24)	5
Translation differences arising from translation of foreign currency financial statements		376	(101)	(20)	7
<i>Item that will not be reclassified to profit or loss</i>					
Changes in fair value of equity investments designed at fair value through other comprehensive income		(57)	28	(57)	28
Other comprehensive income, net of tax		(5,869)	(1,153)	(5,901)	(500)
Total comprehensive income		46,128	52,613	42,578	49,809
Total comprehensive income attributable to:					
Shareholder of the Bank		45,252	51,848	42,578	49,809
Non-controlling interests		876	765	-	-

The notes on pages 283 to 398 attached form part of these financial statements

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Financial position
as at 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Assets					
Cash and deposits with central bank	III.9	457,089	420,996	452,719	416,110
Deposits and placements with banks and other financial institutions	III.10	520,603	433,781	516,772	425,421
Precious metals		14,988	13,151	14,988	13,151
Derivative financial assets	III.11	42,829	33,773	42,770	33,756
Financial assets purchased under resale agreements	III.12	111,411	117	111,411	101
Loans and advances to customers	III.13	4,798,350	4,690,954	4,695,040	4,594,234
Financial investments:	III.14				
– Financial investments at fair value through profit or loss		708,984	526,034	636,751	487,998
– Financial investments at amortized cost		1,196,691	1,306,188	1,193,150	1,304,324
– Financial investments at fair value through other comprehensive income		649,788	486,701	641,678	482,376
Investments in associates and joint ventures	III.15	2,655	2,819	2,319	2,513
Investments in controlled subsidiaries		–	–	29,307	24,307
Fixed assets	III.16	37,157	31,487	14,721	11,722
Construction in progress		5,250	7,221	4,471	6,586
Right-of-use assets	III.17	8,022	8,560	7,495	8,118
Intangible assets	III.18	10,349	10,538	8,036	8,239
Goodwill	III.19	6,981	6,981	–	–
Deferred income tax assets	III.20	68,690	58,962	66,867	57,542
Other assets	III.21	64,814	98,494	57,255	92,763
Total assets		8,704,651	8,136,757	8,495,750	7,969,261

The notes on pages 283 to 398 attached form part of these financial statements

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Financial position (continued)
as at 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Liabilities					
Borrowing from central bank		165,133	236,317	164,427	235,223
Deposits and placements from banks and other financial institutions	III.22	1,026,800	1,106,775	951,962	1,035,278
Financial liabilities at fair value through profit or loss	III.23	94,781	31,280	87,776	19,954
Derivative financial liabilities	III.11	37,526	29,528	37,525	29,507
Financial assets sold under repurchase agreements	III.24	350,168	174,219	304,949	170,038
Deposits from customers	III.25	4,893,812	4,463,608	4,861,357	4,431,975
Income tax payable		27,290	25,170	26,701	24,703
Debt securities issued	III.26	1,330,304	1,317,121	1,319,856	1,303,891
Deferred income tax liabilities	III.20	641	638	-	-
Lease liabilities	III.17	7,832	8,451	7,293	7,993
Provisions	III.27	6,230	6,275	6,228	6,272
Other liabilities	III.28	57,359	59,157	48,134	50,076
Total liabilities		7,997,876	7,458,539	7,816,208	7,314,910
Equity					
Share capital	III.29	29,352	29,352	29,352	29,352
Other equity instruments	III.30	112,691	112,691	112,691	112,691
Capital reserves	III.31	81,762	81,762	81,712	81,712
Surplus reserves	III.32	174,385	159,292	174,385	159,292
General risk reserve	III.33	99,515	90,993	93,500	89,000
Other reserves	III.34	(3,053)	2,821	(3,007)	2,849
Retained earnings	III.35	203,220	193,096	190,909	179,455
Equity attributable to the shareholders of the Bank		697,872	670,007	679,542	654,351
Non-controlling interests		8,903	8,211	-	-
Total equity		706,775	678,218	679,542	654,351
Total liabilities and equity		8,704,651	8,136,757	8,495,750	7,969,261

These financial statements were approved for issue by the Board of Directors of the Bank on 17 April, 2023.

Chairman of the board of the directors: Zheng Yang

President: Pan Weidong

Vice-President temporarily responsible for finance: Liu Yiyang

Head of the finance and accounting department: Li Lianquan

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Changes in Equity
For the year ended 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

Consolidated Statement of Changes in Equity										
	Ordinary Shares	Other equity instruments	Capital reserves	Surplus reserves	General risk reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interests	Total
Balance at 1 January 2022	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218
Net profit	-	-	-	-	-	-	51,171	51,171	826	51,997
Other comprehensive income	-	-	-	-	-	(5,919)	-	(5,919)	50	(5,869)
Total comprehensive income	-	-	-	-	-	(5,919)	51,171	45,252	876	46,128
Appropriation to surplus reserves and general risk reserves	-	-	-	15,093	8,522	-	(23,615)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(12,034)	(12,034)	-	(12,034)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
Interests payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
Other reserves carried forward to retained earnings	-	-	-	-	-	45	(45)	-	-	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(184)	(184)
Balance at 31 December 2022	29,352	112,691	81,762	174,385	99,515	(3,053)	203,220	697,872	8,903	706,775

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Changes in Equity (continued)
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

Consolidated Statement of Changes in Equity(continued)										
	Ordinary Shares	Other equity instruments	Capital reserves	Surplus reserves	General risk reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interests	Total
Balance at 1 January 2021	29,352	112,691	81,761	142,739	79,640	3,976	187,441	637,600	7,616	645,216
Net profit	-	-	-	-	-	-	53,003	53,003	763	53,766
Other comprehensive income	-	-	-	-	-	(1,155)	-	(1,155)	2	(1,153)
Total comprehensive income	-	-	-	-	-	(1,155)	53,003	51,848	765	52,613
Equity increase due to issuance of convertible bonds	-	-	1	-	-	-	-	1	-	1
Appropriation to surplus reserves	-	-	-	16,553	-	-	(16,553)	-	-	-
Appropriation to general risk reserves	-	-	-	-	11,353	-	(11,353)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(14,089)	(14,089)	-	(14,089)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
Interests payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(170)	(170)
Balance at 31 December 2021	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
The Bank's statement of Changes in Equity (continued)
For the year ended 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

	Share capital	Other equity instruments	Capital reserves	Surplus reserves	General risk reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2022	29,352	112,691	81,712	159,292	89,000	2,849	179,455	654,351
Net profit	-	-	-	-	-	-	48,479	48,479
Other comprehensive income	-	-	-	-	-	(5,901)	-	(5,901)
Total comprehensive income	-	-	-	-	-	(5,901)	48,479	42,578
Appropriation to surplus reserves and general risk reserves	-	-	-	15,093	4,500	-	(19,593)	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(12,034)	(12,034)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)
Interests payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)
Other reserves carried forward to retained earnings	-	-	-	-	-	45	(45)	-
Balance at 31 December 2022	29,352	112,691	81,712	174,385	93,500	(3,007)	190,909	679,542

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
The Bank's statement of Changes in Equity (continued)
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	Share capital	Other equity instruments	Capital reserves	Surplus reserves	General risk reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2021	29,352	112,691	81,711	142,739	78,000	3,349	176,141	623,983
Net profit	-	-	-	-	-	-	50,309	50,309
Other comprehensive income	-	-	-	-	-	(500)	-	(500)
Total comprehensive income	-	-	-	-	-	(500)	50,309	49,809
Equity increase due to issuance of convertible bonds	-	-	1	-	-	-	-	1
Appropriations to surplus reserves	-	-	-	16,553	-	-	(16,553)	-
Appropriations to general risk reserve	-	-	-	-	11,000	-	(11,000)	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(14,089)	(14,089)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)
Interests payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)
Balance at 31 December 2021	29,352	112,691	81,712	159,292	89,000	2,849	179,455	654,351

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
 Consolidated and the Bank's Cash Flow Statements
 For the year ended 31 December 2022
 (Expressed in millions of RMB unless otherwise stated)

	The Group		The Bank	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	56,149	59,071	51,225	54,493
Adjustment for:				
Depreciation and amortization	7,828	7,261	6,598	6,004
Interest expense on lease liability	294	316	283	300
Assets impairment losses	75,999	78,344	74,674	77,188
Interest expense from financing activities	39,212	38,664	38,767	38,163
Interest income from financial investments	(63,129)	(64,623)	(62,585)	(64,144)
Net profit or loss on disposal of fixed assets	(84)	(26)	(12)	(26)
Share of profits from associates and joint ventures	(230)	(223)	(198)	(190)
Unrealized profit or loss on derivative financial instruments	(1,173)	(1,638)	(1,173)	(1,638)
Net profit or loss arising from financial investments	(5,313)	(2,276)	(5,386)	(2,332)
Net trading profit or loss	(4,635)	(9,865)	(5,585)	(9,250)
Foreign exchange gain or loss arising from investing and financing activities	16	(2)	16	(1)
Changes in operating assets:				
Statutory reserves with central bank	5,378	(704)	5,165	(736)
Deposits and placements with banks and other financial institutions	(83,871)	(43,360)	(84,211)	(41,022)
Financial assets held for trading	(17,072)	(5,512)	(30,444)	(600)
Financial assets purchased under resale agreements	66	(57)	67	(58)
Loans and advances to customers	(172,136)	(324,198)	(164,255)	(318,587)
Other operating assets	31,146	11,638	33,274	14,053
Changes in operating liabilities:				
Borrowing from central bank	(70,174)	(37,284)	(69,784)	(36,997)
Deposits and placements from banks and other financial institutions	(80,768)	(257,708)	(84,079)	(273,634)
Financial assets sold under repurchase	175,885	(58,097)	134,847	(55,357)
Deposits from customers	423,422	326,572	422,573	327,094
Other operating liabilities	58,013	35,845	62,687	35,034
Cash generated from / (used in) operating activities before income tax payment	374,823	(247,862)	322,464	(252,243)
Income tax paid	(9,724)	(9,330)	(8,117)	(8,802)
Net cash generated from / (used in) operating activities	365,099	(257,192)	314,347	(261,045)

The notes on pages 283 to 398 attached form part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Cash Flow Statements (continued)
For the year ended 31 December 2022
(Expressed in millions of RMB unless otherwise stated)

	The Group		The Bank	
	2022	2021	2022	2021
Cash flows from investing activities				
Proceeds from disposal and redemption of investments	1,709,002	1,556,457	1,702,286	1,552,560
Investment income received	66,212	73,018	64,672	72,096
Proceeds from disposal of fixed assets	539	425	421	130
Purchase of fixed assets, intangible assets and other long-term assets	(7,999)	(11,285)	(4,051)	(5,595)
Purchase of investment	(1,938,078)	(1,575,875)	(1,881,326)	(1,575,192)
Net cash (used in) / generated from investing activities	(170,324)	42,740	(117,998)	43,999
Cash flows from financing activities				
Proceeds from issuance of bonds and interbank deposits	1,192,526	1,346,368	1,191,019	1,341,374
Repayment of bonds and interbank deposits issued	(1,179,731)	(1,170,787)	(1,175,479)	(1,165,786)
Cash paid for dividends, profit and interest of bond issued	(56,410)	(57,392)	(55,744)	(56,684)
Proceeds from other financing activities	(3,087)	(3,324)	(3,077)	(3,191)
Net cash (used in) / generated from financing activities	(46,702)	114,865	(43,281)	115,713
Effect of exchange rate changes on cash and cash equivalents	8,105	(2,905)	7,601	(3,730)
Net increase / (decrease) in cash and cash equivalents	156,178	(102,492)	160,669	(105,063)
Cash and cash equivalents at the beginning of the year	216,126	318,618	207,552	312,615
Cash and cash equivalents at the end of the year	372,304	216,126	368,221	207,552
Cash flows from operating activities include:				
Interest received	253,038	248,518	245,166	241,904
Interest paid	(120,011)	(113,391)	(117,417)	(110,780)
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Composition of cash and cash equivalents:				
Cash	5,544	5,470	5,403	5,338
Surplus reserves with central bank	105,479	73,454	103,168	70,405
Deposits and placements with banks and other financial institutions with original maturities no more than three months	149,915	137,167	148,284	131,791
Financial assets purchased under resale agreements with original maturities no more than three months	111,366	35	111,366	18
Total	372,304	216,126	368,221	207,552

The notes on pages 283 to 398 attached form part of these financial statements.

I General Information

Shanghai Pudong Development Bank Co., Ltd. (the "Bank") is a joint-stock commercial bank incorporated in Shanghai, the People's Republic of China ("the PRC") on 28 August 1992 in accordance with the approval from the People's Bank of China ("the PBOC" or "Central Bank") (Yin Fu [1992] No.350). The Address of the head office is 12 First East Zhongshan Road, Shanghai. The Bank obtained its business licence from Shanghai Municipal Administration of Industry and Commerce on 19 October 1992 and commenced its business on 9 January 1993. On 10 November 1999, the Bank's share capital denominated in RMB were listed and traded on the Shanghai Stock Exchange.

The unified social credit code of the Bank is 9131000013221158XC, and the financial service certificate No. of the Bank is B0015H131000001.

The Bank and its subsidiaries (collectively referred to as "the Group") are mainly engaged in financial businesses. The scope of business mainly includes commercial banking services, financial leasing businesses, trust services, wealth management business approved by the PBOC and the China Banking and Insurance Regulatory Commission (the "CBIRC"), investment banking and fund management business defined by relevant licenses issued by Securities & Futures Commission of Hong Kong. The Bank's principal regulator is the CBIRC. The Bank's overseas branches and subsidiaries are subject to the supervision by local regulators.

The major subsidiaries are consolidated in the Bank's financial statements are disclosure in Note III. 38(1).

II Basis of preparation and accounting policies

1. Basis of preparation

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

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and Interpretations promulgated by the International Accounting Standards Board ("IASB"), on the basis of going concern.

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets and financial liabilities measured at fair value through profit or loss ("FVTPL"), financial assets measured at fair value through other comprehensive income ("FVOCI") and precious metals and commodities held for trading, as further explained in the respective accounting policies below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note II. 4(30).

2. Changes in significant accounting policies

The Group has adopted the following amendments to the IFRS issued by the IASB in the current year.

- *Amendments to IFRS 3 – Reference to the Conceptual Framework*
- *Amendments to IAS 37 – Onerous contracts – cost of fulfilling a contract*
- *Amendments to IAS 16 – Property, Plant and Equipment – any proceeds received before it reaches ready-to-use condition*
- *Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 – Annual Improvements to IFRS Standards 2018 – 2020 Cycle*

The above amended IFRSs that are effective in 2022 has been initially adopted in the financial report. The initial adoption of

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the above amendments did not have any material impact on the financial position and financial performance of the Group.

3. Impact of issued but not yet effective International Financial Reporting Standards

The Group has not adopted the following issued but not yet effective standards and amendments in the financial statements.

- IFRS 17⁽¹⁾ – Insurance Contracts and amendments
- Amendments to IAS 1 and IFRS Practice Statement 2⁽¹⁾ – Disclosure of accounting policies
- Amendments to IFRS 8⁽¹⁾ – Definition of accounting estimate
- Amendments to IFRS 12⁽¹⁾ – Deferred tax related to assets and liabilities arising from single transaction
- Amendments to IFRS 16⁽²⁾ – Lease liabilities in sale and leaseback transactions
- Amendments IAS 1 (2020)⁽²⁾ – Liability classified as current or non-current
- Amendments IAS 1 (2022)⁽²⁾ – Non-current liabilities with contractual conditions
- Amendments to IFRS 10 and IAS 28⁽³⁾ – Sale or contribution of assets between an investor and its associate or joint venture

(1) Effective for accounting periods beginning on or after 1 January 2023.

(2) Effective for accounting periods beginning on or after 1 January 2024.

(3) Effective date has been indefinitely deferred.

The adoption of the aforesaid amendments did not have any material impact on the financial position and financial performance of the Group.

4. Summary of significant accounting policies

(1) Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity if it is exposed, or has rights, to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an entity.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and any unrealised profit or loss arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less impairment losses (see Note II. 4(20)).

(2) Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to a parent.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

(3) Associates and joint ventures

An associate is an entity in which the Group or Bank has significant influence.

A joint venture is an arrangement whereby the Group or Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

The Group's investments in associates or joint ventures are accounted for under the equity method of accounting. Under the equity method, an investment in an associate or joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment losses. The consolidated statement of profit or loss reflects the share of the results of operations of the associate or joint venture. Where there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Under the equity method, unrealised profits and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures.

In the Bank's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see Note II.4(20)).

(4) Functional currency

The Group's functional currency is Renminbi and these financial statements are presented in Renminbi. Items included in the financial statements of each of the Group's operations oversea are measured using the currency of the primary economic environment in which the entity operates. Their financial statements have been translated based on the accounting policy set out in Note II.4(5).

(5) Foreign currency translation

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates or rates that approximate the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. For monetary items denominated in foreign currency and classified as financial assets measured at fair value and whose changes are included in other comprehensive income, the foreign currency translation difference is decomposed into the translation difference caused by the change of amortized cost and the translation difference caused by the change of other book amounts of these items. The translation difference arising from the change of amortized cost is included in the current profit and loss, and the translation difference arising from the change of other carrying amount is included in other comprehensive income. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets.

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Non-monetary items that are measured at historical cost in a foreign currency are still translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The exchange differences are recognised in profit or loss or in other comprehensive income, depending on the nature of non-monetary items.

As at the end of the reporting period, the assets and liabilities of foreign operations are translated into the presentation currency of the Group at the exchange rates ruling at the end of the reporting period. All items within equity except for retained profits are translated at the exchange rates ruling at the dates of the initial transactions. Income and expenses in the statement of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the above translation are taken to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(6) Criteria for determining cash and cash equivalents

Cash and cash equivalents refer to cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(7) Precious metals

Precious metals comprise gold, silver and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in the statement of profit or loss.

(8) Financial instruments

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

(i) Recognition and initial measurement of financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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-it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

-it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

(b) Subsequent measurement of financial assets

-Financial assets measured at FVTPL

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

-Financial assets measured at amortised cost

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

-Debt investments measured at FVOCI

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

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-Equity investments measured at FVOCI

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

(iii) Classification and subsequent measurement of financial liabilities

-Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as a financial liability designated at fair value through profit or loss (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless:

-The financial liability is part of a hedging relationship

The financial liability is a financial liability designated at fair value through profit or loss, and changes in fair value arising from changes in the Bank's credit risks are included in other comprehensive income.

-Other financial liabilities

Other financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities, financial guarantee contracts and loan commitments arising from transfers of financial assets that do not qualify for the derecognition conditions or continue to be involved in the transferred financial assets

(iv) Offsetting

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

-The Group currently has a legally enforceable right to set off the recognised amounts;

-The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(v) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

-the Group's contractual rights to the cash flows from the financial asset expire;

-the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or;

-the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

The financial assets have been transferred. If the group neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, and retains the control over the financial assets, the relevant financial assets shall be recognized according to the degree of continuous involvement in the transferred financial assets, and the corresponding liabilities shall be recognized.

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

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

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

(vi) Impairment of financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on:

- Financial assets measured at amortised cost;
- Contract assets;
- Debt instruments measured at FVOCI;
- Loan commitments and financial guarantee contracts; and
- Lease receivables.

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

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses for financial instruments with a risk of default. Credit losses are measured as the present value of all cash shortfalls which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

The Group's method of measuring ECL of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

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

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

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

Refer to Note VIII.1(3) for more detailed explanations of measuring ECL.

Presentation of allowance for ECL

ECL are remeasured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for financial instruments measured at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account; for debt investments that are measured at FVOCI,

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the loss allowance is recognised in other comprehensive income. For loan commitments and financial guarantee contracts that are not measured at fair value and whose changes are included in current profits and losses, the Group recognizes loss reserves in estimated liabilities (Refer to Note III.27).

Write-off

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

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

(vii) Modification of financial asset contracts

In some cases (such as renegotiating loans), the Group may renegotiate or otherwise modify the financial assets contracts. The Group would assess or renegotiate whether or not the new contractual terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset under the revised terms.

If the modified contract terms do not change substantially, but lead to changes in the contract cash flow, when assessing whether the credit risk of relevant financial instruments has increased significantly, the group shall recalculate the book balance of the financial assets and record the relevant gains or losses into the current profits and losses. The recalculated book balance of the financial asset shall be determined according to the present value of the modified or renegotiated contract cash flow discounted at the original effective interest rate of the financial asset (or the purchased or originated financial asset with credit impairment shall be discounted at the effective interest rate adjusted by credit). For all costs or expenses incurred in modifying or renegotiating the contract, the group adjusts the book value of the modified financial asset and amortizes it within the remaining period of the modified financial asset. When assessing whether the credit risk of relevant financial instruments has increased significantly, the group compares the risk of default on the balance sheet date based on the changed contract terms with the risk of default on the initial recognition based on the original contract terms.

(viii) Equity instrument

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

(9) Financial guarantee contracts and loan commitments

Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

The financial guarantee contract shall be initially recognized at fair value on the date of providing the guarantee. After initial recognition, the relevant income of the financial guarantee contract shall be amortized and included in the current profit and loss in accordance with the accounting policies described in Note II. 4(25). Financial guarantee liabilities are subsequently measured according to the higher of the amount of loss reserves determined according to the impairment principle of financial instruments (Refer to Note II. 4(8)) and the balance of its initially recognized amount after deducting the accumulated amortization of the income related to the financial guarantee contract.

Loan commitments

Loan commitment refers to the definite commitment to provide credit according to the pre-defined terms and conditions.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

The Group's expected credit losses of financial guarantees and loan commitments are presented as "provisions".

(10) Derivatives and hedge accounting

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments with positive fair value are recognized as an asset, and those with negative fair value are recognized as a liability.

If the main contract included in the hybrid contract is an asset within the scope of financial instrument standards, the embedded derivative will no longer be separated from the main contract of financial assets, but the relevant provisions on the classification of financial assets will be applied to the hybrid financial instruments as a whole. If the main contract included in the hybrid contract is not an asset within the scope of the financial instrument standard, when some embedded derivative financial instruments are not closely related to the economic characteristics and risks of their main contract, the separate instrument with the same terms as the embedded derivative meets the definition of derivative financial instrument, and the hybrid instrument is not measured at fair value and its changes are included in the current profit and loss, Then the embedded derivative financial instrument shall be separated from the hybrid contract and treated as an independent derivative financial instrument. These embedded derivative financial instruments are measured at fair value, and the changes in fair value are included in the current profit and loss.

If the profits and losses derived from the changes in the fair value of derivative financial instruments do not meet the requirements of hedge accounting, they shall be directly included in the current profits and losses.

Hedge accounting

Hedge accounting is a method which recognises in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. The Group's hedged items include fixed-rate borrowings that expose the Group to the risk of changes in fair value, floating rate borrowings that expose the Group to the risk of variability in cash flows, a firm commitment that is settled with a fixed amount of foreign currency and that exposes the Group to foreign currency risk.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item. For a hedge of foreign currency risk, the foreign currency risk component of a non-derivative financial asset or non-derivative financial liability may also be designated as a hedging instrument provided that it is not an investment in an equity instrument for which an entity has elected to present changes in the fair value in other comprehensive income.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.

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-The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining a hedge ratio that complies with the hedge effectiveness requirements.

The Group discontinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedging instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

(i) Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

- the cumulative gain or loss on the hedging instrument from inception of the hedge;
- the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognised in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be ineffectiveness is recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it in the initial cost or other carrying amount of the asset or liability.

For cash flow hedges other than those covered above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognised in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount will remain in the cash flow hedge reserve, and be accounted for in accordance with the above policy.
- If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(ii) Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a portion of such an asset, liability or firm commitment.

The gain or loss from remeasuring the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognised hedged item not measured at fair value and is recognised in profit or loss.

Any adjustment to the carrying amount of a hedged item is amortised to profit or loss if the hedged item is a financial instrument (or a component thereof) measured at amortised cost. The amortisation is based on a recalculated effective interest rate at the date that amortisation begins.

(iii) Hedges of a net investment in a foreign operation

A hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk associated with a net investment in a foreign operation. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When disposing a foreign operation, in whole or in part, the aforesaid gain or loss on the hedging instrument will be transferred from equity to profit or loss as a reclassification adjustment. The portion of the gain or loss on the hedging instrument that is determined to be ineffective is recognised in profit or loss.

(11) Convertible instruments

Convertible instruments containing an equity component

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

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

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at fair value through profit or loss. The equity component is not re-measured.

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, together with the transaction costs that relate to the redemption, are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or is directly recognised in equity if it relates to the equity component.

Other convertible instruments not containing an equity component

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and any excess of proceeds over the derivative component is recognised as the liability component.

The derivative component is subsequently measured at fair value, and gains or losses from the changes in the fair value are recognised in profit or loss. The liability component is subsequently carried at amortised cost using the effective interest method.

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On conversion, the carrying amounts of the derivative and liability components are transferred to equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

(12) Preference shares and perpetual bonds with unfixed terms

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

Preference shares and perpetual bond issued containing both equity and liability components are accounted for using the accounting policy for convertible instruments containing an equity component. Preference shares and perpetual bond issued not containing an equity component are accounted for using the accounting policy for other convertible instruments not containing an equity component.

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

(13) Financial assets purchased under resale agreements and Financial assets sold under repurchase agreements

The financial assets purchased under resale agreements refers to the funds raised by the group to buy financial assets first and then resell them at a fixed price according to the resale agreement. The financial assets sold under repurchase agreements refer to the funds incorporated into the group's financial assets sold first according to the repurchase agreement and then repurchased at a fixed price.

The financial assets purchased under resale agreements and financial assets sold under repurchase agreements shall be recorded according to the actual payment or receipt at the time of business and reflected in the balance sheet. The purchased target assets purchased for resale are not recognized and recorded off balance sheet; The underlying assets sold and repurchased are still reflected in the balance sheet.

The bid ask price difference of buy for resale and sell for repurchase business is amortized by the effective interest method during the relevant transaction period and recognized as interest income and interest expense respectively.

(14) Fixed assets

Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in supply of services, for rental or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.4(15).

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

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

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Depreciation of fixed assets

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

Class	Estimate useful life	Residual value rate	Depreciation rate
Plant and buildings	30 years	3 - 5%	3.17 - 3.23%
Motor vehicles	5 years	3 - 5%	19.00 - 19.40%
Electronic computers and other equipments	3 - 5 years	3 - 5%	19.00 - 32.33%
Plane and ship equipments	20 years	5%	4.75%

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

For the impairment of the fixed assets, refer to Note II.4(20).

Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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

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

(15) Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs, and any other costs directly attributable to bringing the asset to working condition for its intended use. A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress. Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note II.4(20)).

(16) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note II.4(20)). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

-Land use right is amortized since the month of acquisition using straight-line method within its statutory useful life. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

-Software is amortized since month of acquisition using straight-line method over its beneficial life.

-Brand and franchise right are intangible assets with no expected useful lives, which are not subject to amortization.

The Group reviews the useful life and amortization method of a finite useful life intangible assets at the end of each year and adjusts it if necessary.

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An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

(17) Long-term deferred expenses

Expenditures incurred with a beneficial period of over one year are recognised as long-term deferred expenses. Long-term deferred expenses are stated in the statement of financial position at cost less accumulated amortisation and impairment losses.

(18) Repossessed assets

Repossessed assets refer to the physical assets or property rights of the group that are compensated to the debtor, guarantor or a third party by exercising creditor's rights or security interests according to law.

For the transferred financial asset of repossessed assets, the group initially measures them at their fair value, and classifies and subsequently measures them in accordance with the accounting policies described in Note II. 4(8).

For the transferred non-financial asset debt paying assets, the group makes initial measurement according to the fair value of the abandoned creditor's rights and other costs such as taxes directly attributable to the assets, and makes subsequent measurement according to the lower of the book value of the debt paying assets and the recoverable amount. Refer to Note II. 4(20) for the impairment test method and the impairment provision method.

(19) Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control. The Group's goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note II.4(20)). On disposal of an asset group or a set of asset groups, goodwill shall be transferred out and included in the calculation of the profit or loss on disposal.

(20) Impairment of assets other than inventories and financial assets

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

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- long-term equity investments
- goodwill
- long-term deferred expenses
- non-financial-asset-linked repossessed assets, etc

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If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill and intangible assets with indefinite useful lives at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note II.4(22)) less costs to sell and its present value of expected future cash flows.

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

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

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

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

(21) Provisions

Contingent liabilities refer to the potential obligations formed by past transactions or events, and their existence must be confirmed by the occurrence or non occurrence of future uncertain events; Or the current obligation formed by past transactions or events, the performance of the obligation is not likely to lead to the outflow of economic benefits from the group or the amount affected by the obligation cannot be measured reliably. The Group does not recognize these obligations and only discloses contingent liabilities in Note V, contingencies and commitments to the financial statements.

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

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

-Where the contingency involves a single item, the best estimate is the most likely outcome.

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

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

(22) Fair value measurement

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

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

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

(23) Dividend distribution

Dividends are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders in general meetings and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. Dividend for the year that is approved after the end of the reporting period is disclosed as an event after the reporting period.

(24) Fiduciary activities

The Group acts as the manager, trustee or agent of customers in the entrusted business. The balance sheet of the group does not include the assets held by the Group due to entrusted business and the commitment to return such assets to customers. The risks and benefits of such assets are borne by customers.

The Group signed an entrusted loan agreement with the customer, and the customer provided funds to the group (hereinafter referred to as "entrusted loan funds"), and the Group issued loans to third parties (hereinafter referred to as "entrusted loans") according to the customer's instructions. As the Group does not bear the risks and rewards of entrusted loans and related entrusted loan funds, entrusted loans and entrusted loan funds are recorded as off balance sheet items according to their principal, and no impairment provision is made for these entrusted loans.

(25) Revenue recognition

Interest income

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

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

(i) For purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit adjusted effective interest rate to their amortised cost;

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

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income is recognised when its performance obligation in contracts is satisfied. The income is recognized at the

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time point or period when the customer obtains the control right of relevant services.

The Group recognises income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The customer controls the service provided by the Group in the course of performance;
- The Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

Dividend income

Dividend income from equity instruments is recognized in the current profit and loss when the group's right to receive dividends is established.

Net trading income

Net trading income includes gains and losses arising from holding financial assets and liabilities measured at fair value through profit or loss, holding derivative financial instruments, trading precious metals and bulk commodities, etc.

(26) Employee benefits

Short-term employee benefits

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

Post-employment benefits

Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of the assets or charged to profit or loss as the related services are rendered by the employees.

In addition, employees in Mainland China also participate in a defined contribution retirement benefit plan established by the Group (the "Annuity Plan"). The Group and its employees are required to contribute a certain percentage of the employees' previous year basic salaries to the Annuity Plan. The contribution is charged to profit or loss when it is incurred. The Group pays a fixed contribution into the Annuity Plan and has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits.

Termination benefits

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

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;

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-When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Other long-term employee benefits

According to the actual payment of employees' salaries or services during the accounting period when employees provide services, the amount accrued or paid by employees shall be recognized as a liability, and included in the current profit and loss.

(27) Income tax

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

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

(i) Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses;

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

(i) Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses;

(ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and reflect the corresponding tax effect.

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The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

Deferred tax assets and liabilities are shown in net offset amounts at the end of the reporting period when both of the following conditions are met:

- That taxpayer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities;
- Deferred tax assets and liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or to different taxpayer, but within the period of the reversal of each deferred tax asset and liability of importance in the future, the involved taxpayer intends to settle the current income tax assets and liabilities on a net basis or acquire assets and pay off liabilities at the same time.

(28) Leases

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

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

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

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

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

1) As a lessee

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

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note II.4(20).

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

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

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

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

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

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

2)As a lessor

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

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

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

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note II.4(8). Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

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

(29) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

(30) Significant accounting estimates and judgements

In preparing the financial statements, the management of the Group is required to apply estimates and assumptions which affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses. The reality may differ from these estimates. The Group's management continuously evaluates the judgment of the key assumptions and uncertainties involved in the estimates, and the impact of changes in accounting estimates is recognized in the current and future periods of the changes.

In the process of implementing the Group's accounting policies, the management will make judgments and assumptions on the impact of future uncertainties on the financial statements. On the balance sheet date, the management makes the following judgments and main assumptions on major future uncertainties, which may lead to significant adjustments to the book value of assets and liabilities in the next accounting period.

Measurement of ECL

For debt instrument investments measured at amortized cost and at fair value with changes included in other comprehensive income, as well as loan commitments and financial guarantee contracts, complex models and a large number of assumptions are used in the measurement of expected credit losses. These models and assumptions relate to future macroeconomic conditions and customer credit behavior (for example, the possibility of customer default and corresponding losses). Note VIII. 1 specify the parameters, assumptions and estimation techniques used in the measurement of expected credit loss.

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Goodwill impairment

The Group tests whether goodwill is impaired at least annually, and impairment test is also required when there are signs that goodwill may be impaired. During the impairment test, it is necessary to allocate goodwill to the corresponding asset group or combination of asset groups, and assess the recoverable amount generated by the asset group or combination of asset groups. Information of impairment tests on the Group's goodwill is set out in Note III.19.

Income tax

The Group needs to make judgments on the future tax treatment of certain transactions to confirm income tax. In accordance with relevant tax laws and regulations, the group carefully judges the income tax impact corresponding to the transaction and accrues income tax accordingly. Deferred income tax assets can only be recognized when it is possible to have future taxable profits and can be used to offset relevant temporary differences. In this regard, it is necessary to make a significant judgment on the tax treatment of some transactions and make a significant estimation on whether there are enough future taxable profits to offset the possibility of deferred income tax assets.

Fair value of financial instruments

For financial instruments that lack an active market, the Group uses valuation methods to determine their fair value. The valuation method includes referring to the transaction price determined during the fair transaction between economic entities with complete information and willingness to buy and sell in the market, referring to the fair value of another similar financial instrument in the market, or estimating by using discounted cash flow analysis and option pricing model. The valuation method makes maximum use of observable market information. However, when observable market information is unavailable, the management will estimate the significant unobservable information included in the valuation method.

Judgment on whether the structured entities has control

The Group manages or invests in multiple financial products, trust plans, fund investments, asset management plans and asset-backed securities. When judging whether to control such structured entities, the Group determines whether it exercises its decision-making power as the main responsible person or agent, and evaluates its overall economic benefits to such structured entities (including the income generated by direct holding and expected management fees) and the scope of decision-making power to such structured entities. When the other party has the decision-making power, it is also necessary to determine whether the other party exercises the decision-making power as its agent.

For financial products, trust plans, fund investments and asset-backed securities in which the group has interests or is the initiator but is not included in the scope of the consolidated financial statements, see Note III.(37).

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III NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

1. Net interest income

	The Group		The Bank	
	2022	2021	2022	2021
Interest income				
Loans and advances to customers				
- Corporate loans	96,127	91,588	91,888	87,618
- Retail loans	110,209	112,530	109,314	111,599
- Discounted bills	10,585	14,428	10,585	14,428
Financial investments				
- at amortized cost	45,430	46,765	45,349	46,732
- at fair value through other comprehensive income	16,534	17,858	16,070	17,412
Deposits from and placements with banks and other financial institutions	12,914	9,520	12,883	9,372
Deposits with central bank	5,599	5,734	5,570	5,701
Financial assets purchased under resale agreements	2,122	2,270	2,122	2,270
Subtotal	299,520	300,693	293,781	295,132
Interest expense				
Deposits from customers	(96,828)	(84,867)	(96,005)	(84,028)
Debt securities issued	(39,212)	(38,664)	(38,767)	(38,163)
Deposits to and placements from banks and other financial institutions	(20,125)	(29,771)	(18,366)	(27,964)
Borrowing from central bank	(5,982)	(7,500)	(5,968)	(7,476)
Financial assets sold under repurchase agreements	(3,704)	(3,933)	(3,704)	(3,933)
Subtotal	(165,851)	(164,735)	(162,810)	(161,564)
Net interest income	133,669	135,958	130,971	133,568

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2. Net fee and commission income

	The Group		The Bank	
	2022	2021	2022	2021
Fee and commission income				
Fees from bank cards	14,403	12,863	14,402	12,862
Custodian and other fiduciary activities commissions	11,222	13,657	7,100	9,761
Agency commissions	4,090	4,799	4,090	4,798
Fees from investment banking activities	3,775	3,694	3,595	3,501
Credit commitment fees	2,093	2,300	2,092	2,298
Settlement and clearing fees	992	971	992	971
Others	1,191	1,563	1,037	1,297
Subtotal	37,766	39,847	33,308	35,488
Fee and commission expense	(9,075)	(10,713)	(10,860)	(10,778)
Net fee and commission income	28,691	29,134	22,448	24,710

3. Net trading gains and losses

	The Group		The Bank	
	2022	2021	2022	2021
Financial investments measured at FVTPL	14,257	15,052	14,865	14,065
Exchange gains and losses	6,692	813	6,648	810
Non-foreign exchange derivative financial instruments	3,191	2,789	3,191	2,789
Hedged bonds	(497)	(491)	(497)	(491)
Precious metals	(6,935)	1,749	(6,935)	1,749
Others	464	203	463	203
Total	17,172	20,115	17,735	19,125

4. Net gains and losses arising from financial investments

	The Group		The Bank	
	2022	2021	2022	2021
Financial investments at amortized cost	2,683	1,010	2,683	1,010
Financial investments measured at FVOCI	2,509	1,214	2,457	1,143
Dividend income	121	52	246	179
Total	5,313	2,276	5,386	2,332

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5. Operating expenses

	The Group		The Bank	
	2022	2021	2022	2021
Staff costs				
– Short-term employee benefits	23,801	23,292	21,650	21,383
– Post-employment benefits	2,690	2,503	2,513	2,393
– Other long-term employee benefits	2,446	2,605	2,329	2,297
Subtotal	28,937	28,400	26,492	26,073
Depreciation and amortization	6,801	6,226	6,598	6,004
Business tax and surcharges	2,059	2,004	1,953	1,922
Others	18,791	17,078	16,325	14,831
Total	56,588	53,708	51,368	48,830

6. Impairment losses

	The Group		The Bank	
	2022	2021	2022	2021
Loans and advances to customers	65,143	64,542	64,005	63,444
Others	10,856	13,802	10,669	13,744
Total	75,999	78,344	74,674	77,188

7. Income tax expense

	The Group		The Bank	
	2022	2021	2022	2021
Current income tax expense	11,864	11,694	10,127	10,506
Deferred income tax expense	(7,712)	(6,389)	(7,381)	(6,322)
Total	4,152	5,305	2,746	4,184

Reconciliations between the Group's income tax expenses calculated using the statutory tax rate and actual income tax expense are as follows:

	The Group		The Bank	
	2022	2021	2022	2021
Profit before income tax	56,149	59,071	51,225	54,493
Tax calculated at statutory tax rate of the PRC	14,037	14,768	12,806	13,623
Tax effect from other various tax rates adopted by subsidiaries	49	(43)	–	–
Tax effect of non-deductible expenses	982	377	671	319
Tax effect of non-taxable income	(10,035)	(8,768)	(9,841)	(8,743)
Other income tax adjustments	(881)	(1,029)	(890)	(1,015)
Income tax expense	4,152	5,305	2,746	4,184

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8. Earnings per share

(1) Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing net profit for the year attributable to the holders of the Bank's share capital by the weighted average number of share capital outstanding during the year. The conversion feature of preference shares is considered to fall within the category of contingently issuable share capital. As at 31 December 2022, the triggering events of share conversion did not occur. Therefore, the conversion feature of preference shares has no effect on the calculation of basic and diluted earnings per share in the current period.

The Group	2022	2021
Profit for the year attributable to shareholders of the Bank	51,171	53,003
Less: Profit for the year attributable to preference shareholders of the Bank	(1,559)	(1,559)
Payment of interests of non-fixed term capital bonds	(3,794)	(3,794)
Profit for the year attributable to the holders of the Bank's share capital	45,818	47,650
Weighted average number of outstanding share capital (million)	29,352	29,352
Basic EPS (RMB)	1.56	1.62

The Bank declared cash dividends of RMB 1,559 million for preference share and interests payment of RMB 3,794 million for Perpetual bond in this year. For the purpose of calculating basic EPS, dividends on preference shares declared and interests of Perpetual bond in respect of the year have been deducted from the net profit attributable to ordinary shareholders of the Bank.

(2) Diluted earnings per share

The diluted earnings per share is calculated on the assumption that the RMB 50 billion convertible corporate bonds publicly issued by the Bank in 2019 deemed to have all been converted to ordinary shares upon issuance and by dividing, after adjustments for the interest expenses of the convertible corporate bonds for the year the net profit of the year attributable to ordinary shareholders of the Bank by the adjusted weighted average number of ordinary shares outstanding during the year.

The Group	2022	2021
Net profit for the current year attributable to shareholders of the Bank	45,818	47,650
Add: Interest expenses of convertible corporate bonds in the current year (after tax)	1,471	1,429
Net profit for the current year attributable to ordinary shareholders of the Bank	47,289	49,079
Weighted average number of outstanding ordinary shares (million)	29,352	29,352
Add: Assume that convertible corporate bonds are entirely converted to weighted average number of ordinary shares from the beginning of the period to the conversion date (million)	3,579	3,460
Weighted average number of outstanding ordinary shares of the year for calculating diluted earnings per share (million)	32,931	32,812
Diluted earnings per share (RMB)	1.44	1.50

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9. Cash and deposits with central bank

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash		5,544	5,470	5,403	5,338
Statutory reserves with central bank	(1)	345,351	339,973	343,433	338,268
Surplus reserves with central bank	(2)	105,479	73,454	103,168	70,405
Fiscal deposits with central bank		544	1,939	544	1,939
Accrued interest		171	160	171	160
Total		457,089	420,996	452,719	416,110

(1)The Group is required to place statutory reserves with the PBOC and overseas central banks, including RMB and foreign currency deposit reserves and foreign exchange risk reserves for forward foreign exchange sales businesses, which are not allowed to be used in the Group's daily operations.

(2)The surplus reserves refer to money deposited by the Group with the PBOC and overseas central banks for the purpose of funds liquidation.

10. Deposits and placements with banks and other financial institutions

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deposits with domestic banks	108,385	71,746	98,389	62,787
Deposits with overseas banks	58,737	53,693	58,532	52,517
Deposits with domestic non-bank financial institutions	906	255	906	68
Placements with domestic banks	28,367	24,726	28,367	24,726
Placements with overseas banks	38,714	70,276	38,714	70,276
Placements with domestic non-bank financial institutions	282,110	201,157	288,456	201,637
Placements with overseas non-bank financial institutions	80	8,188	134	9,718
Accrued interest	3,873	4,062	3,813	3,985
Less: impairment allowance	(569)	(322)	(539)	(293)
Total	520,603	433,781	516,772	425,421

As at 31 December 2022 and 31 December 2021, the Group's due from and placements with banks and other financial institutions included refundable deposits and risk reserves, and were restricted in usage.

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11. Derivative financial instruments

The Group	31 December 2022		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	3,889,642	12,374	(9,973)
Exchange rate derivatives	1,882,807	21,145	(23,554)
Precious metal and other derivatives	332,377	9,310	(3,999)
Total		42,829	(37,526)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	12,048	545	(100)
- Currency swap contracts	-	-	-
Cash flow hedges			
- Interest rate swap contracts	627	34	-
- Currency swap contracts	20,788	134	(148)
Total		713	(248)
31 December 2021			
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	4,099,578	17,147	(15,789)
Exchange rate derivatives	1,578,860	13,844	(12,669)
Precious metal and other derivatives	209,031	2,782	(1,070)
Total		33,773	(29,528)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	9,251	42	(126)
- Currency swap contracts	361	-	(8)
Cash flow hedges			
- Interest rate swap contracts	1,649	17	-
- Currency swap contracts	3,554	5	(25)
Total		64	(159)

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The Bank	31 December 2022		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	3,889,015	12,340	(9,989)
Exchange rate derivatives	1,880,130	21,120	(23,537)
Precious metal and other derivatives	332,377	9,310	(3,999)
Total		42,770	(37,525)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	12,048	545	(100)
- Currency swap contracts	-	-	-
Cash flow hedges			
- Currency swap contracts	18,111	109	(131)
Total		654	(231)
	31 December 2021		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	4,097,929	17,130	(15,789)
Exchange rate derivatives	1,578,023	13,844	(12,648)
Precious metal and other derivatives	209,031	2,782	(1,070)
Total		33,756	(29,507)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	9,251	42	(126)
- Currency swap contracts	361	-	(8)
Cash flow hedges			
- Currency swap contracts	2,717	5	(4)
Total		47	(138)

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, precious metal price and other market prices relative to their terms, and the fluctuations in the price of the precious metal and other market. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

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12. Financial assets purchased under resale agreements

The Group and the Bank	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Bonds	111,366	117	111,366	101
Accrued interest	60	-	60	-
Less: impairment allowance	(15)	-	(15)	-
Total	111,411	117	111,411	101

13. Loans and advances to customers

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Loans and advances to Customers measured at				
- amortized cost (a)	4,371,902	4,255,699	4,262,596	4,153,741
- FVOCI (b)	468,537	484,192	468,537	484,192
- FVTPL (c)	60,223	46,149	60,223	46,149
Subtotal	4,900,662	4,786,040	4,791,356	4,684,082
Accrued interest	16,309	15,257	15,693	14,664
Impairment allowances				
- Loans and advances to customers measured at amortized cost	(118,083)	(110,087)	(111,473)	(104,256)
- Accrued interest of loans and advances to customers measured at amortized cost	(538)	(256)	(536)	(256)
Subtotal	(118,621)	(110,343)	(112,009)	(104,512)
Net loans and advances to customers	4,798,350	4,690,954	4,695,040	4,594,234

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	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
(a)Loans and advances to customers measured at amortized cost				
Corporates loans				
Commercial Loans	2,392,505	2,261,151	2,298,480	2,175,189
Trade finance	85,865	102,155	85,865	102,155
Discounted bills	1,132	1,773	1,132	1,768
Retail loans				
Mortgage loans	872,127	905,974	865,791	898,953
Business loans	445,633	392,104	440,968	387,147
Credit card and overdraft	433,693	416,142	433,693	416,142
Consumer loans and others	140,947	176,400	136,667	172,387
Subtotal	4,371,902	4,255,699	4,262,596	4,153,741
(b)Loans and advances to customers measured at FVOCI				
Corporates loans				
Trade finance	68,727	24,868	68,727	24,868
Discounted bills	399,810	459,324	399,810	459,324
Subtotal	468,537	484,192	468,537	484,192
(c)Loans and advances to customers measured at FVTPL				
Corporates loans				
Trade finance	50,961	19,554	50,961	19,554
Discounted bills	9,262	26,595	9,262	26,595
Subtotal	60,223	46,149	60,223	46,149
Total loans and advances to customers	4,900,662	4,786,040	4,791,356	4,684,082

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13.1 Loans and advances to customers analysed by industry

The Group	31 December 2022		31 December 2021	
	Amount	Rate (%)	Amount	Rate (%)
Corporate loans				
Manufacturing	472,245	9.64	433,936	9.07
Lease and commercial service	469,945	9.59	421,641	8.81
Real estate	322,036	6.57	331,015	6.92
Financial services	235,797	4.81	108,267	2.26
Water conservancy, environment and public facilities management	191,308	3.90	180,796	3.78
Transportation, warehouse and postal services	190,118	3.88	185,778	3.88
Electricity, heat, gas, water production and supply	161,222	3.29	146,184	3.05
Wholesale and retail	159,972	3.26	177,773	3.71
Construction	157,220	3.21	165,645	3.46
Mining	70,194	1.43	78,343	1.64
Information transmission, software and IT services	66,636	1.36	63,203	1.32
Research and technology services	31,425	0.64	37,850	0.79
Culture, sports and entertainment	19,094	0.39	17,770	0.37
Education	14,937	0.30	14,668	0.31
Agriculture, forestry, farming and fishery	14,202	0.29	17,243	0.36
Healthcare and social welfare	12,665	0.26	15,819	0.33
Hotels and catering services	6,652	0.14	7,707	0.16
Residential services, repairs and other services	1,850	0.04	3,217	0.07
Public administration, social assurance and social organization	362	0.01	710	0.01
Others	178	0.01	163	0.01
Subtotal	2,598,058	53.02	2,407,728	50.31
Discounted bills	410,204	8.37	487,692	10.19
Retail loans	1,892,400	38.61	1,890,620	39.50
Total	4,900,662	100.00	4,786,040	100.00

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The Bank	31 December 2022		31 December 2021	
	Amount	(%)	Amount	(%)
Corporate loans				
Manufacturing	456,864	9.53	426,249	9.10
Lease and commercial service	468,176	9.76	420,635	8.98
Real estate	322,019	6.71	330,994	7.07
Financial services	237,548	4.95	110,242	2.35
Water, environment and public facilities management	187,423	3.91	175,158	3.74
Transportation, warehouse and postal services	156,097	3.26	154,032	3.29
Electricity, heat, gas, water production and supply	138,747	2.90	120,657	2.58
Wholesale and retail	156,926	3.28	175,868	3.75
Construction	152,750	3.19	161,763	3.45
Mining	64,988	1.36	73,050	1.56
Information transmission, software and IT services	65,535	1.37	62,391	1.33
Research and technology services	31,258	0.65	37,754	0.81
Culture, sports and entertainment	18,676	0.39	17,107	0.37
Education	14,753	0.31	14,522	0.31
Agriculture, forestry, farming and fishery	10,929	0.23	14,162	0.30
Healthcare and social welfare	12,495	0.26	15,636	0.33
Hotels and catering services	6,508	0.14	7,527	0.16
Residential services, repairs and other services	1,804	0.04	3,146	0.07
Public administration, social assurance and social organization	359	0.01	710	0.02
Others	178	0.01	163	0.01
Subtotal	2,504,033	52.26	2,321,766	49.58
Discounted bills	410,204	8.56	487,687	10.41
Retail loans	1,877,119	39.18	1,874,629	40.01
Total	4,791,356	100.00	4,684,082	100.00

13.2 Loans and advances to customers analysed by collateral type

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Unsecured loans	2,057,153	2,012,057	2,015,028	1,970,107
Guaranteed loans	941,698	779,176	897,598	743,976
Collateralized loans	1,661,258	1,740,296	1,645,324	1,724,164
Pledged loans	240,553	254,511	233,406	245,835
Total	4,900,662	4,786,040	4,791,356	4,684,082

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13.3 Overdue loans and advances to customers

The Group	31 December 2022				Total
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	
Unsecured loans	17,264	13,300	2,102	2,067	34,733
Guaranteed loans	6,936	8,290	9,181	2,124	26,531
Collateralized loans	14,916	11,821	10,341	2,037	39,115
Pledged loans	3,586	1,966	1,840	136	7,528
Total	42,702	35,377	23,464	6,364	107,907

	31 December 2021				Total
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	
Unsecured loans	10,968	12,500	3,919	1,165	28,552
Guaranteed loans	7,967	15,248	7,302	1,592	32,109
Collateralized loans	10,478	11,770	9,667	1,710	33,625
Pledged loans	906	2,972	1,184	132	5,194
Total	30,319	42,490	22,072	4,599	99,480

The Bank	31 December 2022				Total
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	
Unsecured loans	16,337	12,910	2,026	1,272	32,545
Guaranteed loans	6,346	7,663	8,659	2,095	24,763
Collateralized loans	14,749	11,685	10,281	2,025	38,740
Pledged loans	2,570	1,965	1,830	136	6,501
Total	40,002	34,223	22,796	5,528	102,549

	31 December 2021				Total
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	
Unsecured loans	10,836	12,209	3,346	967	27,358
Guaranteed loans	7,709	14,938	6,896	1,555	31,098
Collateralized loans	10,407	11,698	9,581	1,698	33,384
Pledged loans	901	2,970	1,073	132	5,076
Total	29,853	41,815	20,896	4,352	96,916

The Group and the Bank classify the total loans with principal or interest overdue 1 day above (including 1 day) as overdue loans.

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13.4 Movements of ECL allowance

(a) Movements of ECL allowance of loans and advances to customers at amortized cost

The Group	Note	Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022		33,081	14,763	62,243	110,087
Transfers during the year:					
- Transfer to stage 1		1,421	(1,243)	(178)	-
- Transfer to stage 2		(1,523)	4,226	(2,703)	-
- Transfer to stage 3		(899)	(7,310)	8,209	-
Net increase during the year	(1)	6,065	12,620	46,190	64,875
Written-offs and disposals during the year		-	-	(64,956)	(64,956)
Recovery of loans and advances written off in previous years		-	-	8,625	8,625
Others		140	-	(688)	(548)
Balance at 31 December 2022		38,285	23,056	56,742	118,083

	Note	Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021		31,044	22,831	65,241	119,116
Transfers during the year:					
- Transfer to stage 1		1,155	(1,026)	(129)	-
- Transfer to stage 2		(1,163)	2,506	(1,343)	-
- Transfer to stage 3		(1,078)	(10,558)	11,636	-
Net increase during the year	(1)	3,186	1,015	60,573	64,774
Written-offs and disposals during the year		-	-	(81,102)	(81,102)
Recovery of loans and advances written off in previous years		-	-	8,149	8,149
Others		(63)	(5)	(782)	(850)
Balance at 31 December 2021		33,081	14,763	62,243	110,087

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The Bank	Note	Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022		30,659	14,112	59,485	104,256
Transfers during the year:					
- Transfer to stage 1		1,399	(1,225)	(174)	-
- Transfer to stage 2		(1,493)	3,588	(2,095)	-
- Transfer to stage 3		(890)	(7,274)	8,164	-
Net increase during the year	(1)	5,602	12,332	45,803	63,737
Written-offs and disposals during the year		-	-	(64,608)	(64,608)
Recovery of loans and advances written off in previous years		-	-	8,573	8,573
Others		47	-	(532)	(485)
Balance at 31 December 2022		35,324	21,533	54,616	111,473

	Note	Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021		29,320	21,527	63,321	114,168
Transfers during the year:					
- Transfer to stage 1		1,149	(1,024)	(125)	-
- Transfer to stage 2		(1,106)	2,444	(1,338)	-
- Transfer to stage 3		(1,024)	(10,095)	11,119	-
Net increase during the year	(1)	2,336	1,262	60,078	63,676
Written-offs and disposals during the year		-	-	(80,917)	(80,917)
Recovery of loans and advances written off in previous years		-	-	8,124	8,124
Others		(16)	(2)	(777)	(795)
Balance at 31 December 2021		30,659	14,112	59,485	104,256

(1) This item includes changes of PD, EAD, LGD due to routine updates to model parameters, and the impact of stage changes on the measurement of ECL.

(2) Financial instruments whose credit risks haven't significantly increased since the initial recognition are classified into stage 1, then they will be transferred into stage 2 if their credit risks have significantly increased since the initial recognition with no objective evidence for impairment, and will be further transferred into stage 3 where there is objective impairment evidence on the balance sheet date. Refer to Note VIII. 1(3) for ECL measurement.

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(b) Movements of ECL allowance of loans and advances to customers at fair value through other comprehensive income

The Group and the Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022	325	4	190	519
Transfers during the year:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Net increase/(decrease) during the year	258	(4)	14	268
Written-offs and disposals during the year	-	-	(196)	(196)
Balance at 31 December 2022	583	-	8	591

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021	529	4	218	751
Transfers during the year:				
- to stage 1	1	(1)	-	-
- to stage 2	(8)	8	-	-
- to stage 3	-	-	-	-
Net decrease during the year	(197)	(7)	(28)	(232)
Balance at 31 December 2021	325	4	190	519

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14. Financial Investments

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial investment measured at FVTPL	(a)	708,984	526,034	636,751	487,998
Financial investments measured at amortized cost	(b)	1,196,691	1,306,188	1,193,150	1,304,324
Financial investments measured at FVOCI	(c)	649,788	486,701	641,678	482,376
Financial investments, net		2,555,463	2,318,923	2,471,579	2,274,698

(a) Financial investments measured at FVTPL:

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Fund investments		444,881	394,804	425,803	373,007
Trust and asset management plans	(1)	99,452	15,385	58,221	10,309
Government bonds		54,617	34,146	54,454	34,146
Corporate bonds		38,413	16,216	37,744	14,989
Beneficiary certificates of securities companies		20,348	13,437	20,348	13,437
Equity investment		19,140	15,696	11,781	7,882
Bonds issued by financial institutions		8,812	12,236	6,771	10,581
Deposit certificates issued by other financial institutions		5,296	9,012	5,296	9,012
Bonds issued by policy banks		4,932	1,789	4,932	1,789
Assets backed securities ("ABS")		4,683	6,519	4,683	6,409
Wealth management products and structured deposits		1,850	327	203	-
Other investment	(2)	6,560	6,467	6,515	6,437
Total		708,984	526,034	636,751	487,998

(1) Trust and asset management plans are managed and operated by the third-party trust plan trustee or asset manager, and are ultimately invested in bonds, ABS, equity investments with third-party repurchase arrangement, etc.

(2) Other investments mainly include the long-term employee benefits payable to Changjiang Pension Insurance Co., Ltd. for investment entrusted by the Group.

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(b) Financial Investments measured at amortized cost

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Government bonds	563,491	567,605	563,081	567,605
Trust and asset management plans				
– Loans	199,085	253,657	196,703	252,640
– ABS	191,872	195,477	191,872	195,227
– Bill assets	–	695	–	695
– Others	1,907	2,543	1,907	2,543
Bonds issued by policy banks	198,999	200,520	198,999	200,520
Bonds issued by financial institutions	31,910	73,240	31,910	73,240
Corporate bonds	12,381	12,475	12,333	12,475
Deposit certificates issued by other financial institutions	1,656	1,137	1,656	1,137
ABS	261	138	128	138
Beneficiary certificates of securities companies	–	850	–	850
Other debt instrument	177	100	–	–
Subtotal	1,201,739	1,308,437	1,198,589	1,307,070
Accrued interest	14,424	17,527	14,353	17,467
Impairment allowance				
–Principal of financial Investments	(19,431)	(19,743)	(19,752)	(20,200)
–Accrued interest of financial Investments	(41)	(33)	(40)	(13)
Subtotal of impairment allowance	(19,472)	(19,776)	(19,792)	(20,213)
Financial Investments at amortized cost, net	1,196,691	1,306,188	1,193,150	1,304,324

(i) Movement for ECL allowance of the financial investments measured at amortized cost

The Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022	2,032	640	17,071	19,743
Transfers for the year:				
– to stage 1	118	(118)	–	–
– to stage 2	(143)	143	–	–
– to stage 3	(12)	(134)	146	–
Net increase for the year	112	550	4,972	5,634
Write-offs and disposals during the year	–	–	(5,948)	(5,948)
Others	2	–	–	2
Balance at 31 December 2022	2,109	1,081	16,241	19,431

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021	1,469	174	10,256	11,899
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(22)	22	-	-
- to stage 3	(11)	(190)	201	-
Net increase for the year	597	634	10,702	11,933
Write-offs and disposals during the year	-	-	(4,082)	(4,082)
Others	(1)	-	(6)	(7)
Balance at 31 December 2021	2,032	640	17,071	19,743

The Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022	2,031	640	17,529	20,200
Transfers for the year:				
- to stage 1	118	(118)	-	-
- to stage 2	(143)	143	-	-
- to stage 3	(12)	(134)	146	-
Net increase for the year	58	525	4,835	5,418
Write-offs and disposals during the year	-	-	(5,868)	(5,868)
Others	2	-	-	2
Balance at 31 December 2022	2,054	1,056	16,642	19,752

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021	1,459	155	10,921	12,535
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(22)	22	-	-
- to stage 3	(11)	(185)	196	-
Net increase for the year	606	648	10,494	11,748
Write-offs and disposals during the year	-	-	(4,082)	(4,082)
Others	(1)	-	-	(1)
Balance at 31 December 2021	2,031	640	17,529	20,200

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(c) Financial investments measured at FVOCI

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Government bonds	250,527	187,196	247,212	187,196
Corporate bonds	103,102	82,762	98,955	80,419
Bonds issued by policy banks	102,645	93,264	102,645	93,264
Deposit certificates issued by other financial institutions	91,035	11,726	91,035	11,726
Bonds issued by financial institutions	84,877	83,847	84,256	81,869
ABS	2,886	5,134	2,886	5,134
Reposessed equity instruments	2,700	2,908	2,700	2,908
Asset management plans	-	9,200	-	9,198
Other equity investment	5,170	4,174	5,170	4,174
Subtotal	642,942	480,211	634,859	475,888
Accrued interest	6,846	6,490	6,819	6,488
Total	649,788	486,701	641,678	482,376

(i) Movements of ECL allowance of financial investments measured at FVOCI:

The Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022	340	224	640	1,204
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(11)	11	-	-
- to stage 3	-	(129)	129	-
Net increase for the year	246	114	2,155	2,515
Written-offs	-	-	(65)	(65)
Others	15	7	62	84
Balance at 31 December 2022	590	227	2,921	3,738

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	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021	537	101	1,177	1,815
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(43)	148	(105)	-
- to stage 3	-	(2)	2	-
Net decrease for the year	(143)	(21)	(349)	(513)
Written-offs	-	-	(64)	(64)
Others	(11)	(2)	(21)	(34)
Balance at 31 December 2021	340	224	640	1,204

The Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2022	318	180	220	718
Transfer for the year:				
- to stage 1	-	-	-	-
- to stage 2	(11)	11	-	-
- to stage 3	-	(129)	129	-
Net increase for the year	209	127	2,162	2,498
Written-offs	-	-	(65)	(65)
Others	14	4	30	48
Balance at 31 December 2022	530	193	2,476	3,199

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life-time ECL	Life-time ECL	
Balance at 1 January 2021	419	56	598	1,073
Transfer for the year:				
- to stage 1	-	-	-	-
- to stage 2	(43)	43	-	-
- to stage 3	-	(2)	2	-
Net (decrease) / increase for the year	(50)	84	(311)	(277)
Written-offs	-	-	(64)	(64)
Others	(8)	(1)	(5)	(14)
Balance at 31 December 2021	318	180	220	718

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15. Investments in associate and joint ventures

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Investments in joint ventures	III.38(2)	2,319	2,513	2,319	2,513
Investments in associate	III.38(2)	336	306	-	-
Total		2,655	2,819	2,319	2,513

The Group	1 January 2022	Decreased Investment	Net income adjusted by equity method	OCI adjusted by equity method	Declared cash dividends	Other change	31 December 2022
AXA SPDB Investment Managers Co., Ltd.	1,519	(362)	175	-	(46)	-	1,286
SPDB Silicon Valley Bank	994	-	23	-	-	16	1,033
Others	306	-	32	-	(2)	-	336
Total	2,819	(362)	230	-	(48)	16	2,655

	1 January 2021	Increased/(decreased) Investment	Net income adjusted by equity method	OCI adjusted by equity method	Declared cash dividends	Other change	31 December 2021
AXA SPDB Investment Managers Co., Ltd.	1,384	-	186	-	(51)	-	1,519
SPDB Silicon Valley Bank	743	250	4	1	-	(4)	994
Others	274	(1)	33	-	-	-	306
Total	2,401	249	223	1	(51)	(4)	2,819

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16. Fixed assets

The Group	Plant and buildings	Motor vehicles	Electronic computers and other equipments	Plane and ship equipments	Total
Cost					
1 January 2021	14,184	453	8,874	18,465	41,976
Additions	26	33	1,737	4,954	6,750
Transferred from construction in progress	-	-	19	-	19
Disposals	(71)	(37)	(821)	-	(929)
31 December 2021	14,139	449	9,809	23,419	47,816
Additions	341	25	1,482	3,722	5,570
Transferred from construction in progress	2,942	-	6	-	2,948
Disposals	(137)	(30)	(580)	-	(747)
31 December 2022	17,285	444	10,717	27,141	55,587
Accumulated depreciation					
1 January 2021	(4,840)	(361)	(6,349)	(3,070)	(14,620)
Charge	(461)	(25)	(1,107)	(1,035)	(2,628)
Disposal	71	34	814	-	919
31 December 2021	(5,230)	(352)	(6,642)	(4,105)	(16,329)
Charge	(473)	(26)	(1,257)	(1,027)	(2,783)
Disposal	111	28	543	-	682
31 December 2022	(5,592)	(350)	(7,356)	(5,132)	(18,430)
Net book value					
31 December 2022	11,693	94	3,361	22,009	37,157
31 December 2021	8,909	97	3,167	19,314	31,487

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The Bank	Plant and buildings	Motor vehicles	Electronic computers and other equipments	Total
Cost				
1 January 2021	13,577	422	8,585	22,584
Additions	20	31	1,683	1,734
Transferred from constructions in progress	-	-	19	19
Disposals	(71)	(36)	(770)	(877)
31 December 2021	13,526	417	9,517	23,460
Additions	341	23	1,441	1,805
Transferred from constructions in progress	2,942	-	6	2,948
Disposals	(8)	(27)	(562)	(597)
31 December 2022	16,801	413	10,402	27,616
Accumulated				
1 January 2021	(4,638)	(336)	(6,129)	(11,103)
Charge	(430)	(23)	(1,052)	(1,505)
Disposals	71	34	765	870
31 December 2021	(4,997)	(325)	(6,416)	(11,738)
Charge	(461)	(25)	(1,229)	(1,715)
Disposals	3	25	530	558
31 December 2022	(5,455)	(325)	(7,115)	(12,895)
Net book value				
31 December 2022	11,346	88	3,287	14,721
31 December 2021	8,529	92	3,101	11,722

As at 31 December 2022, the plant and buildings with original cost of RMB 1,215 million (2021: RMB 677 million) and net book value of RMB 1,126 million (2021: RMB 517 million) were in use by the Group and the Bank while the property right registration were still in progress.

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17. Lease

(1) Right-of-use assets

The Group	Plant & buildings	Equipment & other	Total
Cost			
1 January 2021	16,461	178	16,639
Additions	2,938	22	2,960
Disposals	(2,540)	(62)	(2,602)
31 December 2021	16,859	138	16,997
Additions	2,522	33	2,555
Disposals	(2,383)	(19)	(2,402)
31 December 2022	16,998	152	17,150
Accumulated amortisation			
1 January 2021	(8,096)	(97)	(8,193)
Additions	(2,685)	(33)	(2,718)
Disposals	2,416	58	2,474
31 December 2021	(8,365)	(72)	(8,437)
Additions	(2,919)	(29)	(2,948)
Disposals	2,238	19	2,257
31 December 2022	(9,046)	(82)	(9,128)
Net book value			
31 December 2022	7,952	70	8,022
31 December 2021	8,494	66	8,560

The Bank	Plant & buildings	Equipment & other	Total
Cost			
1 January 2021	15,662	176	15,838
Additions	2,817	22	2,839
Disposals	(2,365)	(60)	(2,425)
31 December 2021	16,114	138	16,252
Additions	2,322	33	2,355
Disposals	(2,313)	(19)	(2,332)
31 December 2022	16,123	152	16,275
Accumulated amortisation			
1 January 2021	(7,737)	(96)	(7,833)
Additions	(2,526)	(33)	(2,559)
Disposals	2,201	57	2,258
31 December 2021	(8,062)	(72)	(8,134)
Additions	(2,795)	(29)	(2,824)
Disposals	2,159	19	2,178
31 December 2022	(8,698)	(82)	(8,780)
Net book value			
31 December 2022	7,425	70	7,495
31 December 2021	8,052	66	8,118

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(2) Lease liabilities

The analysis by remaining maturity date as follows:

The Group	31 December 2022	31 December 2021
Within 3 months	782	793
3 months to 1 year	2,075	2,152
1 year to 5 years	5,058	5,576
More than 5 years	442	634
Total undiscounted lease liabilities	8,357	9,155
Book value of lease liabilities at year-end	7,832	8,451

The Bank	31 December 2022	31 December 2021
Within 3 months	738	753
3 months to 1 year	1,965	2,068
1 year to 5 years	4,767	5,297
More than 5 years	324	513
Total undiscounted lease liabilities	7,794	8,631
Book value of lease liabilities at year-end	7,293	7,993

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18.Intangible assets

The Group	Land use rights	Software and others	Brand and franchise right	Total
Cost				
1 January 2021	6,800	7,086	2,236	16,122
Additions	-	1,570	-	1,570
Disposals	-	(30)	-	(30)
31 December 2021	6,800	8,626	2,236	17,662
Additions	-	1,455	-	1,455
Disposals	-	(1)	-	(1)
31 December 2022	6,800	10,080	2,236	19,116
Accumulated				
1 January 2021	(627)	(4,972)	-	(5,599)
Amortization	(173)	(1,382)	-	(1,555)
Disposals	-	30	-	30
31 December 2021	(800)	(6,324)	-	(7,124)
Amortization	(174)	(1,470)	-	(1,644)
Disposals	-	1	-	1
31 December 2022	(974)	(7,793)	-	(8,767)
Net book value				
31 December 2022	5,826	2,287	2,236	10,349
31 December 2021	6,000	2,302	2,236	10,538

The Bank	Land use rights	Software and others	Total
Cost			
1 January 2021	6,797	6,251	13,048
Additions	-	1,541	1,541
Disposals	-	(1)	(1)
31 December 2021	6,797	7,791	14,588
Additions	-	1,414	1,414
Disposals	-	(1)	(1)
31 December 2022	6,797	9,204	16,001
Accumulated			
1 January 2021	(627)	(4,187)	(4,814)
Amortization	(173)	(1,363)	(1,536)
Disposals	-	1	1
31 December 2021	(800)	(5,549)	(6,349)
Amortization	(173)	(1,444)	(1,617)
Disposals	-	1	1
31 December 2022	(973)	(6,992)	(7,965)
Net book value			
31 December 2022	5,824	2,212	8,036
31 December 2021	5,997	2,242	8,239

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19. Goodwill

	31 December 2022	31 December 2021
Goodwill		
– Shanghai International Trust Co., Ltd. ("Shanghai International Trust")	6,981	6,981
Less: impairment allowances	–	–
Total	6,981	6,981

The goodwill is recognized as a result of the Bank's issuance of share capital to acquire 97.33% equity of Shanghai International Trust in March 2016.

The goodwill allocated to the CGU or CGUs on transaction date according to operating segments are summarised as follows:

	31 December 2022 and 2021
Shanghai International Trust	4,739
Subsidiaries of Shanghai International Trust	
– China International Fund Management Co., Ltd ("China International Fund Management")	1,630
– Others	612
Total	6,981

In the case of a goodwill impairment test, the Group compares the book value of CGU or CGUs (including goodwill) with its recoverable amount. If the recoverable amount is less than the book value, the related difference is recognised in profit or loss. The Group's goodwill allocation has not changed during the year.

As at 31 December 2022, the recoverable balance of Shanghai International Trust asset group was determined according to the fair value less costs of disposal. The management believes that this method is more representative compared to the cash flow models used in previous years in the context of greater uncertainty faced by the domestic market environment. The management selected comparable company cases and evaluated the fair value of Shanghai International Trust asset group with a price to book value ratio method, and corrected the price to book value ratio according to specific risk factors.

For the China International Fund Management asset group in the subsidiaries, the management determined the recoverable balance according to the fair value less costs of disposal determined in the relevant signed equity transfer agreement. For other subsidiary asset groups, the management calculate the relevant recoverable amount with cash flow models.

20. Deferred income tax

20.1 The table below includes the deferred income tax assets and liabilities of the Group and the Bank after offsetting qualifying amounts:

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deferred income tax assets	68,690	58,962	66,867	57,542
Deferred income tax liabilities	(641)	(638)	–	–

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20.2 Deferred income tax assets / liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	31 December 2022		31 December 2021	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
The Group				
Impairment allowances for financial assets	250,428	62,606	227,429	56,857
Fair value changes of derivative financial instruments	37,528	9,382	29,528	7,382
Employee benefits payable	9,128	2,282	7,770	1,943
Provisions	6,230	1,558	6,275	1,569
Fair value changes of assets measured at FVOCI	12,639	3,160	5,026	1,218
Fair value changes of assets and liabilities measured at FVTPL	1,744	436	1,466	357
Fair value changes of precious metals and commodities	3,237	809	-	-
Others	6,543	1,637	6,004	1,501
Subtotal	327,477	81,870	283,498	70,827
Offset amounts		(13,180)		(11,865)
Deferred income tax assets after offsetting		68,690		58,962

	31 December 2022		31 December 2021	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Fair value changes of derivative financial instruments	(42,770)	(10,693)	(33,773)	(8,443)
Fair value changes of financial investment measured at FVOCI	(3,818)	(955)	(7,051)	(1,763)
Fair value changes of assets and liabilities measured at FVTPL	(5,598)	(1,400)	(6,302)	(1,571)
Differences between fair value and carrying amount of identifiable net assets arising from business combinations of entities not under common control	(2,460)	(615)	(2,544)	(636)
Fair value changes of precious metals and commodities	(517)	(129)	(354)	(88)
Others	(117)	(29)	(8)	(2)
Subtotal	(55,280)	(13,821)	(50,032)	(12,503)
Offset amounts		13,180		11,865
Deferred tax liabilities after offsetting		(641)		(638)

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	31 December 2022		31 December 2021	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
The Bank				
Impairment allowances for financial assets	245,518	61,379	223,468	55,867
Fair value changes of derivative financial instruments	37,525	9,381	29,507	7,377
Employee benefits payable	7,624	1,906	7,566	1,892
Provision	6,228	1,557	6,272	1,568
Fair value changes of assets measured at FVOCI	11,955	2,989	4,396	1,099
Fair value changes of assets and liabilities measured at FVTPL	2,256	564	1,355	339
Fair value changes of precious metals and commodities	3,233	808	-	-
Others	5,847	1,463	4,998	1,249
Subtotal	320,186	80,047	277,562	69,391
Offset amounts		(13,180)		(11,849)
Deferred tax liabilities after offsetting		66,867		57,542

	31 December 2022		31 December 2021	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Fair value changes of derivative financial instruments	(42,770)	(10,693)	(33,756)	(8,439)
Fair value changes of financial investment measured at FVOCI	(3,818)	(955)	(7,051)	(1,763)
Fair value changes of assets and liabilities measured at FVTPL	(5,598)	(1,400)	(6,236)	(1,559)
Fair value changes of precious metals and commodities	(517)	(129)	(354)	(88)
Others	(13)	(3)	-	-
Subtotal	(52,716)	(13,180)	(47,397)	(11,849)
Offset amounts		13,180		11,849
Deferred tax liabilities after offsetting		-		-

20.3 The movement of the deferred income tax account is as follows:

	Note	The Group		The Bank	
		2022	2021	2022	2021
Balance at the beginning of the year		58,324	51,669	57,542	51,049
Charged to profit or loss	III.7	7,712	6,389	7,381	6,322
Charged to other comprehensive income	III.34	2,013	266	1,944	171
Balance at the end of the year		68,049	58,324	66,867	57,542

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21. Other assets

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Suspense accounts	25,423	66,394	25,417	66,384
Margin deposits	14,403	14,355	14,403	14,355
Other receivables	11,400	4,983	9,298	3,842
Prepayment for land-use rights and constructions	4,654	4,256	1,675	2,150
Interest receivable	3,787	4,065	3,784	4,065
Payments to Trust Protection Fund	1,520	1,819	-	-
Long-term deferred expenses	1,398	1,180	1,335	1,118
Repossessioned assets	444	612	374	555
Others	1,785	830	969	294
Total	64,814	98,494	57,255	92,763

22. Deposits and placements from banks and other financial institutions

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deposits from domestic banks	198,159	208,531	205,763	215,512
Deposits from overseas banks	3,220	1,478	3,220	1,478
Deposits from domestic non-bank financial institutions	551,064	702,353	555,781	703,484
Deposits from overseas non-bank financial institutions	15,603	9,888	15,993	10,230
Placements from domestic banks	195,752	139,511	120,253	70,053
Placements from overseas banks	56,443	40,244	48,047	32,579
Placements from domestic non-bank financial institutions	3,596	2,600	200	-
Accrued interest	2,963	2,170	2,705	1,942
Total	1,026,800	1,106,775	951,962	1,035,278

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23. Financial liabilities measured at FVTPL

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial liabilities related to precious metals		84,677	18,861	84,677	18,861
Financial liabilities related to short selling of bonds		3,099	1,093	3,099	1,093
Interest of other unitholders in consolidated structured entities	(1)	7,005	11,326	-	-
Total		94,781	31,280	87,776	19,954

(1) The Group designated interests attributable to other unit holders in consolidated structured entities as financial liabilities measured at FVTPL. As at 31 December 2022 and 31 December 2021, no significant fair value changes have occurred due to changes in the Group's own credit risk.

24. Financial assets sold under repurchase agreements

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Bonds	242,281	130,170	200,109	125,989
Discounted bills	104,743	44,016	104,743	44,016
Deposit certificates issued by other financial institutions	3,047	-	-	-
Accrued interest	97	33	97	33
Total	350,168	174,219	304,949	170,038

25. Deposits from customers

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Current deposits				
-corporate	1,656,442	1,745,409	1,649,899	1,738,847
-retail	413,721	340,312	410,761	337,563
Time deposits				
-corporate	1,836,412	1,631,948	1,833,261	1,628,886
-retail	917,007	682,684	898,395	664,599
Other deposits	2,896	2,703	2,828	2,676
Subtotal	4,826,478	4,403,056	4,795,144	4,372,571
Accrued interest	67,334	60,552	66,213	59,404
Total	4,893,812	4,463,608	4,861,357	4,431,975

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26. Debt securities issued

	Note	The Group		The Bank	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Interbank deposit certificates and deposit certificates issued	(1)	887,197	900,375	887,197	900,375
Bonds issued					
Subordinated bond issued in 2012	(2)	-	12,000	-	12,000
2018 Tier II First Financial Bond	(3)	20,000	20,000	20,000	20,000
2018 Tier II Second Financial Bond	(4)	20,000	20,000	20,000	20,000
2019 First Special Financial Bond for Small and Micro Enterprise Loans	(5)	-	50,000	-	50,000
2020 Tie II First Financial bond	(6)	32,000	32,000	32,000	32,000
2020 Tier II Second Financial Bond	(7)	8,000	8,000	8,000	8,000
2020 Tier II Third Financial Bond	(8)	30,000	30,000	30,000	30,000
2020 Tier II Fourth Financial Bond	(9)	10,000	10,000	10,000	10,000
2020 First Financial Bond	(10)	50,000	50,000	50,000	50,000
2021 First Financial Bond	(11)	60,000	60,000	60,000	60,000
2021 Second Financial Bond	(12)	40,000	40,000	40,000	40,000
2022 First Financial Bond (Variety I)	(13)	25,000	-	25,000	-
2022 First Financial Bond (Variety II)	(13)	5,000	-	5,000	-
2022 Second Financial Bond	(14)	30,000	-	30,000	-
2022 Third Financial Bond	(15)	30,000	-	30,000	-
Hong Kong medium-term note	(16)	10,122	11,513	10,122	11,513
Singapore medium-term note	(17)	2,085	1,912	2,085	1,912
London medium-term note	(18)	2,781	1,912	2,781	1,912
SPDB Convertible corporate bonds	(19)	49,998	49,998	49,998	49,998
2019 First SPDB Financial Leasing Financial Bond	(20)	-	2,000	-	-
2019 Second SPDB Financial Leasing Financial Bond	(21)	-	2,000	-	-
2020 Tier II SPDB Financial Leasing Financial Bond	(22)	1,100	1,100	-	-
2020 SPDB Financial Leasing Financial Bond	(23)	2,800	3,000	-	-
2021 SPDB Financial Leasing Financial Green Bond	(24)	3,000	3,000	-	-
2021 First SPDB Financial Leasing Financial Bond	(25)	2,000	2,000	-	-
2022 First SPDB Financial Leasing Financial Bond	(26)	1,450	-	-	-
Subtotal		435,336	410,435	424,986	397,335
Add: Unamortized issue cost and others		1,532	459	1,546	479
Debt securities issued		436,868	410,894	426,532	397,814
Accrued interest		6,239	5,852	6,127	5,702
Total		1,330,304	1,317,121	1,319,856	1,303,891

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(1)As at 31 December 2022, the Group issued a total of 153 interbank deposit certificates in the domestic inter-bank market which have not yet expired, with the longest term to maturity being 365 days and interest rates falling within a range from 1.85% to 2.65% (As at 31 December 2021, the Group issued a total of 191 interbank deposit certificates in the domestic inter-bank market which have not yet expired, with the longest term to maturity being 365 days and interest rates falling within a range from 2.30% to 3.18%).

The deposit certificates of the Group were all publicly issued by overseas institutions of the Group. As at 31 December 2022, the number of deposit certificates publicly issued but not yet expired were 92 in total, with the longest term to maturity being 365 days and interest rates falling within a range from 0% to 5.66% (As at 31 December 2021, the number of deposit certificates publicly issued but not yet expired were 77 in total, with the longest term to maturity being 365 days and interest rates falling within a range from 0% to 3.15%).

(2)The Bank issued subordinated bond in the amount of RMB 12 billion in the domestic inter-bank market on 27 December 2012 which have a term of 15 years through maturity, with a fixed annual coupon rate of 5.20%. The Bank is entitled to redeem entire portion of bond at face value on its tenth anniversary. The Bank has already redeemed the entire portion of bond.

(3)The Bank issued Tier II capital instruments in the amount of RMB 20 billion in the domestic inter-bank market on 5 September 2018 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.96%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.

(4)The Bank issued Tier II capital instruments in the amount of RMB 20 billion in the domestic inter-bank market on 14 September 2018 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.96%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.

(5)The Bank issued "2019 First Special Financial Bond for Small and Micro Enterprise Loans" in the amount of RMB 50 billion in the domestic inter-bank market on 25 March 2019 which have a term of 3 years, with a fixed annual coupon rate of 3.50%.

(6)The Bank issued Tier II capital instruments in the amount of RMB 32 billion in the domestic inter-bank market on 30 July 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 3.87%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.

(7)The Bank issued Tier II capital instruments in the amount of RMB 8 billion in the domestic inter-bank market on 30 July 2020 which have a term of 15 years through maturity, with a fixed annual coupon rate of 4.18%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its tenth anniversary under certain conditions.

(8)The Bank issued Tier II capital instruments in the amount of RMB 30 billion in the domestic inter-bank market on 15 September 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.27%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.

(9)The Bank issued Tier II capital instruments in the amount of RMB 10 billion in the domestic inter-bank market on 15 September 2020 which have a term of 15 years through maturity, with a fixed annual coupon rate of 4.52%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its tenth anniversary under certain conditions.

(10)The Bank issued "2020 First Financial Bond" in the amount of RMB 50 billion in the domestic inter-bank market on 27 April 2020 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.08%.

(11)The Bank issued "2021 First Financial Bond" in the amount of RMB 60 billion in the domestic inter-bank market on 23 March 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.48%.

(12)The Bank issued "2021 Second Financial Bond" in the amount of RMB 40 billion in the domestic inter-bank market on 2 December 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.97%.

(13)The Bank issued "2022 First Financial Bond (Variety I)" in the amount of RMB 25 billion and "2022 First Financial Bond (Variety II)" in the amount of RMB 5 billion in the domestic inter-bank market on 21 January 2022. Both bonds have a term of 3 years through maturity, with a fixed annual coupon rate of 2.69%.

(14)The Bank issued "2022 Second Financial Bond" in the amount of RMB 30 billion in the domestic inter-bank market on 24 February 2022 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.78%.

(15)The Bank issued "2022 Third Financial Bond" in the amount of RMB 30 billion in the domestic inter-bank market on 9 November 2022 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.45%.

(16)The Bank issued USD 500 million medium-term note in Hong Kong Stock Exchange on 27 July 2020 which has a term of 3 years through maturity, with a flexible annual coupon rate of 3ML+85BPS. The Bank simultaneously issued HKD 2 billion medium-term notes and USD 700 million medium-term notes in Hong Kong Stock Exchange on 13 July 2021 which has the term of 2 years and 3 years respectively, and the coupon rate is 0.6000% of the fixed interest rate and 0.875% of the fixed interest rate respectively.

(17)The Bank issued medium-term notes totaling USD 300 million on the Singapore Exchange on 19 January 2021; the notes have a term of 3 years and a fixed coupon rate of 1.056% per annum.

(18)The Bank issued USD 300 million medium-term notes on London Stock Exchange on 29 October 2019 which has a term of 3 years through maturity, with a flexible annual coupon rate of 3ML+70BPS, which matured on 29 October 2022. The Bank issued USD 400 million medium-term notes on London Stock Exchange on 14 July 2022 which has a term of 3 years through maturity, with a fixed coupon rate of 3.25% per annum.

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(19)As approved by the relevant regulatory authorities in China, the Bank made a public offering of RMB 50 billion, A-share convertible corporate bonds on 15 November 2019. The convertible corporate bonds have a term of six years from 28 October 2019 to 27 October 2025, at coupon rates of 0.20% for the first year, 0.80% for the second year, 1.50% for the third year, 2.10% for the fourth year, 3.20% for the fifth year and 4.00% for the sixth year. The bond is payable on an annual basis, with principal and last year's interest due. The conversion of these convertible corporate bonds begins from the first trading day after six months upon the completion date of the offering (4 May 2020) to the maturity date (27 October 2025).

In accordance with formulas set out in the prospectus of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB 15.05 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances (excluding the conversion of convertible bonds due to this issue). The holder of this bond applies for a conversion within the conversion period. The number of conversions is calculated by dividing the total amount of the bond faced by the bond holder applying for the conversion by the effective conversion price on the day of application for the conversion. Within five trading days after the expiration of the convertible bonds issued by the Bank, the Bank will redeem all unconverted convertible bonds at 110% of the face value of the bonds' convertible bonds (including the interest of the last year). For the specific issuance terms of this bond, please refer to the relevant issuance announcement.

As at 31 December 2022, a total of RMB 1,376,000 convertible corporate bonds were converted to ordinary shares of the Bank, and the accumulated numbers of shares converted were 93,773, and it accounts for 0.0003% of the total issued ordinary shares of the company before the convertible bonds of Shanghai Pudong Development Bank. The cumulative effect of the conversion on other equity instruments of the Bank was not material.

The liabilities and equity components of the convertible corporate bonds issued by the group and the bank are as follows:

	Liability	Equity (Note III.30)	Total
Issued amount of convertible bonds	47,214	2,786	50,000
Direct issuance expenses	(78)	(4)	(82)
Balance at the issuance date	47,136	2,782	49,918
Amortisation in the prior year	3,431	-	3,431
Converted bonds in the prior years	(2)	-	(2)
Balance at 1 January 2022	50,565	2,782	53,347
Amortisation in the current period	1,157	-	1,157
Balance at 31 December 2022	51,722	2,782	54,504

(20)SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued "2019 first Financial Bond" in the amount of RMB 2 billion in the domestic inter-bank market on 23 July 2019 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.62%.

(21)SPDB Financial Leasing Co., Ltd, the subsidiary of the Bank, issued "2019 second Financial Bond" in the amount of RMB 2 billion in the domestic inter-bank market on 20 August 2019 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.45%.

(22)SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued Tier II capital instruments in the amount of RMB 1.1 billion in the domestic inter-bank market on 11 August 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.20%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.

(23)SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued "2020 Financial Bond" in the amount of RMB 3 billion in the domestic inter-bank market on 17 November 2020 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.88%. As at 31 December 2022, the actual issuance of the Group was RMB 2.8 billion.

(24)SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued "2021 Green Financial Bond" in the amount of RMB 3 billion in the domestic inter-bank market on 6 July 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.38%.

(25)SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued "2021 First Financial Bond" in the amount of RMB 2 billion in the domestic inter-bank market on 21 October 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.30%.

(26)SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued "2022 First Financial Bond (Freight and logistics)" in the amount of RMB 1.5 billion in the domestic inter-bank market on 8 July 2022 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.93%. As at 31 December 2022, the actual issuance of the Group was RMB 1.45 billion.

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27. Provisions

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Impairment allowance for financial guarantees and loan commitments	6,229	6,274	6,227	6,271
Others	1	1	1	1
Total	6,230	6,275	6,228	6,272

28. Other liabilities

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Suspense accounts	25,634	25,001	25,628	24,998
Employee benefits payable	12,672	14,865	10,764	13,068
VAT and other taxes payable	4,923	5,259	4,366	4,202
Advance from performance deposits and other deposits	3,175	3,288	217	202
Contract liabilities	3,238	3,140	2,690	2,545
Accrued expenses	2,414	2,758	2,402	2,748
Others	5,303	4,846	2,067	2,313
Total	57,359	59,157	48,134	50,076

29. Share capital

The Group and the Bank	31 December 2022	31 December 2021
Domestic listed RMB ordinary shares (A shares)	29,352	29,352

A shares issued by the Bank are all ordinary shares, with par value of RMB 1 per share. All shares rank pari passu in all respects with each other.

30. Other equity instrument

	Note	31 December 2022	31 December 2021
Other equity instruments included in the tier 1 capital of the Bank- the equity components of SPDB convertible corporate bonds	(1)	2,782	2,782
Other equity instruments included in other tier 1 capital of the Bank	(2)	109,909	109,909
Total		112,691	112,691

(1)As at 31 December 2022, the Equity of convertible corporate bonds issued by the Bank was RMB 2,782 million (2021: RMB 2,782 million), see note III. 26(19) for specific information.

(2)Other equity instruments included in other tier 1 capital of the Bank

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Name of other equity instruments outstanding	Dividend rate	Issuance Price (RMB)	Number	Opening amount	Movements during the year	Closing amount	Maturity date or renewals	Conversion (Yes/No)
Pufayou 1 (a)	6% for the first five years; 5.58% for the second five years	100	150 million	15,000	-	15,000	No maturity date	No
Pufayou 2 (a)	5.5% for the first five years 4.81% for the second five years	100	150 million	15,000	-	15,000	No maturity date	No
19 SPDB Perpetual bond (b)	4.73% for the first five years	100	300 million	30,000	-	30,000	No maturity date	No
20 SPDB Perpetual bond (b)	4.75% for the first five years	100	500 million	50,000	-	50,000	No maturity date	No
Less: Issue expenses				(91)	-	(91)		
Carrying amount				109,909	-	109,909		

(a) On 28 November 2014 and 6 March 2015, the Bank issued non-cumulative preference shares with a total par value of RMB 30 billion. The proceeds after deducting transaction costs amounted to RMB 29.92 billion and were recorded as other equity instruments. The Bank has the option to redeem part or all outstanding preference shares on any dividend payment date after five years from the issuance if certain conditions are met, under the approval obtained from the CBIRC. Holders of the preference shares have no right to require the Bank to redeem the outstanding preference shares. Dividends of the preference shares are payable in cash on annual basis at a fixed dividend rate which is adjusted every five years. The Bank at its discretion has the right not to declare and distribute the dividends of the preference shares in part or full.

Upon occurrence of any of the following triggering events and subject to the approval from the CBIRC, the Bank's outstanding preference shares shall be mandatorily converted in part or full to the Bank's ordinary shares:

1. When the core tier 1 capital adequacy ratio of the Bank decreases to 5.125% (or below), upon the approval from the Board of Directors, the outstanding preference share shall be converted into the Bank's ordinary shares in part or full at a pre-determined mandatory conversion price so as to bring the Bank's core tier 1 capital adequacy ratio back to above 5.125%;
2. When any triggering event of the Bank's tier 2 capital instruments occurs, the outstanding preference shares shall be converted to the Bank's ordinary A shares at the pre-determined mandatory conversion price.

Under the approval from regulatory authority, the outstanding preference shares will be fully or partially converted to ordinary A-shares at the price of RMB 7.62 per share when meeting the mandatory conversion triggering conditions. If the Bank subsequently appropriates bonus shares, transfers retained earnings to ordinary shares, issues new ordinary shares (excluding any increase of ordinary shares due to conversion of convertible financial instruments issued by the Bank, such as preference shares and convertible bonds, etc.) or issue rights, the conversion price shall be adjusted subject to the terms and formula provided by the offering documents to adjust for the dilutive effects of these specified increases in ordinary shares.

Pursuant to the relevant laws and regulations, and the Approval from CBIRC on the Bank's Non-Public Offering of Preference Shares and Corresponding Revisions to the Article of Association (YJF[2014]No.564), the proceeds from the issuance of preference shares shall be used to supplement the other tier 1 capital of the Bank.

Upon liquidation, the holders of the Bank's preference shares are entitled to the repayment at the par value of the outstanding preference shares prior to any distribution to the holders of the Bank's ordinary shares. If the remaining assets of the Bank are not sufficient to cover the par value, they are allocated to the holders of preference shares on proportionate basis.

(b) The Bank issued "2019 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd." (RMB 30 billion) and "2020 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd." (RMB 50 billion) in the domestic inter-bank market on July 2019 and November 2020 respectively, which were all accounted for as other equity instruments after deducting issuance expenses. The duration of this Perpetual bond was consistent with the duration of the Bank's continuing operations. The Bank shall have the right to redeem the Perpetual bond in whole or in part on the fifth distribution payment date since the issuance, provided that prerequisite for redemption is met and such redemption is approved by the CBIRC, and the bond investors have no right to request the Bank to redeem the capital bonds with unfixed terms. The Bank shall have the right to cancel, in whole or in part, distributions on the perpetual bond with unfixed terms.

Pursuant to applicable laws and regulations and the "China Banking and Insurance Regulatory Commission's Reply on the Issuance of Unfixed-Term Capital Bonds by SPDB" ([2019] No. 596) and the "China Banking and Insurance Regulatory Commission's Reply on the Issuance of Unfixed-Term Capital Bonds by SPDB" (Yinbao Jianfu [2020] No. 595), the funds raised from Perpetual bond are used to supplement other Tier 1 capital of the Bank.

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The compensation order of the Perpetual bond is behind of depositors, general creditors and subordinated debts that are prior than the capital bonds with unfixed terms, and ahead of all types of shares held by shareholders of the Bank; the Perpetual bond will be compensated in the same order with other Tier 1 capital instruments which have the same compensation order.

As for the "2019 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.", the Bank has the right to write down the bonds without obtaining the consent of the Perpetual bond investor when the Bank triggers the following trigger events as deemed by the CBIRC or relevant departments and obtains regulatory approval.

1. Upon the occurrence of an Additional Tier 1 Capital Trigger Event (Core Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), with the consent of the CBIRC and without the consent of the bondholders, the Bank has the right to write down all or part of the above Perpetual bond issued and existing at that time in accordance with the total par value, in order to restore the Core Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%.

2. When any triggering event of the Bank's tier 2 capital instruments occurs, the Bank has the right to write down all the above Perpetual bond issued and existing at that time in accordance with the total par value without the consent of the bondholders.

As for the "2020 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.", if the trigger events do not occur, the Bank has the right to write down the bonds without obtaining the consent of the bond holder.

No occurrence of trigger events refers to the earlier of the below situation: (1) CBIRC determines that the issuer will not survive without written-off; or (2) the relevant departments determine that the issuer will not survive without the capital contribution from public sector or equivalent support.

31. Capital reserves

	The Group		The Bank	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Share premium	81,691	81,691	81,691	81,691
Other capital surplus				
- Capital increase of subsidiaries	50	50	-	-
- Others	21	21	21	21
Total	81,762	81,762	81,712	81,712

As mentioned in Note III. 26(19), with the approval of the CBIRC and other relevant institutions, the Bank publicly issued A-share convertible corporate bonds with a face value of RMB 50 billion in 2019. As of 31 December, 2022, about RMB 1,376,000 of convertible corporate bonds had been converted into A-share ordinary shares, accumulatively increasing the bank's share capital to 93,773 shares, and increasing the Bank's share capital premium accordingly.

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32. Surplus reserves

The Group and The Bank	1 January 2022	Addition	31 December 2022
Statutory reserve	22,206	–	22,206
Discretionary reserve	137,086	15,093	152,179
Total	159,292	15,093	174,385

	1 January 2021	Addition	31 December 2021
Statutory reserve	22,206	–	22,206
Discretionary reserve	120,533	16,553	137,086
Total	142,739	16,553	159,292

Pursuant to related PRC regulations, the Bank is required to appropriate 10% of its annual net profit to a statutory reserve until such reserve has reached 50% of ordinary shares. After the appropriation of statutory reserve, the Bank may further appropriate discretionary reserve.

33. General risk reserve

The Group	1 January 2022	Addition	31 December 2022
General risk reserve	90,993	8,522	99,515

	1 January 2021	Addition	31 December 2021
General risk reserve	79,640	11,353	90,993

The Bank	1 January 2022	Addition	31 December 2022
General risk reserve	89,000	4,500	93,500

	1 January 2021	Addition	31 December 2021
General risk reserve	78,000	11,000	89,000

Pursuant to Caijin [2012] No. 20 "Administration Rules on Appropriation to General Risk Reserve for Financial Institutions" issued by MOF, the Bank is required to make appropriation to a general risk reserve.

General risk reserve of the Group also includes appropriation of the Bank's subsidiaries required by industry or district regulations.

35. Profit appropriations

(1) Profit distribution for the year ended 31 December 2021

Pursuant to the approval at the Shareholders' meeting on 17 June 2022, the Bank's profit distribution plan for the year ended 31 December 2021 is as follows:

- (i) The Bank appropriated for discretionary surplus reserve at 30% of the profit after tax, amounting to RMB 15,093 million;
- (ii) Appropriate RMB 4.5 billion as general reserve;
- (iii) The Bank declared and distributed cash dividends of RMB 4.1 (tax included) for every 10 shares to all shareholders based on the total share capital of common stock on the date of equity registration for profit distribution.

(2) Profit distribution for the year ended 31 December 2020

Pursuant to the approval at the Shareholders' meeting on 11 June 2021, the Bank's profit distribution plan for the year ended 31 December 2020 is as follows:

- (i) The Bank appropriated for discretionary surplus reserve at 30% of the profit after tax, amounting to RMB 16,553 million;
- (ii) Appropriate RMB 11 billion as general reserve;
- (iii) The Bank declared and distributed cash dividends of RMB 4.8 (tax included) for every 10 shares to all shareholders based on the total share capital of common stock on the date of equity registration for profit distribution.

(3) Dividend distribution for preference shares

On 27 October 2022, the dividend distribution plan for Pufayou 1 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 837 million in total (tax included) on 5 December 2022, which were calculated according to the coupon rate of Pufayou 1 (5.58%).

On 26 January 2022, the dividend distribution plan for Pufayou 2 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 721.5 million in total (tax included) on 11 March 2022, which were calculated according to the coupon rate of Pufayou 2 (4.81%).

On 19 November 2021, the dividend distribution plan for Pufayou 1 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 837 million in total (tax included) on 3 December 2021, which were calculated according to the coupon rate of Pufayou 1 (5.58%).

On 24 February 2021, the dividend distribution plan for Pufayou 2 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 721.5 million in total (tax included) on 11 March 2021, which were calculated according to the coupon rate of Pufayou 2 (4.81%).

(4) Interests payment of capital bonds with unfixed terms

In November 2022, the Bank has declared the distribution of RMB 2.375 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2020 capital bonds with unfixed terms.

In July 2022, the Bank has declared the distribution of RMB 1.419 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2019 capital bonds with unfixed terms.

In November 2021, the Bank has declared the distribution of RMB 2.375 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2020 capital bonds with unfixed terms.

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In July 2021, the Bank has declared the distribution of RMB 1.419 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2019 capital bonds with unfixed terms.

36. Transfers of financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose vehicles. In some cases where these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continued to recognize the transferred assets.

Assets backed securitization transaction

For the year ended 31 December 2022, the Group transferred financial assets amounted to RMB 26,434 million through assets backed securitization transactions, and all have met the requirement of derecognition (For the year ended 31 December 2021, the Group transferred financial assets amounted to RMB 18,464 million through assets backed securitization transactions, and all have met the requirement of derecognition).

As at 31 December 2022, except for the aforementioned securitised transactions, the Group transferred credit assets of a original book value of RMB 35,874 million (31 December 2021: RMB 35,874 million) to securitised entities. The Group neither transfers nor retains substantially all of the risks and rewards related to ownership of the credit assets, but it retains control over the credit assets. The Group will recognise the assets on the balance sheet according to the degree of its continued involvement, and the rest will be derecognised. As at 31 December 2022, the assets value of the Group's continued recognition was RMB 4,650 million (31 December 2021: RMB 4,650 million).

Transfer of loans assets

For the year ended 31 December 2022, the Group directly transferred and derecognized a total amount of RMB 11,385 million loan assets to third parties, which were all non-performing loans to asset management companies and have met the requirement of derecognition (For the year ended 31 December 2021, the Group directly transferred and derecognized a total amount of RMB 8,514 million loan assets to third parties, which were all non-performing loans to asset management companies and have met the requirement of derecognition).

Securities lending transaction

In the securities lending transaction, the counterparty may sell or re-use the above securities in the condition that no default exists, but at the same time bear the obligation to return the above securities on the expiration date specified in the agreement. For the above business, the Group believes that the Group retains most of the risks and rewards of the relevant securities and therefore does not derecognize the relevant securities. As at 31 December 2022, the carrying amount of the assets transferred by the Group in securities lending transactions was RMB 67,632 million (31 December 2021: RMB 40,639 million).

37. Involvement with unconsolidated structured entities

(1) Structured entities sponsored by third party institutions in which the Group holds an Interest

The Group directly holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include fund investment, capital trust and asset management plans, ABS and other investments, the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issue of investment products to investors.

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The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

Carrying amount	The Group	
	31 December 2022	31 December 2021
Financial investments measured at FVTPL		
Fund investments	443,879	394,604
Capital trust and asset management plans	95,101	11,395
Equity investments	10,371	7,281
ABS	4,656	6,518
Wealth management products and structured deposit	—	10
Other investments	6,560	6,467
Financial investments measured at amortised cost		
Capital trust and asset management plans	372,761	433,573
ABS	207	127
Financial investments measured at FVOCI		
ABS	2,886	5,134
Asset management plans	—	9,198
Repossessed equity instruments	828	828

The maximum exposures to loss in the above capital trust and asset management plans are the amortised cost or fair value of the assets held by the Group at the reporting date. The maximum exposures to loss in the fund investment and other investments are the fair value of the assets held by the Group at the reporting date.

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(2) Structured entities sponsored by the Group which the Group did not consolidate but held an interest

The types of unconsolidated structured entities sponsored by the Group include wealth management products, trust plan, fund investment and ABS. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of notes to investors. Interest held by the Group includes investments in notes issued by these structured entities and fees charged by providing management services.

As at 31 December 2022, the amount of assets held by the unconsolidated wealth management products, which are sponsored by the Group, were RMB 980,263 million (31 December 2021: RMB 1,170,405 million).

During the year of 2021 and 2022, the amount of the average exposure of financing transactions through reverse repurchase agreements from the Group with wealth management products sponsored by the Group was RMB Nil million.

As at 31 December 2022, the amount of assets held by the unconsolidated capital trust plans, which are sponsored by the Group, were RMB 305,463 million (31 December 2021: RMB 387,901 million).

As at 31 December 2022, the amount of assets held by the unconsolidated fund investments, which are sponsored by the Group, were RMB 201,225 million (31 December 2021: RMB 265,135 million).

As at 31 December 2022, the amount of assets held by the unconsolidated ABS, which are sponsored by the Group, were RMB 136,737 million (31 December 2021: RMB 197,136 million).

In 2022, the Group's commission income from providing services to the wealth management products and Trust plans was RMB 5.199 billion and RMB 2.494 billion, respectively. (In 2021: RMB 6.980 billion and 2.784 billion). The commission income from other non-consolidated structured entities managed by the Group is not material.

(3) Unconsolidated structured entities sponsored by the Group during the year in which the Group does not have an interest at 31 December 2022

There were no wealth management products sponsored and issued by the Group after 1 January 2022 and matured before 31 December 2022 (The aggregated amount of the wealth management products sponsored and issued by the Group after 1 January 2021 but matured before 31 December 2021 is not material).

The total amount of ABS issued by the Group after 1 January 2022 but matured before 31 December 2022 was RMB 502 million (The total amount of ABS issued by the Group after 1 January 2021 but matured before 31 December 2021 was RMB 593 million).

There was no trust plans or investments in funds issued by the Group after 1 January 2022 and expired before 31 December 2022.

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38. Interests in other entities

(1) Interests in major subsidiaries

(i) Major subsidiaries of the Group

Name of subsidiaries	Place of main business	Place of registration	Obtaining method	Share-holding percentage (direct)
SPDB Financial Leasing Co., Ltd.	Shanghai	Shanghai	Establishment	61.02%
Shanghai International Trust Co., Ltd.	Shanghai	Shanghai	Acquisition	97.33%
SPDB International Holding, Ltd.	Hong Kong	Hong Kong	Acquisition	100.00%
SPDB Wealth Management Co., Ltd.	Shanghai	Shanghai	Establishment	100.00%
Mianzhu SPD Rural Bank Co., Ltd.	Mianzhu, Sichuan	Mianzhu, Sichuan	Establishment	55.00%
Liyang SPD Rural Bank Co., Ltd.	Liyang, Jiangsu	Liyang, Jiangsu	Establishment	51.00%
Gongyi SPD Rural Bank Co., Ltd.	Gongyi, Henan	Gongyi, Henan	Establishment	51.00%
Fengxian SPD Rural Bank Co., Ltd.	Fengxian, Shanghai	Fengxian, Shanghai	Establishment	51.00%
Zixing SPD Rural Bank Co., Ltd.	Zixing, Hunan	Zixing, Hunan	Establishment	51.00%
Chongqing Banan SPD Rural Bank Co., Ltd.	Banan, Chongqing	Banan, Chongqing	Establishment	51.00%
Zouping SPD Rural Bank Co., Ltd.	Zouping, Shandong	Zouping, Shandong	Establishment	51.00%
Zezhou SPD Rural Bank Co., Ltd.	Jincheng, Shanxi	Jincheng, Shanxi	Establishment	51.00%
Dalian Ganjingzi SPD Rural Bank Co., Ltd.	Ganjingzi, Liaoning	Ganjingzi, Liaoning	Establishment	51.00%
Hancheng SPD Rural Bank Co., Ltd.	Hancheng Shaanxi	Hancheng Shaanxi	Establishment	51.00%
Jiangyin SPD Rural Bank Co., Ltd.	Jiangyin, Jiangsu	Jiangyin, Jiangsu	Establishment	51.00%
Pingyang SPD Rural Bank Co., Ltd.	Pingyang, Zhejiang	Pingyang, Zhejiang	Establishment	51.00%
Xinchang SPD Rural Bank Co., Ltd.	Xinchang, Zhejiang	Xinchang, Zhejiang	Establishment	51.00%
Yuanjiang SPD Rural Bank Co., Ltd.	Yuanjiang, Hunan	Yuanjiang, Hunan	Establishment	51.00%
Chaling SPD Rural Bank Co., Ltd.	Zhuzhou, Hunan	Zhuzhou, Hunan	Establishment	51.00%
Linchuan SPD Rural Bank Co., Ltd.	Fuzhou, Jiangxi	Fuzhou, Jiangxi	Establishment	51.00%
Linwu SPD Rural Bank Co., Ltd.	Chenzhou, Hunan	Chenzhou, Hunan	Establishment	51.00%
Hengnan SPD Rural Bank Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Establishment	51.00%
Haerbin Hulan SPD Rural Bank Co., Ltd.	Haerbin, Heilongjiang	Haerbin, Heilongjiang	Establishment	51.00%
Gongzhuling SPD Rural Bank Co., Ltd.	Siping, Jilin	Siping, Jilin	Establishment	51.00%
Yuzhong SPD Rural Bank Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Establishment	51.00%
Fumin SPD Rural Bank Co., Ltd.	Fumin, Yunnan	Fumin, Yunnan	Establishment	51.00%
Ningbo Haishu Rural Bank Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Establishment	51.00%
Urumchi Midong SPD Rural Bank Co., Ltd.	Urumchi, Xinjiang	Urumchi, Xinjiang	Establishment	51.00%
Tianjin Baodi SPD Rural Bank Co., Ltd.	Baodi, Tianjin	Baodi, Tianjin	Establishment	49.00%
Chongqing Tongliang SPD Rural Bank Co., Ltd.	Tongliang, Chongqing	Tongliang, Chongqing	Establishment	51.00%
Qianxinan yilong SPD Rural Bank Co., Ltd.	Yilong, Guizhou	Yilong, Guizhou	Establishment	51.00%
Fufeng SPD Rural Bank Co., Ltd.	Baoji, Shaanxi	Baoji, Shaanxi	Establishment	51.00%

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As of the date of the statement of financial position, in accordance with relevant conventions entered into by the Bank and other shareholders of Baodi Tianjin SPD Rural Bank Co., Ltd., the Bank owns 51% voting rights in Baodi Tianjin SPD Rural Bank Co., Ltd, and therefore is able to control Baodi Tianjin SPD Rural Bank Co., Ltd.. In January 2023, the Bank has entered into equity transfer agreement with other shareholders of Tianjin Baodi SPD Rural Bank Co., Ltd., and the direct shareholding percentage of the Bank increased to 51%.

All subsidiaries are unlisted and consolidated in the Bank's consolidated financial statements.

(ii) Relevant information of major partly-owned subsidiaries

After individual assessment, the Group concluded that no subsidiary has non-controlling interest that is material to the Group.

(2) Interests in joint ventures and associates

(i) General information of major joint ventures and associates

Name of the investee	Note	Place of main business	Place of registration	Strategic investment	Share-holding percentage (Direct)	Business nature
Joint ventures:						
AXA SPDB Investment Managers Co., Ltd.	(a)	Shanghai	Shanghai	Y	51%	Financial industry
SPD Silicon Valley Bank Co., Ltd.		Shanghai	Shanghai	Y	50%	Financial industry

Equity investments above-mentioned are all accounted for by equity method.

(a) According to the Articles of Association of AXA SPDB Investment Managers Co., Ltd., resolutions on certain significant operations and finance decisions shall be approved by shareholders representing more than two-thirds voting shares. These resolutions are involved with the Company's strategic plans, investment plans, authorization on the Board of Directors for approval of annual financial budget and settlement plans, approval of profit appropriations and plans to cover accumulated losses, and approval of equity transfers and modification of the Articles of Association, etc. Although the Group owns 51% voting shares of AXA SPDB Investment Management Co., Ltd., it has to exercise influences over the company jointly with other major shareholders.

(ii) Key financial information of major joint ventures and associates

The Group's joint ventures and associates are all unlisted companies. The Group is of the view that these joint ventures and associates are not material to the Group in terms of their aggregated net profit and net assets.

IV SEGMENT REPORTING

Top management of the Group reviews the performance of the Bank's branches and subsidiaries in different economic regions from geographic perspective. The branches and subsidiaries of the Bank mainly provide services to local customers domiciled in respective geographic areas, therefore operating segments are analysed principally based on the location of the assets.

The operating segments' principal income are mainly from various commercial and investment banking services, including deposits and loans, discounted bills, trade finance, inter-bank money market and investments etc.

The Group's operating segments of different regions are set out as follows:

Headquarter:	Headquarters (including the direct institutions under headquarters and the branches)
Yangtze River Delta:	Branches in Shanghai, Jiangsu, Zhejiang, Anhui
Pearl River Delta and West Side of Taiwan Strait:	Branches in Guangdong and Fujian
Bohai Rim:	Branches in Beijing, Tianjin, Hebei and Shandong
Central China:	Branches in Shanxi, Henan, Hubei, Hunan, Jiangxi and Hainan
Western China:	Branches in Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Tibet
North-east China:	Branches in Liaoning, Jilin and Heilongjiang
Overseas and subsidiaries:	Overseas branches and domestic and overseas Subsidiaries

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2022										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Interest income	129,807	87,333	33,612	38,822	25,017	30,028	9,539	11,416	(66,054)	299,520
<i>Including:</i>										
<i>External interest income</i>	116,547	62,922	24,403	25,566	24,456	26,919	8,241	10,466	-	299,520
<i>Internal interest income</i>	13,260	24,411	9,209	13,256	561	3,109	1,298	950	(66,054)	-
Interest expense	(86,559)	(53,102)	(23,248)	(25,260)	(12,779)	(18,100)	(5,511)	(7,354)	66,062	(165,851)
<i>Including:</i>										
<i>External interest expense</i>	(54,828)	(45,298)	(14,154)	(21,501)	(10,326)	(8,755)	(4,675)	(6,314)	-	(165,851)
<i>Internal interest expense</i>	(31,731)	(7,804)	(9,094)	(3,759)	(2,453)	(9,345)	(836)	(1,040)	66,062	-
Net interest income	43,248	34,231	10,364	13,562	12,238	11,928	4,028	4,062	8	133,669
Net fee and commission income / (expense)	14,519	4,130	2,608	1,003	340	(666)	180	6,579	(2)	28,691
Net trading income	13,407	1,202	448	757	374	432	146	412	(6)	17,172
Net gains or losses arising from financial investments	5,386	-	-	-	-	-	-	(73)	-	5,313
Other operating income / (expense)	103	146	19	90	16	108	9	3,379	(209)	3,661
Operating expenses	(19,022)	(11,312)	(4,222)	(5,312)	(4,100)	(4,760)	(1,858)	(6,211)	209	(56,588)
Impairment losses	(35,643)	(8,218)	(4,196)	(2,838)	(7,928)	(14,028)	(1,391)	(1,757)	-	(75,999)
Share of profits from associates and joint ventures	198	-	-	-	-	-	-	32	-	230
Total segment profit / (loss) before tax	22,196	20,179	5,021	7,262	940	(6,986)	1,114	6,423	-	56,149
31 December 2022										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Loans and advances to customers	553,520	1,538,543	611,277	631,186	515,155	570,421	189,937	190,514	(2,203)	4,798,350
Total segment assets	4,700,936	2,454,245	754,000	958,945	576,903	621,781	266,418	441,247	(2,069,824)	8,704,651
Deposits from customers	82,640	2,101,837	621,945	846,142	489,845	444,747	205,831	101,606	(781)	4,893,812
Total segment assets	4,048,318	2,434,215	748,895	951,537	575,835	628,896	265,383	414,621	(2,069,824)	7,997,876
Net position of segment assets and liabilities	652,618	20,030	5,105	7,408	1,068	(7,115)	1,035	26,626	-	706,775

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2021										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Interest income	125,008	86,125	32,841	40,724	29,620	27,998	9,274	9,131	(60,028)	300,693
<i>Including: External interest income</i>	112,699	65,294	24,582	26,575	29,458	25,039	8,413	8,633	-	300,693
<i>Internal interest income</i>	12,309	20,831	8,259	14,149	162	2,959	861	498	(60,028)	-
Interest expense	(83,766)	(49,695)	(21,428)	(26,759)	(13,817)	(18,583)	(5,546)	(5,169)	60,028	(164,735)
<i>Including: External interest expense</i>	(64,225)	(41,349)	(12,327)	(20,525)	(9,736)	(7,358)	(4,500)	(4,715)	-	(164,735)
<i>Internal interest expense</i>	(19,541)	(8,346)	(9,101)	(6,234)	(4,081)	(11,225)	(1,046)	(454)	60,028	-
Net interest income	41,242	36,430	11,413	13,965	15,803	9,415	3,728	3,962	-	135,958
Net fee and commission income/(expense)	19,495	2,297	2,085	823	(424)	(166)	200	4,824	-	29,134
Net trading income	15,392	1,251	363	653	376	419	86	1,575	-	20,115
Net gains or losses arising from financial investments	2,332	-	-	-	-	-	-	(56)	-	2,276
Other operating income	135	151	25	106	35	84	10	2,871	-	3,417
Operating expenses	(17,395)	(11,313)	(3,862)	(5,264)	(3,803)	(4,663)	(1,882)	(5,526)	-	(53,708)
Impairment losses	(30,718)	(6,144)	(3,185)	(4,397)	(3,967)	(24,940)	(3,739)	(1,254)	-	(78,344)
Share of profits from associates and joint ventures	190	-	-	-	-	-	-	33	-	223
Total segment profit/(loss) before tax	30,673	22,672	6,839	5,886	8,020	(19,851)	(1,597)	6,429	-	59,071

31 December 2021										
	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Loans and advances to customers	568,205	1,464,815	567,961	608,632	544,401	570,532	194,080	174,862	(2,534)	4,690,954
Total segment assets	3,994,931	2,305,152	698,256	984,964	571,081	602,101	236,826	380,013	(1,636,567)	8,136,757
Deposits from customers	142,215	1,882,049	575,921	777,332	447,288	368,530	182,747	88,819	(1,293)	4,463,608
Total segment assets	3,364,271	2,282,428	691,343	978,645	562,974	622,151	238,382	354,912	(1,636,567)	7,458,539
Net position of segment assets and liabilities	630,660	22,724	6,913	6,319	8,107	(20,050)	(1,556)	25,101	-	678,218

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V CONTINGENCIES AND COMMITMENTS

1. Credit commitments

The Group's credit commitments are listed as follows:

	31 December 2022	31 December 2021
Bank acceptance bills	729,985	617,735
Letters of credit issued	236,245	192,522
Letters of guarantee issued	109,643	113,363
Credit cards and loan commitments	704,235	647,121
Total	1,780,108	1,570,741

2. Commitment on redemption of treasury bonds

The Group is entrusted by the MOF to underwrite certificate treasury bonds. The investors of these treasury bonds have a right to redeem the bonds in advance and the Group is committed to redeem these treasury bonds. The redemption price is the principal value of the bonds plus unpaid interest. As at 31 December 2022, the outstanding principal value of the commitment on redemption treasury bonds sold by the Group amounted to RMB 7,781 million (31 December 2021: RMB 11,668 million). The original maturities of these treasury bonds vary from three to five years. The management expects the amount of bonds to be eventually redeemed before the maturity date will not be material.

3. Capital commitments

As at 31 December 2022, the major capital commitments the Group had signed but not paid amounted to RMB 7,540 million (31 December 2021: RMB 10,141 million). Additionally, as at 31 December 2022, the amount of the procurement plan of financial lease commitments and operating fixed assets that the Bank's subsidiaries had signed but not paid was RMB 10,312 million (31 December 2021: RMB 5,331 million).

As at 31 December 2022, the major capital commitments the Group had approved but not signed amounted to RMB 5,330 million (31 December 2021: RMB 5,131 million). Additionally, as at 31 December 2021, the amount of the procurement plan of financial lease commitments and operating fixed assets that the Bank's subsidiaries had approved but not signed was RMB 830 million (31 December 2021: RMB 506 million).

4. Legal proceedings

As at 31 December 2022, the number of outstanding legal proceedings where the Group acts as the defendant and third party defendant was 196 and 209, respectively. The corresponding amount involved was about RMB 7,800 million and RMB 314 million, respectively, the possibility of loss for other cases were assessed as not large (As at 31 December 2021, the number of outstanding legal proceedings where the Group acts as the defendant and third party defendant was 148 and 198, respectively. The corresponding amount involved was about RMB 1,371 million and RMB 511 million, respectively, the possibility of loss for other cases were assessed as not large).

VI FIDUCIARY BUSINESSES

The Group provides safe-keeping and entrusted loan businesses to independent third party customers. The assets arising from these businesses are not recorded on the Group's balance sheet. As at 31 December 2022, the balance of entrusted loan business was RMB 67,363 million (As at 31 December 2021: RMB 76,427 million).

VII RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Major shareholders holding more than 5% shares of the Bank

As at 31 December 2022 and 31 December 2021, major shareholders holding more than 5% ordinary shares of the Bank are as follows:

	Direct shareholding percentage	Major business
Shanghai International Group Co., Ltd.	21.57%	Investment management
China Mobile Group Guangdong Company Limited	18.18%	Mobile and Communication
Funde Sino Life Insurance Co., Ltd. - Traditional	9.47%	Insurance Business
Funde Sino Life Insurance Co., Ltd. - Capital	6.01%	Insurance Business

2. Other shareholders who exert significant influence on the Bank

As of 31 December, 2022 and 2021, other shareholders exerting significant influence on the Bank include:

	Direct shareholding percentage	Major Business
China National Tobacco Corporation Jiangsu Branch	0.78%	Tobacco products

3. Subsidiaries

For general information of the Group's subsidiaries, please refer to Note III. 38(1) "Interests in other entities".

4. Joint ventures and associates

For general information of the joint ventures and associates, please refer to Note III. 38(2) "Interests in other entities".

5. Other major related parties

Other related parties mainly include respective group companies of shareholders who hold 5%, other substantial shareholders and the group to which they belong that have significant influence on the Group, key management personnel of the Bank (including the directors, supervisors and senior executives) and their close family members, and the companies that are controlled or jointly controlled by these key management personnel and their close family members, or the companies in which key management personnel and their close family members serve as directors (excluding independent directors in both parties) or senior executives.

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6. Transactions and balances with related parties

The amounts of material transactions between the Group and its related parties and related balances at the balance sheet date are summarised as follows:

Amounts of significant transactions from 1 January 2022 to 31 December 2022 are listed below:	Major shareholders	Joint ventures and associates	Other major related parties – group companies of major shareholders (exclusive)	Other major related parties – significant influence by key management personnel (exclusive)	Other major related parties – individuals	Total	Proportion of relevant transactions and balances
Interest income	-	-	54	70	1	125	0.04%
Interest expense	(500)	(28)	(1,316)	(208)	(1)	(2,053)	1.24%
Net Fee and commission income	1	34	4	7	1	47	0.12%
Net trading income	-	(18)	(15)	(10)	-	(43)	-0.25%
Share of profits from associates and joint ventures	-	230	-	-	-	230	100.00%
Operating expenses	(11)	-	(228)	-	-	(239)	0.42%
Other comprehensive income	1	-	-	1	-	2	-0.03%

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	Major shareholders	Joint ventures and associates	Other major related parties – group companies of major shareholders (exclusive)	Other major related parties – companies with significant influence by key management personnel (exclusive)	Other major related parties – individuals	Total	Proportion of relevant transactions and balances
Significant item balances at 31 December 2022:							
Deposits and placements with banks and other financial institutions	-	-	-	75	-	75	0.01%
Loans and advances to customers	-	-	1,555	1,729	23	3,307	0.07%
Derivative financial assets	-	-	-	218	-	218	0.51%
Financial investments measured at:							
- Financial investments measured at FVTPL	-	-	-	3,316	-	3,316	0.47%
- Financial investments measured at amortized cost	-	-	-	447	-	447	0.04%
- FVOCI	101	-	-	1,007	-	1,108	0.17%
Investments in associates and Joint Ventures	-	2,655	-	-	-	2,655	100.00%
Other Assets	-	-	2	-	-	2	0.01%
Deposits and placements from banks and other financial institutions	-	(1,463)	(15,097)	(2,496)	-	(19,056)	1.86%
Derivative financial liabilities	-	(18)	-	(177)	-	(195)	0.52%
Deposits from customers	(6,197)	(4,066)	(41,256)	(13,534)	(1)	(65,054)	1.33%
Other liabilities	(1)	-	(37)	-	-	(38)	0.07%
Significant off-balance item at 31 December 2022							
Letters of guarantee issued	-	-	107	-	-	107	0.10%
Credit card commitment	-	-	-	-	12	12	0.01%
Guarantees provided for credit business	-	-	8,639	400	-	9,039	0.32%
Bank acceptance bills	-	-	67	-	-	67	0.01%
Investment of funds for issuing financial products	-	-	-	1,240	-	1,240	0.13%
Notional principal of derivative financial instruments	-	919	-	59,192	-	60,111	0.98%

Note 1: As of 31 December 2022, key management of the Bank possessed a total number of 1,290,600 shares of common stock issued by the bank and regularly received corresponding cash dividends.
Note2: On 31 December 2022, China Mobile Group Guangdong Co., Ltd., directly holds 18.17% of shares of convertible corporate bonds issued by the Bank

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Amounts of significant transactions from 1 January 2021 to 31 December 2021 are listed below:	Major shareholders	Joint ventures and associates	Other major related parties – group companies of major shareholders (exclusive)	Other major related parties – companies with significant influence by key management personnel (exclusive)	Other major related parties – individuals	Total	Proportion of relevant transactions and balances
Interest income	-	3	79	66	1	149	0.05%
Interest expense	(527)	(27)	(1,194)	(505)	(1)	(2,254)	1.37%
Net Fee and commission income	1	124	4	5	-	134	0.34%
Net trading income	-	(14)	-	103	-	89	0.44%
Share of profits from associates and joint ventures	-	223	-	-	-	223	100.00%
Operating expenses	(7)	-	(109)	-	-	(116)	0.23%
Other comprehensive income	-	-	-	(17)	-	(17)	1.47%

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	Major shareholders	Joint ventures and associates	Other major related parties – group companies of major shareholders (exclusive)	Other major related parties – companies with significant influence by key management personnel (exclusive)	Other major related parties – individuals	Total	Proportion of relevant transactions and balances
Significant item balances at 31 December 2021:							
Deposits and placements with banks and other financial institutions	-	-	426	1,559	-	1,985	0.46%
Loans and advances to customers	-	-	1,191	1,843	19	3,053	0.07%
Derivative financial assets	-	1	-	607	-	608	1.80%
Financial investments measured at:							
- Financial investments measured at FVTPL	-	-	1	1,587	-	1,588	0.30%
- Financial investments measured at amortized cost	-	-	-	449	-	449	0.03%
- FVOCI	-	-	-	1,572	-	1,572	0.32%
Investments in associates and Joint Ventures	-	2,819	-	-	-	2,819	100.00%
Deposits and placements from banks and other financial institutions	-	(1,563)	(28,154)	(8,435)	-	(38,152)	3.45%
Derivative financial liabilities	-	(13)	-	(391)	-	(404)	1.37%
Deposits from customers	(3,614)	(3,882)	(71,961)	(21,639)	(24)	(101,120)	2.27%
Significant off-balance item at 31 December 2021							
Letters of guarantee issued	-	-	51	-	-	51	0.04%
Credit card commitment	-	-	-	-	12	12	0.01%
Fiduciary businesses	-	-	82	-	-	82	0.11%
Guarantees provided for credit business	-	-	2,224	2,749	-	4,973	0.18%
Bank acceptance bills	-	-	19	-	-	19	0.00%
Investment of funds for issuing financial products	-	-	-	2,006	-	2,006	0.17%
Notional principal of derivative financial instruments	-	1,214	-	75,893	-	77,107	1.31%

Note 1: As of 31 December 2021, key management of the Bank possessed a total number of 1,290,600 shares of common stock issued by the Bank. During the first half of 2021, key management has obtained relevant cash dividends of their shares.

Note 2: On 31 December 2021, Shanghai International Group Co., Ltd. and its subsidiaries hold a total of 8.67% of shares of convertible corporate bonds issued by the Bank and China Mobile Group Guangdong Co., Ltd., directly holds 18.17% of shares of convertible corporate bonds issued by the Bank

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7. Related parties that are controlled by the Bank

Related parties that are controlled by the Bank are the subsidiaries of the Bank. Major transactions with these subsidiaries and their balances are eliminated in the consolidated financial statements, and are summarised as follows:

Balances at the year end:	31 December 2022	31 December 2021
Deposits and placements with banks and other financial institutions	6,851	2,559
Loans and advances to customers	2,203	1,388
Financial investment measured at FVOCI	252	-
Deposits and placements from banks and other financial institutions	13,424	8,473
Derivative financial liabilities	16	-
Deposits from customers	781	1,293
Others	99	32
Transactions during the year:	2022	2021
Interest income from deposits and placements from banks and other financial institutions	120	49
Net trading loss	16	-
Interest income from loans and advances to customers	81	60
Interest income from financial investment measured at FVOCI	13	-
Interest expenses on deposits from banks and other financial institutions	362	265
Interest expenses on deposits from customers	6	12
Fee and commission income	46	54
Fee and commission expense	1,839	111
Other operating net income	6	-
Operating expenses	201	-

8. Compensation of key management personnel

Key management personnel are those people having authority and responsibility for planning, directing, and controlling the activities of the Group, either directly or indirectly, including directors, supervisors and senior executives.

Compensation of key management personnel for the respective periods (excluding the social insurance charges paid by the Bank) is as follows:

	2022	2021
Compensation of key management personnel	20	26

The Compensation of key management personnel are remuneration without social insurance paid in 2022 to the directors, supervisor and senior management of the Bank in past 12 months or will do so in the next 12 months according to the relevant contract arrangement.

9. Transactions with the annuity plan

In terms of the enterprise annuity funds established by the Group, in addition to the normal contribution, there has been no other related party transactions during the reporting period.

10. Major credit related transactions to related parties

Major credit related transactions to related parties refer to transactions in which the amount of a single transaction between the Bank and a related party accounts for more than 1% of the latest audited net assets of the Bank, or the transaction balance between the Bank and a related party accounts for more than 5% of the latest audited net assets of the Bank

In 2022, the newly added major credited related transactions between the Bank and related parties outside the Group are as follows:

Related Parties	Total credit limit to related parties and other companies in their group
China National Tobacco Corporation	27,000
Guotai Junan Securities Co., Ltd.	24,600
Shanghai International Group Co., Ltd.	19,790
Bailian Group Co., Ltd.	12,000
China Mobile Communications Group Co.,Ltd	9,000

For details of major credit related transactions, please refer to the relevant resolutions of the board of directors publicly disclosed by the Bank.

VIII FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks in its operating activities. The Group analyses, evaluates, accepts and manages certain degree of risks or risk portfolios. Managing financial risk is critical to the financial industry, and the inherent risks is an inevitable consequence of business operation. The Group's aim is therefore to strike an appropriate balance between risk and return and minimise potential adverse impact on the Group's financial performance.

The Group has designed a series of risk management policies to identify and analyse these risks, so as to set appropriate risk limits and formulate control procedures. It has also monitored the risks and their limits through reliable information systems.

The most significant types of risks to the Group are credit risk, market risk and liquidity risk. Market risk mainly consists of foreign currency risk, interest rate risk and commodity price risk.

The Board of Directors of the Bank is responsible for determining the Group's overall risk appetite. Within this framework, the senior management of the Bank designs risk management policies and procedures for credit risk, market risk and liquidity risk.

After the policies and procedures are approved by the Board of Directors, relevant departments of the headquarters are responsible for the implementation.

1. Credit risk

Credit risk is the risk of loss that a customer or counterparty may fail to fulfil an obligation or commitment to the Group.

(1) Credit risk management

(i) Loans

The Group manages, restricts and controls the concentration of credit risk identified, especially with regards to concentration on singular counterparty, group, industry and region.

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The Group continuously optimizes the credit risk structure by setting limits on the borrower, group of borrowers, geographical and industry segments. Concentration risks are monitored on ongoing basis and subject to an annual or more frequent review where necessary.

The Group manages the exposure to credit risk through regular analysis of borrowers' ability to repay principal and interest payments and amends the credit facilities where appropriate.

The Group has established relevant policies and various measures to mitigate credit risk. Obtaining collateral, pledged assets, guarantee deposits or guarantees from corporates or individuals has been one of the main strategies to control credit risk. The Group provides guidelines on the specific types of acceptable collateral or pledged assets, mainly include the following:

- Residential property and land tenure;
- Commercial assets, such as commercial property, inventory and accounts receivable;
- Financial instruments, such as bonds and equity shares.

Fair value of collaterals or pledged assets is generally assessed by professional evaluation agencies designated by the Group. When there are indications of impairment, the value of collaterals or pledged assets will be re-examined by the Group to assess whether the collaterals or pledged assets could adequately cover the credit risks associated with loans. To mitigate the credit risk, the Group has implemented loan-to-value ratio requirement based on type of collaterals or pledged assets. The main types of collaterals or pledged assets for corporate loans and retail loans and their corresponding maximum loan-to-value ratio are as follows:

Collaterals or pledged assets	Maximum loan-to-value ratio
Time deposits	90% - 100%
Government bonds	90% - 100%
Financial bonds	95%
Corporate bonds (including financial institutions)	80%
Right to collect fees	60% - 70%
Franchise right	50%
Commercial property and standard plant	60%
Residential property	70%
Land use right	50% - 60%

Fair value of collateral was determined by management based on the latest available external valuation results, taking into account experience with adjustments for current market conditions and estimated expenses to be incurred in the disposal process.

Management assesses fair value of collaterals or pledged assets based on the latest available external valuation results, and adjusts the fair value with reference to experience, current market conditions and disposal expenses to be incurred.

For loans guaranteed by third parties, the Group evaluates the financial condition and credit record of guarantors and guarantor's ability to meet obligations.

(ii) Bonds and other bills

The Group manages the credit risk exposure of bonds and other bills through mechanisms include controlling the investment scale, setting access list of issuers, rating access, establishing post-investment management, etc. Generally, external credit rating of the issuer of foreign currency bonds at the time of purchase (by Standard & Poor's or equivalent rating agencies) should be at BBB- or above. Overseas investments in RMB bonds are limited to those issuers with

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external credit rating at BBB+ or above (by rating agencies identified by the PBOC). Rating of domestic middle to long term RMB bonds should be at AA or above (by rating agencies identified by the PBOC) and rating of short term RMB bonds should be at A-1 (by rating agencies identified by the PBOC).

(iii) Other financial assets measured at amortized cost

Other financial assets measured at amortized cost mainly include fund trust and asset management plans. The Group has rating access system on the trust companies, security companies and fund companies with the set credit facility for ultimate investors of trust plans and asset management plans, and performs post-lending management periodically.

(iv) Inter-bank transactions

The Group reviews and manages the credit risk of individual financial institution on regularly basis and sets credit limit for individual bank or non-banking financial institution which has transactions with the Group.

(v) Derivative financial instruments

The Group strictly restricts transactions in derivative financial instruments. For corporate customers, the Group mitigates credit risk associated with derivative financial instruments by acquiring margin deposits.

(vi) Credit commitments

The primary purpose of credit commitments is to ensure that funds are available to customers as required. Letters of guarantee issued, acceptance bills and letters of credit are irrevocable commitments the Group made and the Group will make payments on behalf of its clients in the event that its customer cannot perform the obligations to third parties. Credit commitments carry the same credit risk as loans. When the amount of credit commitment applied exceeds that of the original credit limit of the client, margin deposits are required to mitigate the credit risk. The Group's exposure to the credit risk is equivalent to the total amount of credit commitments. In addition, credit card limit and loan commitments granted by the Group will incur cash outflows when credit card limit and loan commitments are used.

(vii) Trust plan

The credit risk of trust plan entrusted management is mainly the possibility of potential loss to the trust property or inherent property due to the failure of the counterparties to fulfill their commitments and inability or unwillingness to fulfill their contractual commitments. The Group strictly enforces the policy "pre-loan investigation, in-process review, post-lending inspection" over trust plan. In the design of the product trade structure, the Group introduces guarantee mechanism including financial institution credit, property mortgage, rights pledge to comprehensively manages risks through avoidance, prevention, dispersion, transfer and compensation, and disperses and transfers credit risks of financing entities to reduce risk exposure.

(2) Credit risk measurement

The Group has established a five-tier grading system of credit assets according to the "Guidelines for Risk-based Loan Classification" (the "Guideline") (Yin Jian Fa [2007] No. 54) and the "Guidelines for Risk-based Loan Classification". The five categories including: pass, special-mention, substandard, doubtful and loss, among which loans with the grading of substandard, doubtful and loss are regarded as non-performing loans.

During the reporting period, the Group established a sound long-term mechanism for the prevention and resolution of significant risks, actively prevented and controlled risks in key areas and continued to improve asset quality.

(3) ECL measurement

Pursuant to the new accounting standards, the Group divides the loss allowance for expected credit losses on financial assets into three stages:

Stage 1 (no significant increase in credit risk since initial recognition): measure the loss at an amount equal to 12-month ECL;

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Stage 2 (significant increase in credit risk since initial recognition): measure the loss allowance at an amount equal to the lifetime ECL; and

Stage 3 (credit-impaired assets): measure the loss allowance at an amount equal to the lifetime ECL.

The Group has developed the impairment model to calculate ECL in accordance with the new accounting standards. A top-down development method was adopted to establish a logistic regression model of risk parameters and macroeconomic indicators such as gross domestic product "GDP" and consumer price index "CPI". The Group periodically forecasts three kind of macroeconomic scenarios (optimistic, basic and pessimistic) and measures ECL based on different scenarios.

Credit risk grading

The Group uses internal credit risk gradings to reflect assessment of default probability for individual counterparties and applies different internal rating models for different categories of counterparties. Borrowers' and specific loan related information collected during loan application (such as disposable income, guarantee level for retail exposures; and corporate customers' revenue and industry) is incorporated into rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models also include expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure to compensate considerations that may not be captured as part of the other data inputs into the model.

Stage division

Significant increase in credit risk ("SICR")

The Group assesses on each balance sheet date whether the credit risk of the relevant financial assets has increased significantly since initial recognition. When considering the ECL stage of financial assets, the Group considering all reasonable and supportable information, including that which is forward-looking. The main factors to be considered are regulatory and operational environment, internal and external credit rating, solvency, operational capability, loan contract terms, repayment behaviour, etc.

The Group considers that there has been a significant increase in credit risk of financial instrument when one or more of the following quantitative, qualitative or upper limits criteria have been met:

Quantitative criteria:

The Group determines whether there has been a significant increase in credit risk since initial recognition by considering whether the credit risk rating has downgraded to a certain level, i.e. credit risk rating of counterparty for corporate loans and financial investments has downgraded to B or below since initial recognition as at the reporting date, or whether the probability of default ("PD") has increased significantly since initial recognition, i.e. for retail loans, the counterparty's PD is 8-10 times of initial PD as at the reporting date.

Qualitative criteria:

For corporate loans and financial investments, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operational results of the borrower
- Early signs of cashflow / liquidity problems such as delay in repayment of payables / loans

Upper limit:

If the borrower fails to make payment for more than 30 days after contractual payment date.

According to the relevant policies from regulators, the Group has carefully evaluated the deferred loan payment applications for whom are influenced by COVID-19 in order to offer temporary convenience for qualified borrowers. Meanwhile, the Group has analysed if the credit risks of the relevant financial assets will increase after the borrowers received their first approval, based on the policy of deferred loan payment, the repayment ability of borrowers, and other relevant factors.

Default and credit-impaired

When a financial asset is impaired, the Group defines it as in default. The Group defines a financial asset as credit impaired when it meets one or more of the following criteria:

Qualitative criteria:

The borrower meets "capability to repay is apparently in question" criteria, which indicates the borrower is in significant financial difficulty and examples include:

- The issuer or borrower is in significant financial difficulties
- The borrower has breached financial contract(s), such as past due of interest or principal repayments
- Concessions have been made by the lender relating to the borrower's financial difficulty with consideration of economy and contract
- The borrower is likely to head towards bankruptcy or other debts restructuring
- Issuer or borrower's financial difficulties lead to disappearance of active market for financial assets
- Financial assets are purchased or originated at substantial discount that reflects the incurred credit losses

Upper limit:

If the borrower fails to make payment for more than 90 days after contractual payment date.

The criteria above have been applied to all financial instruments held by the Group and are consistent with internal credit risk management purposes. The default definition has been consistently applied to establish models for the PD, Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's ECL measurement.

Grouping of credit risk exposure

To calculate the relevance between ECL allowance and macro-economic indicators, a grouping of exposure is performed for assets with similar credit risk characteristics. In performing this grouping, the Group has obtained sufficient information to ensure the data reliability for statistical purposes and group the credit risk exposure according to the credit risk characteristics such as product types, client types and client industries. The Group re-examines and corrects the reasonableness of the groupings and conduct quantitative and qualitative assessments on a regular basis. When the credit risk characteristics of risk exposures in the portfolio change, the Group shall re-examine the reasonableness of the groupings in a timely manner, and re-group the assets according to the risk characteristics of relevant credit risk exposures when necessary.

Explanation of parameters, assumptions and estimation techniques of ECL model

The ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the product of the

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PD, EAD and LGD, and the relevant definitions are as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD) or the remaining lifetime (Lifetime PD) of the obligation.
- The EAD is the amounts the Group expects to be repaid at the time of default.
- LGD is expressed as a percentage loss per unit of exposure at the time of default.

The ECL is determined by projecting the PD, LGD and EAD for individual future exposure, which effectively calculates the ECL for each future month.

The Lifetime PD is based on expiry information derived from 12M PD. Maturity analysis covers the change of loan default situation from initial recognition to maturity. Maturity portfolio is based on historical observed data with the assumption of same portfolio and identical credit rating assets. The above analysis is supported by historical data.

The Group determines LGD based on factors affecting recovery after default, which vary by product type.

Forward-looking economic information should be considered in determining the 12M and lifetime ECL.

There have been no significant changes in estimation techniques or significant assumptions during the reporting period.

Forward-looking information incorporated in the ECL model

Both the assessment of SICR and the calculation of ECL incorporate forward-looking information. The Group identifies the key economic indicators impacting credit risk and ECL for each portfolio through historical data analysis.

The Group has selected a series of macroeconomic indicators based on industry best practices and the Group's internal experts' judgement, to establish statistical relationship between actual PD and macro indicators for each model exposure, and calculate forward-looking PD by using forecasted economic indicators.

In addition to the base economic scenario, the Group has also set up other scenarios based on analysis of each major product type. The number and attributes of scenarios are reassessed at each reporting date. As at 31 December 2022 and 31 December 2021, the scenario weightings are determined by combination of statistical analysis and expert judgement, taking into account of the range of possible outcomes represented by scenarios. The Group adopts the base and lifetime PD with scenario weightings, along with qualitative and upper limit criteria to determine whether the credit risk has increased significantly. The determination of financial instrument stage indicates the measurement of the loss allowance at an amount equal to the 12-month or lifetime ECL accordingly. The Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

At the end of 2022, the Bank set the weightings for the standard, optimistic and pessimistic microeconomic scenarios in 2023 at 70%, 15% and 15% respectively. The key economic indicators used by the Bank in 2023 are forecasted as: the year-on-year GDP growth rate under the standard, optimistic and pessimistic scenario are 4.5%, 6%, and 3.5% respectively; and for the CPI, 2.5%, 3%, and 2% respectively; for the Broad Money Supply, 8%, 9%, and 7% respectively.

The Group considers these projections have represented the best estimate of the possible outcomes and analyses the non-linearities and asymmetries within the Group's different portfolios to determine that selected scenarios adequately represent scenarios that might occur. Similar to other economic projections, there are inherent uncertainties regarding estimates of projected values and likelihood of occurrence, thus substantial differences may occur between actual results and projections.

Combination method for evaluation of expected credit risk

When analysing the relevance of ECL with macroeconomic indicators, the Group has classified the assets with similar credit risk characteristics into the same portfolio. The Group has obtained sufficient information to ensure the statistical

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reliability for the portfolio classification. Where sufficient information is not available internally, the Group establishes the model with reference to internal or external supplementary data. The characteristics and any supplementary data used to determine portfolio classification are outlined below:

Corporate loans and financial investments

- Industry
- Collateral type

Retail loans

- Product type (i.e. mortgage loans, consumer loan and credit card)
- Repayment type
- Utilisation percentage range
- The range of mortgage rate (loan balance / collateral value)

(4) Maximum exposure to credit risk

Financial assets and guarantee commitment subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The book value of financial assets below represents the Group's maximum exposure to credit risk on these assets.

	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
Cash and balances with central bank	451,545	-	-	451,545
Deposits and placements with banks and other financial institutions	520,603	-	-	520,603
Financial assets purchased under resale agreements	111,411	-	-	111,411
Loans and advances to customers measured at				
- Amortized cost	4,124,772	114,014	30,804	4,269,590
- FVOCI	467,913	609	15	468,537
Financial investments measured at				
- Amortized cost	1,110,862	33,764	52,065	1,196,691
- FVOCI	638,547	1,304	2,067	641,918
Other financial assets	52,218	204	4,111	56,533
Total	7,477,871	149,895	89,062	7,716,828

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	31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
Cash and balances with central bank	415,526	–	–	415,526
Deposits and placements with banks and other financial institutions	433,781	–	–	433,781
Financial assets purchased under resale agreements	117	–	–	117
Loans and advances to customers measured at				
– Amortized cost	4,034,450	99,520	26,643	4,160,613
– FVOCI	480,663	3,258	271	484,192
Financial investments measured at				
– Amortized cost	1,226,771	27,295	52,122	1,306,188
– FVOCI	476,860	2,077	682	479,619
Other financial assets	88,197	109	3,311	91,617
Total	7,156,365	132,259	83,029	7,371,653

	31 December 2022	31 December 2021
	Maximum exposure to credit risk	Maximum exposure to credit risk
Commitment and guarantee		
Bank acceptance notes	727,909	615,478
Letters of credit issued	235,945	192,254
Letters of guarantee issued	109,469	113,132
Credit cards and other commitments	700,556	643,603
Total	1,773,879	1,564,467

Financial assets not included in impairment assessment

The analysis of maximum credit risk exposure of those financial assets which are not included in expected credit losses assessment are as follows:

	31 December 2022	31 December 2021
	Maximum exposure to credit risk	Maximum exposure to credit risk
Financial investments measured at FVTPL	708,984	526,034
Loans and advances to customers	60,223	46,149
Derivative financial assets	42,829	33,773
Total	812,036	605,956

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(5) Credit-impaired loans and advances to customers

The Group closely monitors collateral held for financial assets considered to be credit-impaired, because the Group is more likely to confiscate these collateral to reduce potential credit losses comparing to other collaterals. As at 31 December 2022, carrying amount of the Group's loans and advances to customers that are credit-impaired is RMB 86,212 million (31 December 2021: RMB 88,671 million), in which the loans covered by collaterals are amounting to RMB 33,530 million (31 December 2021: RMB 39,922 million).

(6) Bonds and other investments

The table below analyses the Group's investment securities by external rating agencies, including S&P or equivalent credit agencies identified by the PBOC.

	31 December 2022			Total
	Financial investments measured at FVTPL	Financial investments measured at amortized cost	Financial investments measured at FVOCI	
Medium or long term				
AAA	19,215	568,206	133,477	720,898
AA+ to AA-	2,989	4,101	14,486	21,576
A+ to A-	327	6,117	22,596	29,040
Below A-	726	5,136	28,738	34,600
Short term				
AAA	3,823	10,475	1,188	15,486
AA+ to AA-	518	-	-	518
A and below A	115	1,370	-	1,485
Unrated-Bonds	208,840	601,286	441,433	1,251,559
	236,553	1,196,691	641,918	2,075,162
	31 December 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortized cost	Financial investments measured at FVOCI	Total
Medium or long term				
AAA	20,385	512,174	150,073	682,632
AA+ to AA-	3,277	3,667	10,104	17,048
A+ to A-	670	13,438	12,548	26,656
Below A-	3,100	5,003	32,362	40,465
Short term				
AAA	18,084	16,775	-	34,859
AA+ to AA-	2,143	254	212	2,609
A and below A	26	3,080	-	3,106
Unrated-Bonds	64,628	751,797	274,320	1,090,745
	112,313	1,306,188	479,619	1,898,120

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2. Market risk

Market risk is the risk of losses of on and off-balance sheet businesses arising from adverse movements in market prices, such as interest rates, exchange rates, price of stock and commodity. Both the Group's trading book and banking book is exposed to market risk, which mainly consists of interest rate risk, currency risk and commodity price risk. The Group considers the exposure to the commodity price risk to be insignificant.

The Board of Directors of the Bank is ultimately responsible for monitoring the market risk management and ensuring the Group can effectively identify, measure, monitor and control the market risk associated with the Group's business activities. Under the authorisation of the Board of Directors, the senior management of the Group is responsible for establishing the group-wide market risk management system, organisational structure with well-defined roles and responsibilities, authorisation structures and accountability mechanism. Relevant departments of headquarters are responsible for carrying out detailed market risk management activities including policies and procedures, measurement approaches and models, analyses and reporting and monitoring of various limits in order to timely and accurately identify, measure, monitor and control the market risk exposures in respective business areas and reporting to the senior management and Board of Directors on timely basis.

Meanwhile, the established internal controls and independent inspections are integrated in the group-wide market risk management system. Relevant business units are responsible for executing the daily control activities. A three-line defence system includes the business units as the first line defence, the market risk management and compliance department as the second line defence and the review department as the third line defence.

The Group measures market risk based on predetermined benchmarks. The major measurement approaches include stress testing, analysis on value at risk, back testing, gap analysis and sensitivity analysis etc. The market risk of new products and businesses should be identified before these new products and businesses are launched according to relevant policies.

(1) Currency risk

The Group mainly operates in the PRC and its main business activities are conducted in RMB. Majority of its foreign currency business are conducted in USD. The table below summarises the Group's exposure to currency risk. Included in the table are the Group's assets and liabilities at carrying amounts in RMB, categorised by original currency.

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	31 December 2022				
	RMB	USD Into RMB	HKD Into RMB	Others Into RMB	Total Into RMB
Cash and deposits with central bank	410,885	41,178	4,774	252	457,089
Deposits and placements with banks and other financial institutions	393,830	98,303	5,881	22,589	520,603
Derivative financial assets	38,160	4,614	3	52	42,829
Financial assets purchased under resale agreements	111,395	16	-	-	111,411
Loans and advances to customers	4,609,625	132,841	38,499	17,385	4,798,350
Financial investments:					
- FVTPL	699,988	8,996	-	-	708,984
- AC	1,174,049	22,410	-	232	1,196,691
- FVOCI	535,992	106,628	3,740	3,428	649,788
Other financial assets	29,226	21,730	3,897	1,680	56,533
Total financial assets	8,003,150	436,716	56,794	45,618	8,542,278
Borrowing from central bank	165,133	-	-	-	165,133
Deposits and placements from banks and other financial institutions	842,710	145,542	18,646	19,902	1,026,800
Financial liabilities measured at FVTPL	94,781	-	-	-	94,781
Derivative financial liabilities	36,047	1,460	16	3	37,526
Financial assets sold under repurchase agreement	337,259	8,743	4,166	-	350,168
Deposits from customers	4,636,107	229,607	16,633	11,465	4,893,812
Debt securities issued	1,291,088	33,804	5,412	-	1,330,304
Lease Liabilities	6,907	1	859	65	7,832
Other financial liabilities	30,571	1,214	278	1,350	33,413
Total financial liabilities	7,440,603	420,371	46,010	32,785	7,939,769
Net position of financial instruments	562,547	16,345	10,784	12,833	602,509
Currency derivatives	15,543	(12,119)	(6,085)	(6,027)	(8,688)
Credit commitments	1,707,794	55,080	4,890	6,115	1,773,879

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	31 December 2021				
	RMB	USD Into RMB	HKD Into RMB	Others Into RMB	Total Into RMB
Cash and deposits with central bank	372,580	44,434	3,735	247	420,996
Deposits and placements with banks and other financial institutions	247,212	155,336	10,098	21,135	433,781
Derivative financial assets	32,764	852	2	155	33,773
Financial assets purchased under resale agreements	16	101	-	-	117
Loans and advances to customers	4,504,671	141,074	26,517	18,692	4,690,954
Financial investments:					
- FVTPL	515,612	10,415	-	7	526,034
- AC	1,297,294	8,685	-	209	1,306,188
- FVOCI	409,668	69,629	4,102	3,302	486,701
Other financial assets	37,637	44,025	5,954	4,001	91,617
Total financial assets	7,417,454	474,551	50,408	47,748	7,990,161
Borrowing from central bank	236,317	-	-	-	236,317
Deposits and placements from banks and other financial institutions	990,256	85,435	15,460	15,624	1,106,775
Financial liabilities measured at FVTPL	31,089	191	-	-	31,280
Derivative financial liabilities	28,428	1,072	3	25	29,528
Financial assets sold under repurchase agreement	162,260	11,959	-	-	174,219
Deposits from customers	4,193,282	242,273	17,889	10,164	4,463,608
Debt securities issued	1,271,348	42,187	3,585	1	1,317,121
Lease Liabilities	7,488	-	900	63	8,451
Other financial liabilities	30,421	1,097	364	462	32,344
Total financial liabilities	6,950,889	384,214	38,201	26,339	7,399,643
Net position of financial instruments	466,565	90,337	12,207	21,409	590,518
Currency derivatives	103,683	(86,027)	(5,285)	(10,221)	2,150
Credit commitments	1,510,578	44,642	697	8,550	1,564,467

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The Group measures the possible effect on net profit arising from foreign exchange rate fluctuation using sensitivity analysis. The table below shows the result of sensitivity analysis of the balance sheet date.

Net profit	31 December 2022		31 December 2021	
	Exchange rate fluctuation %		Exchange rate fluctuation %	
(Decrease) / Increase	-1%	1%	-1%	1%
USD against RMB	(32)	32	(32)	32
Other currencies against RMB	(86)	86	(136)	136

The above sensitivity analysis was performed on the basis of static characteristics of the interest risk of the assets and liabilities, and calculated the impact on the net profit from changes in exchange rates of other foreign currencies against RMB. The assumptions are shown as below:

- Exchange rate sensitivity represents the exchange gain or loss resulting from the 1% change in daily closing exchange rates (middle) on the financial reporting date;
- Changes in exchange rates of other foreign currencies means the exchange rates of other foreign currencies against RMB are fluctuating simultaneously and in the same direction;
- Foreign currency exposure contains spot exchange exposure and forward exchange exposure. Based on the above assumption, the actual exchange gains or losses may differ from the sensitivity analysis results.

(2) Interest rate risk

Interest rate risk is the risk of losses in overall earnings and economic value arising from adverse movements in factors such as interest rates, term structure, etc., including interest rate risk from bank book and trading book.

The Group considers its exposure to the interest rate risk of trading book to be insignificant. The Group has established a relatively complete internal transfer pricing system, which enables the Group to manage the interest rate risk of bank book centrally. The Group measures and monitors interest rate risk in trading accounts using value-at-risk and sensitivity analysis etc. The senior management of the Bank is responsible for developing the appropriate management mechanism for interest rate risk in the banking book, the organizational structure, systems and processes in accordance with the risk appetites for interest rate risk in the banking book approved by the Board of Directors to ensure the achievement of management objectives; The Asset and Liability Management Department of the Head Office of the Bank is responsible for taking the lead in the organization and implementation on the identification, measurement, monitoring, control and mitigation management of daily risks; The Audit Department of the Head Office of the Bank is responsible for performing the internal audit on interest rate risk in the banking book independently.

The Group mainly uses appropriate measurement methods and tools (such as repricing gap analysis, duration analysis, sensitivity analysis and scenario simulation) to measure and monitor the interest rate risk. During the reporting period, the Group adhered to the neutral and prudent risk appetite for interest rate risk in the banking book, enhanced the research and judgment on domestic and foreign macro policies as well as monetary policies, carried out dynamic monitoring and forward-looking risk management based on interest rate liberalization, trends of interest rate curve reform; During the reporting period, the Group guided the adjustments of business scale and term structure based on risk management strategies as well as asset and liability business objectives through asset and liability active configuration tools and price tools, maintained the interest rate risk indicators within the risk appetite of the Board of Directors and kept sustainable operation.

The Group paid close attention to the regulatory policies of international Interbank offered rate reform and the dynamics of the industry, actively and orderly carried out the transition work.

The table below summarises the Group's exposures to interest rate risk. The table presents the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

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	31 December 2022						Total
	Within a month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Assets							
Cash and deposits with central bank	438,508	-	-	-	-	18,581	457,089
Deposits and placements with banks and other financial institutions	157,534	64,404	203,168	91,624	-	3,873	520,603
Derivative financial assets	-	-	-	-	-	42,829	42,829
Financial assets purchased under resale agreements	111,411	-	-	-	-	-	111,411
Loans and advances to customers	1,395,798	630,198	1,770,381	886,827	99,375	15,771	4,798,350
Financial investments measured at:							
- FVTPL	16,637	14,019	45,332	34,596	10,930	587,470	708,984
- Amortized cost	61,446	13,788	109,933	548,664	448,477	14,383	1,196,691
- FVOCI	9,359	25,301	189,497	328,630	82,285	14,716	649,788
Other financial assets	3,790	-	14,368	-	-	38,375	56,533
Total financial assets	2,194,483	747,710	2,332,679	1,890,341	641,067	735,998	8,542,278
Liabilities							
Borrowing from central bank	9,928	13,211	140,686	-	-	1,308	165,133
Deposits and placements from banks and other financial institutions	780,456	101,955	136,115	5,072	239	2,963	1,026,800
Financial liabilities measured at FVTPL	-	-	-	-	-	94,781	94,781
Derivative financial liabilities	-	-	-	-	-	37,526	37,526
Financial assets sold under repurchase agreements	283,601	42,179	24,291	-	-	97	350,168
Deposits from customers	2,834,624	411,040	726,397	854,409	8	67,334	4,893,812
Debt securities issued	63,213	316,452	565,582	257,727	121,091	6,239	1,330,304
Lease Liabilities	332	446	2,043	4,674	337	-	7,832
Other financial liabilities	441	230	2,383	-	-	30,359	33,413
Total financial liabilities	3,972,595	885,513	1,597,497	1,121,882	121,675	240,607	7,939,769
Total interest repricing gap	(1,778,112)	(137,803)	735,182	768,459	519,392	495,391	602,509

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	31 December 2021						Total
	Within a month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Assets							
Cash and deposits with central bank	399,621	-	-	-	-	21,375	420,996
Deposits and placements with banks and other financial institutions	135,132	105,938	179,866	8,785	-	4,060	433,781
Derivative financial assets	-	-	-	-	-	33,773	33,773
Financial assets purchased under resale agreements	16	101	-	-	-	-	117
Loans and advances to customers	1,138,363	697,229	1,860,021	901,167	79,173	15,001	4,690,954
Financial investments measured at:							
- FVTPL	11,201	10,781	25,068	31,413	15,441	432,130	526,034
- Amortized cost	73,483	77,900	144,072	533,147	460,092	17,494	1,306,188
- FVOCI	14,986	22,830	54,079	305,803	75,431	13,572	486,701
Other financial assets	4,067	-	13,744	-	-	73,806	91,617
Total financial assets	1,776,869	914,779	2,276,850	1,780,315	630,137	611,211	7,990,161
Liabilities							
Borrowing from central bank	9,907	26,460	197,631	-	-	2,319	236,317
Deposits and placements from banks and other financial institutions	681,741	220,168	193,174	8,911	612	2,169	1,106,775
Financial liabilities measured at FVTPL	-	-	-	-	-	31,280	31,280
Derivative financial liabilities	-	-	-	-	-	29,528	29,528
Financial assets sold under repurchase agreements	132,596	24,699	16,891	-	-	33	174,219
Deposits from customers	2,115,070	1,044,476	561,461	682,044	5	60,552	4,463,608
Debt securities issued	54,222	203,624	700,667	220,693	132,063	5,852	1,317,121
Lease Liabilities	264	526	2,104	5,076	481	-	8,451
Other financial liabilities	562	150	1,263	-	-	30,369	32,344
Total financial liabilities	2,994,362	1,520,103	1,673,191	916,724	133,161	162,102	7,399,643
Total interest repricing gap	(1,217,493)	(605,324)	603,659	863,591	496,976	449,109	590,518

Note: The above financial assets listed as within one month include overdue amounts as of 31 December, 2022 and 31 December, 2021 (excluding impairment provisions).

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The Group performs sensitivity analysis to measure the potential impact of changes in interest rate on net profit and equity. The table below shows the results of the sensitivity analysis on the balance sheet date.

	31 December 2022		31 December 2021	
	Interest rate fluctuation (Basis points)		Interest rate fluctuation (Basis points)	
	-100	+100	-100	+100
Increase / (decrease) in net profit	3,487	(3,487)	(3,987)	3,987
Increase / (decrease) in other comprehensive income under equity	8,213	(7,703)	8,323	(7,896)

The above sensitivity analysis was performed on the basis of static characteristics of the interest risk of the assets and liabilities. The analysis only measures the impact of changes in the interest rates within one year, showing how annualised interest income would have been affected by repricing of the Group's assets and liabilities within the one-year period.

- Except for current deposits, assets and liabilities, whose maturity dates are within three months or more than three months but will be repricing within one year, are assumed to be re-priced in the middle of each specified period;
- The interest rates of current deposits and statutory deposit reserves with central bank remain unchanged;
- The yield curve moves in parallel with interest rate;
- There are no changes in assets and liabilities at year end. Based on the assumptions, the actual change in net profit may be different from the sensitivity analysis results.

Based on the assumption of the parallel movement of the yield curve along with interest rate change, the sensitivity analysis of the equity is derived by remeasuring the fair value of debt instruments at fair value through other comprehensive income as a result of changes in interest rate with a certain percentage.

3. Liquidity risk

The Group's liquidity risk management is intended to meet the obligations to serve customers for withdrawal and payment, to achieve the balance between the total amount and structure of assets and liabilities; to reduce the liquidity cost, avoid liquidity crisis of the Group, and to effectively respond to systematic liquidity risk by active management.

The senior management of the Bank is responsible for developing appropriate liquidity risk management mechanisms, organisational structures, systems and processes, risk limits, key assumptions for stress test, and emergency plans based on the liquidity risk appetite approved by the board of directors, to ensure the Bank achieves its management objectives. The Asset and Liability Management Committee of the Bank is responsible for reviewing liquidity risk management strategies, risk limits, key assumptions for stress test, etc. Asset-Liability Management Department of the Headquarters of the Bank is responsible for drafting liquidity risk management policies and procedures at a group level and leading specific management of the liquidity risk management, such as qualitative and quantitative analysis. Audit Department of the Headquarters of the Bank is responsible for the internal audit on liquidity risks. The Group has a prudent liquidity risk preference which complies with the regulatory requirements and management requirements of the Group.

The Group's liquidity risk management system comprises mainly regular and contingent management system which includes 10 components, such as policies and strategies, management framework, regulations, management tools, daily operation, stress tests, system construction, risk monitoring, risk report, and emergency management and drilling.

During the Reporting Period, the Group implemented forward-looking and proactive management of liquidity risk at different levels in accordance with the requirements of the balance in the total amount and structure; it carries out real-time monitoring on daily position accounts in local and foreign currencies, and made centralised allocation of positions in local and foreign currencies; it established a beforehand declaration system for large-amount positions, and established a monitoring mechanism for total liquidity level; it prepared a cash flow gap table on a daily basis, used the gap management method to predict cash flow gap changes in future assets and liabilities's on and off-balance sheet items, and conducted liquidity risk assessments on both internal and external items of the statement of financial position in a timely manner, and in accordance with the liquidity risk policy and risk limit requirements of the Group, adjust the total amount, structure, and pace of the Group's business development to meet the requirements of liquidity safety through active financing arrangements and asset liability portfolio adjustments.

The table below presents the undiscounted cash flows of the Group under contracts of non-derivative financial assets and liabilities by remaining contractual maturities.

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	31 December 2022							Total
	Repayable on demand	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	No maturity	
Assets								
Cash and deposits with central bank	111,023	171	-	-	-	-	345,895	457,089
Deposits and placements with banks and other financial institutions	126,368	98,099	209,369	96,200	-	-	-	530,036
Financial assets purchased under resale agreements	-	111,474	-	-	-	-	-	111,474
Loans and advances to customers	-	1,170,013	1,303,271	1,341,820	1,494,711	93,584	-	5,403,399
Financial investments measured at:								
- FVTPL	568,330	39,621	48,406	38,710	14,595	1,237	19,140	730,039
- Amortized cost	-	44,470	137,783	665,178	538,692	54,108	-	1,440,231
- FVOCI	-	37,630	205,497	369,450	92,898	806	7,870	714,151
Other financial assets	39,680	-	-	-	-	7,804	14,403	61,887
Total financial assets	845,401	1,501,478	1,904,326	2,511,358	2,140,896	157,539	387,308	9,448,306
Liabilities								
Borrowing from central bank	-	23,745	144,173	-	-	-	-	167,918
Deposits and placements from banks and other financial institutions	564,341	320,733	139,124	5,695	293	-	-	1,030,186
Financial liabilities measured at FVTPL	91,189	-	-	3,099	493	-	-	94,781
Financial assets sold under repurchase agreements	-	326,083	24,471	-	-	-	-	350,554
Deposits from customers	2,117,549	1,172,671	761,414	983,266	10	-	-	5,034,910
Debt securities issued	-	386,202	586,704	341,481	137,072	-	-	1,451,459
Lease Liabilities	-	781	2,072	5,069	435	-	-	8,357
Other financial liabilities	28,471	1,292	1,529	1,468	720	-	-	33,480
Total financial liabilities	2,801,550	2,231,507	1,659,487	1,340,078	139,023	-	-	8,171,645
Net liquidity	(1,956,149)	(730,029)	244,839	1,171,280	2,001,873	157,539	387,308	1,276,661
Derivative financial instruments								
- Inflow	-	147,576	127,188	42,081	97	-	-	316,942
- Outflow	-	146,786	124,007	40,822	56	-	-	311,671
Net value of derivative financial instruments	-	790	3,181	1,259	41	-	-	5,271
Credit commitments	674,372	352,583	705,794	44,719	2,640	-	-	1,780,108

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	31 December 2021							Total
	Repayable on demand	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	No maturity	Total
Assets								
Cash and deposits with central bank	81,023	-	-	-	-	-	339,973	420,996
Deposits and placements with banks and other financial institutions	76,897	166,260	185,616	9,448	-	-	-	438,221
Financial assets purchased under resale agreements	-	118	-	-	-	-	-	118
Loans and advances to customers	-	1,104,947	1,511,575	1,355,997	1,364,268	58,743	-	5,395,530
Financial investments measured at:								
- FVTPL	424,248	20,285	26,513	34,230	16,904	2,416	7,882	532,478
- Amortized cost	-	118,298	178,310	677,948	544,344	65,286	-	1,584,186
- FVOCI	-	34,245	66,006	341,997	81,907	988	7,082	532,225
Other financial assets	74,364	-	-	-	-	7,657	14,355	96,376
Total financial assets	656,532	1,444,153	1,968,020	2,419,620	2,007,423	135,090	369,292	9,000,130
Liabilities								
Borrowing from central bank	-	37,130	201,493	-	-	-	-	238,623
Deposits and placements from banks and other financial institutions	523,188	381,407	196,138	8,914	612	-	-	1,110,259
Financial liabilities measured at FVTPL	29,585	192	-	427	1,076	-	-	31,280
Financial assets sold under repurchase agreements	-	157,467	17,070	-	-	-	-	174,537
Deposits from customers	2,122,296	1,079,938	589,597	786,823	6	-	-	4,578,660
Debt securities issued	-	263,560	719,460	277,221	153,747	-	-	1,413,988
Lease Liabilities	-	793	2,152	5,576	634	-	-	9,155
Other financial liabilities	27,254	1,423	1,764	1,339	602	-	-	32,382
Total financial liabilities	2,702,323	1,921,910	1,727,674	1,080,300	156,677	-	-	7,588,884
Net liquidity	(2,045,791)	(477,757)	240,346	1,339,320	1,850,746	135,090	369,292	1,411,246
Derivative financial instruments								
- Inflow	-	134,074	103,023	50,719	67	-	-	287,883
- Outflow	-	133,046	101,232	50,093	137	-	-	284,508
Net value of derivative financial instruments	-	1,028	1,791	626	(70)	-	-	3,375
Credit commitments	621,503	324,264	571,643	50,419	2,912	-	-	1,570,741

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4. Fair value of financial instruments

(1) Fair value hierarchy

According to the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement, the levels are defined as follows:

- Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities. The financial instruments of this level include listed equity securities, debt instruments and open-end fund investments;
- Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities. The financial instruments of this level include most Over-the-Counter ("OTC") derivatives and bonds. The sources of the yield curve or counterparty credit risk input value parameters are Thomson Reuters, Bloomberg and ChinaBond.com.
- Level 3 inputs: inputs that are unobservable for underlying assets or liabilities. The financial instruments of this level include equity instruments and debt instruments with significant non-observable components.

(2) Financial instruments not measured at fair value

Financial assets and financial liabilities not measured at fair value in the statement of financial position mainly include: deposits with central banks, deposits and placements with banks and other financial institutions, financial assets purchased under resale agreements, loans and advances to customers (measured at amortized cost), financial investment measured at amortized cost, borrowing from central bank, deposits and placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers, lease liabilities and bonds issued.

The book value and corresponding fair value of financial investment not measured at fair value (financial investment measured at amortized cost) and bonds issued as at 31 December 2022 and 31 December 2021 are listed in the following table.

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	31 December 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Financial investment measured at amortized cost	1,196,691	—	807,715	398,823	1,206,538
Financial liabilities:					
Debt securities issued	1,330,304	—	1,321,274	—	1,321,274

	31 December 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Financial investment measured at amortized cost	1,306,188	—	885,585	438,125	1,323,710
Financial liabilities:					
Debt securities issued	1,317,121	—	1,326,573	—	1,326,573

(i) Financial investment measured at amortized cost

The fair value of financial investments measured at amortized cost is based on market quotes, and therefore belongs to the first level. If the relevant market information of financial investments measured at amortized cost cannot be obtained, then the discounted cash flow model is used for the valuation of fair value, which belongs to Level 3. Where applicable, the fair value of financial investments measured at amortized cost are determined with reference to the valuation results of China Central Depository & Clearing Co., Ltd., China Securities Index Co., Ltd. or Bloomberg, which belongs to Level 2.

(ii) Debt securities issued

The fair value of bonds issued is based on public quotes on the market. For bonds that cannot be quoted in the market, the fair value is determined by the discounted cash flow method and is based on the actual return rate matching the remaining maturity of the bond.

In addition to the above financial assets and financial liabilities, the fair value of other financial assets and financial liabilities that are not measured at fair value in the statement of financial position are determined with the discounted future cash flow method. There is no significant difference between their book value and fair value because these financial instruments have a shorter duration, or their interest rates fluctuate with market interest rates.

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(3) Assets and liabilities measured at fair value a recurring basis

The following table presents the fair value information and the fair value hierarchy of the Group's assets and liabilities which are measured at fair value a recurring basis.

	31 December 2022			Total
	Level 1	Level 2	Level 3	
Financial investments:				
Financial investments measured at FVTPL				
- Fund	443,577	428	876	444,881
- Bonds	1,609	104,312	853	106,774
- Fund trust and asset management plan	-	93,655	5,797	99,452
- Beneficiary certificates	-	20,348	-	20,348
- Equity	3,844	-	15,296	19,140
- Interbank Certificates of Deposit	-	5,296	-	5,296
- ABS	-	4,683	-	4,683
- Wealth management products	-	717	1,133	1,850
- Other	-	-	6,560	6,560
Financial investments measured at FVOCI				
- Bonds	50,872	490,279	-	541,151
- Interbank Certificates of Deposit	-	91,035	-	91,035
- ABS	-	2,886	-	2,886
- Repossessed equity instruments	202	-	2,498	2,700
- Other equity investments	-	-	5,170	5,170
Loans and advances to customers measured at:				
FVOCI				
- Discounted bills	-	399,810	-	399,810
- Trade financing	-	68,727	-	68,727
FVTPL				
- Trade financing	-	50,961	-	50,961
- Discounted bills	-	9,262	-	9,262
Derivative financial assets	-	42,829	-	42,829
Total financial assets	500,104	1,385,228	38,183	1,923,515
Derivative financial liabilities	-	37,526	-	37,526
Financial liabilities measured at FVTPL				
- Financial liabilities related to precious metals	84,677	-	-	84,677
- Interest of other unit holders in consolidated structured entities	6,430	101	474	7,005
- Financial liabilities associated with short selling of bonds	3,099	-	-	3,099
Total financial liabilities	94,206	37,627	474	132,307

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	31 December 2021			Total
	Level 1	Level 2	Level 3	
Financial investments:				
Financial investments measured at FVTPL				
- Fund	392,112	615	2,077	394,804
- Bonds	744	63,378	265	64,387
- Fund trust and asset management plan	-	8,545	6,840	15,385
- Beneficiary certificates	-	13,437	-	13,437
- Equity	4,673	-	11,023	15,696
- Interbank Certificates of Deposit	-	9,012	-	9,012
- ABS	-	6,519	-	6,519
- Wealth management products	-	327	-	327
- Other	-	-	6,467	6,467
Financial investments measured at FVOCI				
- Bonds	44,831	402,238	-	447,069
- Interbank Certificates of Deposit	-	11,726	-	11,726
- Asset management plan	-	9,198	2	9,200
- ABS	-	5,134	-	5,134
- Repossessed equity instruments	394	-	2,514	2,908
- Other equity investments	-	-	4,174	4,174
Loans and advances to customers measured at:				
FVOCI				
- Discounted bills	-	459,324	-	459,324
- Trade financing	-	24,868	-	24,868
FVTPL				
- Discounted bills	-	19,554	-	19,554
- Trade financing	-	26,595	-	26,595
Derivative financial assets	-	33,773	-	33,773
Total financial assets	442,754	1,094,243	33,362	1,570,359
Derivative financial liabilities	-	29,528	-	29,528
Financial liabilities measured at FVTPL				
- Financial liabilities related to precious metals	18,570	291	-	18,861
- Interest of other unit holders in consolidated structured entities	10,702	110	514	11,326
- Financial liabilities associated with short selling of bonds	1,093	-	-	1,093
Total financial liabilities	30,365	29,929	514	60,808

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The Group takes the date of the event that caused the transfer between levels as the date of the transfer. There is no transfer between the first and second levels this year.

(i) Level 2 Financial Instruments

The fair value of financial instruments that are not traded in an active market (such as OTC derivatives) is determined using valuation techniques. Valuation techniques use observable market data (if any) as much as possible, and rely as little as possible on the entity's specific estimates. If all significant inputs required to calculate the fair value of a financial instrument are observable data, the financial instrument is included in level 2. If one or more significant inputs are not based on observable market data, the financial instrument is included in level 3.

The financial instruments classified by the Group as level 2 mainly include bonds, foreign exchange forwards and swaps, interest rate swaps and foreign exchange options. The fair value of RMB bonds is determined according to the valuation results of China Central Depository & Clearing Co., Ltd., and the fair value of foreign currency bonds is determined according to Bloomberg's valuation results. Foreign exchange forwards and swaps, interest rate swaps, foreign exchange options are valued using cash flow discounts and the Blair-Scholes model. All significant valuation parameters are obtained from observable market information.

(ii) Level 3 Financial Instruments

The changes in the Group's Level 3 assets and liabilities as follows:

	Financial investments measured at FVTPL	Financial investments measured at FVOCI	Financial liabilities measured at FVTPL	Total
1 January 2022	26,672	6,690	(514)	32,848
Additions	8,067	996	(747)	8,316
Disposals and settlements	(4,466)	(2)	634	(3,834)
Total gains / (losses) recorded in profit or loss	242	-	153	395
Total gains / (losses) recorded in other comprehensive income	-	(16)	-	(16)
31 December 2022	30,515	7,668	(474)	37,709
Unrealised gains or losses recognised in profit or loss for the year ended 31 December 2022 for the positions held at 31 December 2022	(303)	-	37	(266)
	Financial investments measured at FVTPL	Financial investments measured at FVOCI	Financial liabilities measured at FVTPL	Total
1 January 2021	22,427	6,474	(1,479)	27,422
Additions	10,077	1,212	(417)	10,872
Disposals and settlements	(6,546)	(781)	1,013	(6,314)
Total gains / (losses) recorded in profit or loss	714	-	369	1,083
Total gains / (losses) recorded in other comprehensive income	-	(215)	-	(215)
31 December 2021	26,672	6,690	(514)	32,848
Unrealised gains or losses recognised in profit or loss for the year ended 31 December 2021 for the positions held at 31 December 2021	1,344	-	172	1,516

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The relevant information of Level 3 of fair value measurement using important unobservable input values is as follows:

	31 December 2022		
	Fair value	Valuation method	Unobservable inputs
Financial investments:			
Financial investments measured at FVTPL			
- Fund	876	Refer to recent transactions	Liquidity discount
- Bonds	853	Income approach	Discount rate
- Fund trust and asset management plan	5,797	Income approach	Discount rate
- Equity	11,736	Income approach	Discount rate
	3,560	Refer to recent transactions	Liquidity discount
- Wealth management products and structured deposits	1,133	Refer to recent transactions	Liquidity discount
- Other	6,560	Refer to recent transactions	Liquidity discount
	30,515		
Financial investments measured at FVOCI			
- Repossessed equity instruments	1,704	Market approach	Liquidity discount P/B ratio
	794	Net assets value method	Liquidity discount
- Other equity investments	956	Market approach	Liquidity discount P/B ratio
	4,093	Net assets value method	Liquidity discount
	121	Income approach	Discount rate
	7,668		
Financial liabilities measured at FVTPL			
- Interest of other unit holders in consolidated structured entities	474	Note1	Note1

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	31 December 2021		
	Fair value	Valuation method	Unobservable inputs
Financial investments:			
Financial investments measured at FVTPL			
- Fund	2,077	Refer to recent transactions	Liquidity discount
- Bonds	265	Income approach	Discount rate
- Fund trust and asset management plan	6,840	Income approach	Discount rate
- Equity	6,287	Income approach	Discount rate
	4,736	Refer to recent transactions	Liquidity discount
- Other	6,467	Refer to recent transactions	Liquidity discount
	26,672		
Financial investments measured at FVOCI			
- Asset management plan	2	Income approach	Discount rate
- Repossessed equity instruments	1,464	Market approach	Liquidity discount P/B ratio
	924	Refer to recent transactions	Liquidity discount
	126	Market approach	Liquidity discount P/E ratio
- Other equity investments	1,474	Market approach	Liquidity discount P/B ratio
	2,700	Net assets value method	Liquidity discount
	6,690		
Financial liabilities measured at FVTPL			
- Interest of other unit holders in consolidated structured entities	514	Note1	Note1

Note1: The fair value of the interest of other unit holders in consolidated structured entities is the amount attributable to the investor of the structured entity based on the net value of the structured entity.

5. Offsetting of financial assets and financial liabilities

Some financial assets and financial liabilities in the Group follow executable net amount settlement arrangements or similar agreements. Such arrangements with the Group and counterparties normally allow the net amount settlement under agreements of both parties. If no agreement is reached, it would be settled in full amount. But one party could choose to settle in net amount under the condition that the other party violates the agreement. According to the requirements of the Accounting Standards for Business Enterprises, the Group did not offset these financial assets and financial liabilities.

As at 31 December 2022, the amount of the Group's financial assets and financial liabilities following executable net amount settlement arrangements or similar agreements is not significant.

6. Capital management

The objectives of the Group's capital management are to:

- (1) Satisfy regulatory requirements for capital adequacy ratio on an ongoing basis, ensure operational compliance to ultimately optimise capital stock and structure.
- (2) Ensure adequate capital for resisting corresponding risks, realise the operational safety, and keep capital at an adequate and reasonable level.
- (3) Establish a capital allocation and management system that focuses on economic capital, optimise the resource allocation and management control mechanism at the group level, achieve capital intensive management to ultimately maximise shareholders' value.

The Group manages its capital structure and adjust it based on the changes in economic condition and the risk characteristics. Generally, the mechanism of adjusting the capital structure comprises dividend distribution policies and issuance of additional capital instruments such as tier 1 capital instruments and tier 2 capital instruments, etc.

In China, commercial banks should meet the requirements for capital adequacy ratio set out in the Administrative Measures on the Capital of Commercial Banks (for Trial Implementation) which required the capital adequacy ratio of core tier 1 capital shall not be less than 7.50%, capital adequacy ratio of tier 1 capital shall not be less than 8.50% and capital adequacy ratio shall not be less than 10.50%.

In addition, the PBOC and the CBIRC have formulated evaluation of systemically important banks and the Additional Regulatory Rules for Systemically Important Banks (for Trial Implementation). According to the above provisions, systemically important banks shall meet certain additional capital requirements in addition to minimum capital requirements, reserve capital and counter-cyclical capital requirements, which are satisfied by core Tier 1 capital. Systemically important banks are divided into five groups, and the additional capital requirements of 0.25%, 0.5%, 0.75%, 1% and 1.5% shall apply to the banks in Group I to Group V respectively. According to the List of Domestic Banks of Systematic Importance in 2022 Issued by the People's Bank of China and China Banking and Insurance Regulatory Commission ("CBIRC") in September 2022, the bank was identified as systemically important banks in Group II. Therefore, after considering the additional capital requirements of systemically important banks, the group will meet the minimum requirement of 8% of core tier 1 capital adequacy from January 1, 2023.

The Group	31 December 2022	31 December 2021
Core tier 1 capital - net	568,299	548,486
Tier 1 capital - net	678,802	658,929
Capital - net	843,761	817,715
Total risk weighted assets	6,182,036	5,835,947
Core tier 1 capital adequacy ratio	9.19%	9.40%
Tier 1 capital adequacy ratio	10.98%	11.29%
Capital adequacy ratio	13.65%	14.01%

(1) The scope of consolidation for the purpose of calculating the Group's Capital Adequacy Ratios includes domestic and overseas operating units and other financial subsidiaries specified in the capital rules.

(2) The Group's Core Tier 1 Capital includes ordinary shares, equity components of the convertible corporate bonds, the capital reserve (subject to regulatory limitations), surplus reserve, general risk reserve, retained earnings, minority interests (to the extent permitted in the Core Tier 1 Capital under the Regulation).

(3) The Group's Deductible Items from Core Tier 1 Capital include other intangible assets (excluding land use rights) after deducting the related deferred tax liabilities and the net amount of goodwill after deducting related deferred tax liabilities.

(4) The Group's other Tier 1 Capital includes preference shares, Perpetual bond and minority interests to the extent permitted by the capital rules.

(5) The Group's Tier 2 Capital includes: Tier 2 capital instruments and related premium (to the extent allowed under the Regulation), excessive allowance for loan losses, and minority interests to the extent permitted by the capital rules.

(6) Risk-weighted Assets include Credit Risk-weighted Assets, Market Risk-weighted Assets and Operational Risk-weighted Assets. The Group adopts risk weighting approach, standardised approach and basic indicator approach to measure Credit Risk-weighted Assets, Market Risk weighted Assets and Operational Risk-weighted Assets respectively.

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IX ASSET PLEDGED

Certain assets of the Group are pledged as collateral for financial liabilities, and the analysis of these assets are as follows:

	31 December 2022	31 December 2021
Financial investments	579,699	522,642
Discounted bills	105,024	44,167
Bank loans	648	547
Total	685,371	567,356

X EVENTS AFTER THE REPORTING DATE

1. Profit distribution plan

The Bank convened the board of directors on 17 April 2023, approved the profit distribution plan for 2022 and submitted it to the annual general meeting for consideration and approval.

2. Disposal of equity investments in subsidiaries

China International Fund Management was jointly established in 2004 by Shanghai International Trust, a controlling subsidiary of the bank, and JPMorgan Asset Management U.K. Limited ("JPMorgan Asset (UK)"). Shanghai Trust held 51% of the shares and JPMorgan Asset (UK) held 49%.

According to the asset and equity management regulations of the State-owned Assets Supervision and Administration Commission, in July 2019, Shanghai International Trust publicly listed and transferred 2% of the equity of China International Fund Management on the Shanghai United Assets and Equity Exchange. Afterwards, JPMorgan Asset (UK) was delisted with no less than RMB 241 million. In August 2020, Shanghai International Trust publicly listed and transferred 49% of the equity of China International Fund Management on the Shanghai United Assets and Equity Exchange. Afterwards, JPMorgan Asset (UK) was delisted with no less than RMB 7 billion.

On 19 January 2023, the China Securities Regulatory Commission issued the Reply Regarding Approval on the Change of Shareholders and Actual Controllers of China International Fund Management (Zheng Jian Xu Ke [2023] No. 151), approving JPMorgan Asset (UK) to become the main shareholder of China International Fund Management. At the reporting date, the equity transfer of China International Fund Management have been settled.

XI COMPARATIVE FIGURES

In order to be consistent with the presentation of financial statements for the current year, a number of comparative figures have been reclassified.

上海浦东发展银行股份有限公司

自 2022 年 1 月 1 日至 2022 年 12 月 31 日止年度财务报表

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2300077 号

审计意见

我们审计了后附第 1 页至第 129 页的上海浦东发展银行股份有限公司(以下简称“贵行”)及其子公司(以下合称“贵集团”)的财务报表,包括 2022 年 12 月 31 日的合并财务状况表和财务状况表,截至 2022 年 12 月 31 日止年度的合并利润表和利润表、合并综合收益表和综合收益表、合并股东权益变动表和股东权益变动表、合并现金流量表和现金流量表,以及包括主要会计政策概要及其他解释资料在内的附注。

我们认为,后附的财务报表在所有重大方面按照国际会计准则理事会颁布的《国际财务报告准则》的规定编制,公允反映了贵行 2022 年 12 月 31 日的合并财务状况和财务状况以及贵行 2022 年度的合并经营成果和经营成果及合并现金流量和现金流量。

形成审计意见的基础

我们按照国际会计准则理事会颁布的《国际审计准则》的规定执行了审计工作。审计报告的“审计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中华人民共和国境内关于财务报表审计相关的职业道德方面的要求,我们独立于贵集团,并履行了中国境内职业道德方面的其他责任。我们相信,我们获取的审计证据是充分、适当的,为发表审计意见提供了基础。

关键审计事项

关键审计事项是我们根据职业判断,认为对本期财务报表审计最为重要的事项。这些事项的应对以对财务报表整体进行审计并形成审计意见为背景,我们不对这些事项单独发表意见。

关键审计事项 (续)

<p>发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量</p>	
<p>请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。</p>	
<p>关键审计事项</p>	<p>在审计中如何应对该事项</p>
<p>发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量涉及管理层主观判断。</p> <p>贵集团就预期信用损失计量建立了相关的内部控制。</p>	<p>与评价发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量相关的审计程序中包括以下程序：</p> <ul style="list-style-type: none"> • 了解和评价与发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量相关的关键财务报告内部控制的设计和运行有效性： <ul style="list-style-type: none"> - 了解和评价信用审批、记录、监控、定期信用等级重评、预期信用损失模型数据输入、预期信用损失计算等相关的关键财务报告内部控制的设计和运行有效性；特别地，我们评价与基于各级次发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的信用质量而进行各金融工具阶段划分相关的关键财务报告内部控制的设计和运行有效性； - 利用我们信息技术专家和金融风险管理专家的工作，了解和评价相关信息系统控制的设计和运行有效性，包括：系统的信息技术一般控制、关键内部历史数据的完整性、系统间数据传输、预期信用损失模型参数的映射，以及发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺预期信用损失的系统计算逻辑设置等；

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
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毕马威华振通字第 2300077 号

关键审计事项 (续)

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量 (续)	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
贵集团通过评估发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的信用风险自初始确认后是否显著增加，运用三阶段减值模型计量预期信用损失。对于发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺，管理层运用包含违约概率、违约损失率、违约风险敞口和折现率等关键参数的风险参数模型法评估损失准备。	<ul style="list-style-type: none">• 利用我们金融风险管理专家的工作，评价预期信用损失时所用的预期信用损失模型和参数的可靠性，审慎评价违约概率、违约损失率、违约风险暴露、折现率、前瞻性调整及其他调整等，以及其中所涉及的关键管理层判断的合理性；• 评价预期信用损失模型使用的关键数据的完整性和准确性。针对与业务原始档案相关的关键内部数据，我们将管理层用以评估减值准备的发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺清单总额分别与总账进行比较，以评价清单的完整性。选取样本，将单项贷款、以摊余成本计量的金融投资或财务担保合同和贷款承诺的信息与相关协议以及其他有关文件进行比较，以评价清单的准确性；针对关键外部数据，我们将其与公开信息来源进行核对，以评价其准确性；• 评价涉及主观判断的输入参数，包括从外部寻求支持证据，比对历史损失经验及担保方式等内部记录。作为上述程序的一部分，我们还询问了管理层对关键假设和输入参数所做调整的理由，并考虑管理层所运用的判断是否一致；

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关键审计事项（续）

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量 (续)	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
<p>预期信用损失计量模型所包含的重大管理层判断和假设主要包括：</p> <p>(4) 将具有类似信用风险特征的业务划入同一个组合，选择恰当的计量模型，并确定计量相关的关键参数；</p> <p>(5) 信用风险显著增加、违约和已发生信用减值的判断标准；</p> <p>(6) 用于前瞻性计量的经济指标、经济情景及其权重的采用。</p>	<ul style="list-style-type: none">• 将管理层在上年计量预期信用损失时采用的经济指标估计与本年实际情况进行比较，以评价是否存在管理层偏向的迹象；• 针对需由系统运算生成的关键内部数据，我们选取样本将系统运算使用的输入数据核对至业务原始档案以评价系统输入数据的准确性。此外，利用我们信息技术专家的工作，选取样本，测试了发放贷款和垫款逾期信息的编制逻辑；• 选取样本，评价管理层对信用风险自初始确认后是否显著增加的判断以及是否已发生信用减值的判断的合理性。我们按照行业分类对公司类发放贷款和垫款以及以摊余成本计量的金融投资进行分析，选取样本时考虑选取受目前行业周期及调控政策影响较大的行业，关注高风险领域的贷款以及债权投资，并选取不良贷款以及债权投资、逾期非不良的贷款以及债权投资、内部评级较低的贷款以及债权投资、存在负面预警信号、负面媒体消息等其他风险因素的借款人为信贷审阅的样本。我们在选取样本的基础上查看业务文档、检查逾期信息、向客户经理询问借款人的经营状况、检查借款人的财务信息以及搜寻有关借款人业务和经营的市场信息等。

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毕马威华振通字第 2300077 号

关键审计事项（续）

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量 (续)	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
由于发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量存在固有不确定性以及涉及管理层判断，同时对贵集团的经营状况和资本状况会产生重要影响，我们将发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量识别为关键审计事项。	<ul style="list-style-type: none">对选取的已发生信用减值的公司类发放贷款和垫款以及以摊余成本计量的金融投资执行信贷审阅时，通过询问、运用职业判断和独立查询等方法，评价其预计可收回的现金流。我们还评价担保物的变现时间和方式并考虑管理层提供的其他还款来源。评价管理层对关键假设使用的一致性，并将其与我们的数据来源进行比较；选取样本，复核对预期信用损失的计算，以评价贵集团对预期信用损失模型的应用；根据相关会计准则，评价与发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的财务报表信息披露的合理性。

独立审计师报告

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毕马威华振通字第 2300077 号

关键审计事项 (续)

结构化主体的合并	
请参阅财务报表附注二第 4.(1)项以及附注三第 37 项。	
关键审计事项	在审计中如何应对该事项
<p>结构化主体通常是为实现具体而明确的目的而设计并成立的，并在确定的范围内开展业务活动。</p> <p>贵集团可能通过发起设立、持有投资或保留权益份额等方式在结构化主体中享有权益。这些结构化主体主要包括理财产品、资产支持证券、信托计划、资产管理计划或证券投资基金。</p>	<p>与评价结构化主体的合并相关的审计程序中包括以下程序：</p> <ul style="list-style-type: none">● 通过询问管理层和检查与管理层对结构化主体是否合并作出的判断过程相关的文件，以评价贵集团就此设立的流程是否完备；● 选取样本，对结构化主体执行了下列审计程序：<ul style="list-style-type: none">- 检查相关合同、内部设立文件以及向投资者披露的信息，以理解结构化主体的设立目的以及贵集团对结构化主体的参与程度，并评价管理层关于贵集团对结构化主体是否拥有权力的判断；- 检查结构化主体对风险与报酬的结构设计，包括在结构化主体中拥有的任何资本或对其收益作出的担保、提供流动性支持的安排、佣金的支付和收益的分配等，以评价管理层就贵集团因参与结构化主体的相关活动而拥有的对结构化主体的风险敞口、权力及对可变回报的影响所作的判断；

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2300077 号

关键审计事项 (续)

结构化主体的合并 (续)	
请参阅财务报表附注二第 4.(1)项以及附注三第 37 项。	
关键审计事项	在审计中如何应对该事项
<p>当判断贵集团是否应该将结构化主体纳入贵集团合并范围时，管理层应考虑贵集团所承担的风险和享有的报酬，贵集团对结构化主体相关活动拥有的权力，以及通过运用该权力而影响其可变回报的能力。这些因素并非完全可量化的，需要综合考虑整体交易的实质内容。</p> <p>由于涉及部分结构化主体的交易较为复杂，并且贵集团在对每个结构化主体的条款及交易实质进行定性评估时需要作出判断，我们将结构化主体的合并识别为关键审计事项。</p>	<ul style="list-style-type: none">● 选取样本，对结构化主体执行了下列审计程序 (续):<ul style="list-style-type: none">- 检查管理层对结构化主体的分析，包括定性分析，以及贵集团对享有结构化主体的经济利益的比重和可变动性的计算，以评价管理层关于贵集团影响其来自结构化主体可变回报的能力判断；- 评价管理层就是否合并结构化主体所作的判断；● 评价财务报表中对结构化主体的相关披露是否符合相关会计准则的披露要求。

独立审计师报告

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毕马威华振通字第 2300077 号

关键审计事项（续）

金融工具公允价值的评估	
请参阅财务报表附注二第 4.(8)项、附注二第 4.(22)项、附注二第 4.(30)项所述的会计政策以及附注八第 4 项。	
关键审计事项	在审计中如何应对该事项
<p>以公允价值计量的金融工具是贵集团持有/承担的重要资产/负债。公允价值调整可能影响损益或其他综合收益。</p> <p>贵集团以公允价值计量的金融工具的估值以市场数据和估值模型为基础，其中估值模型通常需要大量的参数输入。大部分参数来源于能够可靠获取的数据，尤其是第一层次和第二层次公允价值计量的金融工具，其估值模型采用的参数分别是市场报价和可观察参数。当可观察的参数无法可靠获取时，即第三层次公允价值计量的金融工具的情形下，不可观察输入值的确定会使用到管理层估计，这当中会涉及管理层的重大判断。</p> <p>此外，贵集团已对特定的第二层次及第三层次公允价值计量的金融工具开发了自有估值模型，这也会涉及管理层的重大判断。</p> <p>由于金融工具公允价值的评估涉及复杂的流程，以及在确定估值模型使用的参数时涉及管理层判断的程度，我们将金融工具公允价值的评估识别为关键审计事项。</p>	<p>与评价金融工具的公允价值相关的审计程序中包括以下程序：</p> <ul style="list-style-type: none">• 了解和评价贵集团与估值、独立价格验证、前后台对账及金融工具估值模型审批相关的关键财务报告内部控制的设计和运行有效性；• 选取样本，通过比较贵集团采用的公允价值与公开可获取的市场数据，评价第一层次公允价值计量的金融工具的估值；• 利用我们的金融风险管理专家的工作，在选取样本的基础上对第二层次和第三层次公允价值计量的金融工具进行独立估值，并将我们的估值结果与贵集团的估值结果进行比较。上述程序具体包括将贵行的估值模型与我们了解的行业通行估值方法进行比较，测试公允价值计算的输入值，以及建立平行估值模型进行重估；• 在评价对构成公允价值组成部分的公允价值调整的运用是否适当时，询问管理层计算公允价值调整的方法是否发生变化，并评价参数运用的恰当性；• 评价财务报表的相关披露，是否符合相关会计准则的披露要求，恰当反映了金融工具估值风险。

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
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毕马威华振通字第 2300077 号

其他信息

贵行管理层对其他信息负责。其他信息包括年度报告中涵盖的信息，但不包括财务报表和我们的审计报告。

我们对财务报表发表的审计意见不涵盖其他信息，我们也不对其他信息发表任何形式的鉴证结论。

结合我们对财务报表的审计，我们的责任是阅读其他信息，在此过程中，考虑其他信息是否与财务报表或我们在审计过程中了解到的情况存在重大不一致或者似乎存在重大错报。

基于我们已执行的工作，如果我们确定其他信息存在重大错报，我们应当报告该事实。在这方面，我们无任何事项需要报告。

管理层和治理层对财务报表的责任

贵行管理层负责按照国际会计准则理事会颁布的《国际财务报告准则》的规定编制财务报表，使其实现公允反映，及落实其认为编制财务报表所必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

编制财务报表时，管理层负责评估贵集团的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划对贵集团进行清算、终止运营或别无其他现实的选择。

治理层负责监督贵集团的财务报告过程。

审计师对财务报表审计的责任

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

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2300077 号

审计师对财务报表审计的责任 (续)

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

- 识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。
- 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对贵集团的内部控制的有效性发表意见。
- 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。
- 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对贵集团持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的审计证据。然而，未来的事项或情况可能导致贵集团不能持续经营。
- 评价财务报表的总体列报(包括披露)、结构和内容，并评价财务报表是否公允反映相关交易和事项。
- 就贵集团中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表审计意见。我们负责指导、监督和执行集团审计，并对审计意见承担全部责任。

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2300077 号

审计师对财务报表审计的责任 (续)

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

我们还就已遵守独立性相关的职业道德要求向治理层提供声明，并与治理层沟通可能被合理认为影响我们独立性的所有关系和其他事项，以及相关的防范措施 (如适用)。

从与治理层沟通过的事项中，我们确定哪些事项对本期财务报表审计最为重要，因而构成关键审计事项。我们在审计报告中描述这些事项，除非法律法规禁止公开披露这些事项，或在极少数情形下，如果合理预期在审计报告中沟通某事项造成的负面后果超过在公众利益方面产生的益处，我们确定不应在审计报告中沟通该事项。

负责审计并出具本独立审计师报告的项目合伙人是石海云。

毕马威华振会计师事务所 (特殊普通合伙)
中国 北京

2023 年 4 月 17 日

上海浦东发展银行股份有限公司
合并利润表和利润表
2022 年度
(除另有标明外, 所有金额均以人民币百万元列示)

附注	本集团		本行		
	2022 年度	2021 年度	2022 年度	2021 年度	
利息收入	299,520	300,693	293,781	295,132	
利息支出	(165,851)	(164,735)	(162,810)	(161,564)	
利息净收入	三、1	133,669	135,958	130,971	133,568
手续费及佣金收入		37,766	39,847	33,308	35,488
手续费及佣金支出		(9,075)	(10,713)	(10,860)	(10,778)
手续费及佣金净收入	三、2	28,691	29,134	22,448	24,710
净交易损益	三、3	17,172	20,115	17,735	19,125
金融投资净损益	三、4	5,313	2,276	5,386	2,332
其他营业净收入		3,661	3,417	529	586
营业费用	三、5	(56,588)	(53,708)	(51,368)	(48,830)
资产减值损失	三、6	(75,999)	(78,344)	(74,674)	(77,188)
联营企业及合营企业投资净损益		230	223	198	190
税前利润		56,149	59,071	51,225	54,493
所得税费用	三、7	(4,152)	(5,305)	(2,746)	(4,184)
净利润		51,997	53,766	48,479	50,309
净利润归属于:					
母公司股东		51,171	53,003	48,479	50,309
非控制性权益所有者		826	763	-	-
母公司普通股股东享有的:					
基本每股收益 (人民币元)	三、8	1.56	1.62		
稀释每股收益 (人民币元)	三、8	1.44	1.50		

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并综合收益表和综合收益表
2022 年度
(除另有标明外, 所有金额均以人民币百万元列示)

附注	本集团		本行	
	2022 年 度	2021 年 度	2022 年度	2021 年度
净利润	51,997	53,766	48,479	50,309
其他综合收益	三、34			
以后将重分类进损益的其他综合收益				
权益法下可转损益的其他综合收益	-	1	-	1
以公允价值计量且其变动计入其他综合收益的债务工具投资公允价值变动	(8,145)	(437)	(7,715)	(102)
以公允价值计量且其变动计入其他综合收益的债务工具投资信用损失准备	1,959	(673)	1,915	(439)
现金流量套期储备	(2)	29	(24)	5
外币财务报表折算差异	376	(101)	(20)	7
以后不能重分类进损益的其他综合收益				
指定以公允价值计量且其变动计入其他综合收益的权益工具投资公允价值变动	(57)	28	(57)	28
其他综合收益, 税后	(5,869)	(1,153)	(5,901)	(500)
综合收益合计	46,128	52,613	42,578	49,809
综合收益总额归属于:				
母公司股东	45,252	51,848	42,578	49,809
非控制性权益所有者	876	765	-	-

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并财务状况表和财务状况表
2022年12月31日
- (除另有标明外, 所有金额均以人民币百万元列示)

附注	本集团		本行		
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日	
资产					
现金及存放中央银行款项	三、9	457,089	420,996	452,719	416,110
存放和拆放同业及其他 金融机构款项	三、10	520,603	433,781	516,772	425,421
贵金属		14,988	13,151	14,988	13,151
衍生金融资产	三、11	42,829	33,773	42,770	33,756
买入返售金融资产	三、12	111,411	117	111,411	101
发放贷款和垫款	三、13	4,798,350	4,690,954	4,695,040	4,594,234
金融投资：	三、14				
-以公允价值计量且其 变动计入当期损益 的金融投资		708,984	526,034	636,751	487,998
-以摊余成本计量的金 融投资		1,196,691	1,306,188	1,193,150	1,304,324
-以公允价值计量且其 变动计入其他综合 收益的金融投资		649,788	486,701	641,678	482,376
投资联营企业及合营企业	三、15	2,655	2,819	2,319	2,513
投资子公司		-	-	29,307	24,307
固定资产	三、16	37,157	31,487	14,721	11,722
在建工程		5,250	7,221	4,471	6,586
使用权资产	三、17	8,022	8,560	7,495	8,118
无形资产	三、18	10,349	10,538	8,036	8,239
商誉	三、19	6,981	6,981	-	-
递延所得税资产	三、20	68,690	58,962	66,867	57,542
其他资产	三、21	64,814	98,494	57,255	92,763
资产总计		<u>8,704,651</u>	<u>8,136,757</u>	<u>8,495,750</u>	<u>7,969,261</u>

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

- 上海浦东发展银行股份有限公司
合并财务状况表和财务状况表 (续)
2022 年 12 月 31 日
(除另有标明外, 所有金额均以人民币百万元列示)

		本集团		本行	
		2022 年	2021 年	2022 年	2021 年
		12 月 31	12 月 31	12 月 31	12 月 31
附注		且	且	且	且
负债					
向中央银行借款		165,133	236,317	164,427	235,223
同业及其他金融机构存入 和拆入款项	三、22	1,026,800	1,106,775	951,962	1,035,278
以公允价值计量且其变动 计入当期损益的金融 负债	三、23	94,781	31,280	87,776	19,954
衍生金融负债	三、11	37,526	29,528	37,525	29,507
卖出回购金融资产款	三、24	350,168	174,219	304,949	170,038
吸收存款	三、25	4,893,812	4,463,608	4,861,357	4,431,975
应交所得税		27,290	25,170	26,701	24,703
已发行债务证券	三、26	1,330,304	1,317,121	1,319,856	1,303,891
递延所得税负债	三、20	641	638	-	-
租赁负债	三、17	7,832	8,451	7,293	7,993
预计负债	三、27	6,230	6,275	6,228	6,272
其他负债	三、28	57,359	59,157	48,134	50,076
负债总计		<u>7,997,876</u>	<u>7,458,539</u>	<u>7,816,208</u>	<u>7,314,910</u>

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并财务状况表和财务状况表 (续)
2022 年 12 月 31 日
(除另有标明外, 所有金额均以人民币百万元列示)

	附注	本集团		本行	
		2022 年 12 月 31 日	2021 年 12 月 31 日	2022 年 12 月 31 日	2021 年 12 月 31 日
股东权益					
股本	三、29	29,352	29,352	29,352	29,352
其他权益工具	三、30	112,691	112,691	112,691	112,691
资本公积	三、31	81,762	81,762	81,712	81,712
盈余公积	三、32	174,385	159,292	174,385	159,292
一般风险准备	三、33	99,515	90,993	93,500	89,000
其他储备	三、34	(3,053)	2,821	(3,007)	2,849
未分配利润	三、35	203,220	193,096	190,909	179,455
归属于母公司股东权益					
合计		697,872	670,007	679,542	654,351
非控制性权益		8,903	8,211	-	-
股东权益合计		<u>706,775</u>	<u>678,218</u>	<u>679,542</u>	<u>654,351</u>
负债及股东权益合计		<u>8,704,651</u>	<u>8,136,757</u>	<u>8,495,750</u>	<u>7,969,261</u>

本财务报表已于 2023 年 4 月 17 日由董事会批准并由下列人员签署:

董事长: 郑杨 行长: 潘卫东 暂时分管 刘以研 会计机构负责人: 李连全
财务工作
的副行长:

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并股东权益变动表
2022 年度
(除另有标明外，所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2022 年 1 月 1 日余额	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218
净利润	-	-	-	-	-	-	51,171	51,171	826	51,997
其他综合收益	-	-	-	-	-	(5,919)	-	(5,919)	50	(5,869)
综合收益合计	-	-	-	-	-	(5,919)	51,171	45,252	876	46,128
提取盈余公积及一般风险准备	-	-	-	15,093	8,522	-	(23,615)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(12,034)	(12,034)	-	(12,034)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
其他储备结转留存收益	-	-	-	-	-	45	(45)	-	-	-
子公司的股利分配	-	-	-	-	-	-	-	-	(184)	(184)
2022 年 12 月 31 日余额	29,352	112,691	81,762	174,385	99,515	(3,053)	203,220	697,872	8,903	706,775

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并股东权益变动表 (续)
2021 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2021 年 1 月 1 日余额	29,352	112,691	81,761	142,739	79,640	3,976	187,441	637,600	7,616	645,216
净利润	-	-	-	-	-	-	53,003	53,003	763	53,766
其他综合收益	-	-	-	-	-	(1,155)	-	(1,155)	2	(1,153)
综合收益合计	-	-	-	-	-	(1,155)	53,003	51,848	765	52,613
可转换公司债券转增权益	-	-	1	-	-	-	-	1	-	1
提取盈余公积	-	-	-	16,553	-	-	(16,553)	-	-	-
提取一般风险准备	-	-	-	-	11,353	-	(11,353)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(14,089)	(14,089)	-	(14,089)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
子公司的股利分配	-	-	-	-	-	-	-	-	(170)	(170)
2021 年 12 月 31 日余额	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 股东权益变动表
 2022 年度
 (除另有标明外, 所有金额均以人民币百万元列示)

	股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润	股东权益合计
2022 年 1 月 1 日余额	29,352	112,691	81,712	159,292	89,000	2,849	179,455	654,351
净利润	-	-	-	-	-	-	48,479	48,479
其他综合收益	-	-	-	-	-	(5,901)	-	(5,901)
综合收益合计	-	-	-	-	-	(5,901)	48,479	42,578
提取盈余公积及一般风险准备	-	-	-	15,093	4,500	-	(19,593)	-
普通股现金股利分配	-	-	-	-	-	-	(12,034)	(12,034)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)
其他储备结转留存收益	-	-	-	-	-	45	(45)	-
2022 年 12 月 31 日余额	29,352	112,691	81,712	174,385	93,500	(3,007)	190,909	679,542

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 股东权益变动表 (续)
 2021 年度
 (除另有标明外, 所有金额均以人民币百万元列示)

	股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润	股东权益合计
2021 年 1 月 1 日余额	29,352	112,691	81,711	142,739	78,000	3,349	176,141	623,983
净利润	-	-	-	-	-	-	50,309	50,309
其他综合收益	-	-	-	-	-	(500)	-	(500)
综合收益合计	-	-	-	-	-	(500)	50,309	49,809
可转换公司债券转增权益	-	-	1	-	-	-	-	1
提取盈余公积	-	-	-	16,553	-	-	(16,553)	-
提取一般风险准备	-	-	-	-	11,000	-	(11,000)	-
普通股现金股利分配	-	-	-	-	-	-	(14,089)	(14,089)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)
2021 年 12 月 31 日余额	29,352	112,691	81,712	159,292	89,000	2,849	179,455	654,351

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并现金流量表和现金流量表
2022 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	本集团		本行	
	2022 年 度	2021 年 度	2022 年 度	2021 年 度
经营活动产生的现金流				
税前利润	56,149	59,071	51,225	54,493
调整:				
折旧与摊销	7,828	7,261	6,598	6,004
租赁负债利息支出	294	316	283	300
资产减值损失	75,999	78,344	74,674	77,188
筹资活动产生的利息支出	39,212	38,664	38,767	38,163
金融投资业务利息收入	(63,129)	(64,623)	(62,585)	(64,144)
处置固定资产净损益	(84)	(26)	(12)	(26)
联营企业及合营企业投资净收益	(230)	(223)	(198)	(190)
衍生金融工具未实现净损益	(1,173)	(1,638)	(1,173)	(1,638)
金融投资净损益	(5,313)	(2,276)	(5,386)	(2,332)
净交易损益	(4,635)	(9,865)	(5,585)	(9,250)
投资、筹资活动产生的汇兑损益	16	(2)	16	(1)
经营性资产的净变动:				
存放中央银行法定存款准备金	5,378	(704)	5,165	(736)
存放和拆放同业及其他金融机构款项	(83,871)	(43,360)	(84,211)	(41,022)
为交易目的而持有的金融资产	(17,072)	(5,512)	(30,444)	(600)
买入返售金融资产	66	(57)	67	(58)
发放贷款和垫款	(172,136)	(324,198)	(164,255)	(318,587)
其他经营性资产	31,146	11,638	33,274	14,053

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并现金流量表和现金流量表 (续)
2022 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	本集团		本行	
	2022 年 度	2021 年 度	2022 年 度	2021 年 度
经营活动产生的现金流 (续)				
经营性负债的净变动:				
向中央银行借款	(70,174)	(37,284)	(69,784)	(36,997)
同业及其他金融机构存入和拆入款项	(80,768)	(257,708)	(84,079)	(273,634)
卖出回购金融资产款	175,885	(58,097)	134,847	(55,357)
吸收存款	423,422	326,572	422,573	327,094
其他经营性负债	58,013	35,845	62,687	35,034
所得税前经营活动产生 / (使用) 的 净现金流	374,823	(247,862)	322,464	(252,243)
支付所得税	(9,724)	(9,330)	(8,117)	(8,802)
经营活动产生 / (使用) 的净现金流	365,099	(257,192)	314,347	(261,045)
投资活动产生的现金流				
收回投资收到的现金	1,709,002	1,556,457	1,702,286	1,552,560
收到的投资收益	66,212	73,018	64,672	72,096
处置固定资产所收到的现金	539	425	421	130
购建固定资产、无形资产和其他长期 资产支付的现金	(7,999)	(11,285)	(4,051)	(5,595)
投资支付的现金	(1,938,078)	(1,575,875)	(1,881,326)	(1,575,192)
投资活动 (使用) / 产生的净现金流	(170,324)	42,740	(117,998)	43,999

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上海浦东发展银行股份有限公司
合并现金流量表和现金流量表 (续)
2022 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	本集团		本行	
	2022 年 度	2021 年 度	2022 年 度	2021 年 度
筹资活动产生的现金流				
发行债券及同业存单收到的现金	1,192,526	1,346,368	1,191,019	1,341,374
偿还债务支付的现金	(1,179,731)	(1,170,787)	(1,175,479)	(1,165,786)
分配股利、利润或偿付利息支付的 现金	(56,410)	(57,392)	(55,744)	(56,684)
支付其他与筹资活动有关的现金	(3,087)	(3,324)	(3,077)	(3,191)
筹资活动 (使用) / 产生的净现金流	(46,702)	114,865	(43,281)	115,713
汇率变动对现金及现金等价物的影响	8,105	(2,905)	7,601	(3,730)
现金及现金等价物净增加 / (减少) 额	156,178	(102,492)	160,669	(105,063)
年初现金及现金等价物余额	216,126	318,618	207,552	312,615
年末现金及现金等价物余额	372,304	216,126	368,221	207,552
经营活动的现金流量包括:				
收到的利息	253,038	248,518	245,166	241,904
支付的利息	(120,011)	(113,391)	(117,417)	(110,780)
现金及现金等价物的组成:	2022 年 12 月 31 日	2021 年 12 月 31 日	2022 年 12 月 31 日	2021 年 12 月 31 日
库存现金	5,544	5,470	5,403	5,338
存放中央银行超额存款准备金	105,479	73,454	103,168	70,405
原始到期日不超过三个月的存放及 拆放同业款项	149,915	137,167	148,284	131,791
原始到期日不超过三个月的买入返售 金融资产	111,366	35	111,366	18
合计	372,304	216,126	368,221	207,552

刊载于第 13 页至第 129 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
财务报表附注
(除特别注明外，所有金额均以人民币百万元列示)

一 基本情况

上海浦东发展银行股份有限公司(以下简称“本行”)为 1992 年 8 月 28 日经中国人民银行以银复 (1992) 350 号文批准设立的股份制商业银行，注册地为中华人民共和国上海市，总部地址为上海市中山东一路 12 号。1992 年 10 月 19 日由上海市工商行政管理局颁发法人营业执照，1993 年 1 月 9 日正式开业。1999 年 11 月 10 日，本行人民币普通股在上海证券交易所上市交易。

本行法人统一社会信用代码为 9131000013221158XC，金融许可证号为 B0015H131000001。

本行及子公司(以下统称“本集团”)主要属于金融行业，主要经营范围为经中国人民银行及中国银行保险监督管理委员会(以下简称“银保监会”)批准的商业银行业务，融资租赁业务，信托业务，理财业务以及经香港证券及期货事务监察委员会颁发的相关牌照所规定的投资银行业务和资产管理业务。本行的主要监管机构为银保监会，本行境外分行及子公司亦需遵循经营所在地监管机构的监管要求。

本年纳入合并范围的主要子公司详见附注三、38.(1)。

二 编制基础及会计政策

1. 编制基础

本集团会计年度自公历 1 月 1 日起至 12 月 31 日止。

本财务报表符合国际会计准则理事会公布的《国际财务报告准则》的规定，并以持续经营为基础编制。除衍生金融工具、以公允价值计量且其变动计入当期损益的金融资产和金融负债、以公允价值计量且其变动计入其他综合收益的金融资产以及以交易为目的持有的贵金属和大宗商品以公允价值计量外，本财务报表均以历史成本为计价原则。

在按《国际财务报告准则》编制财务报表时，管理层需要作出某些判断、估计和假设。这些判断、估计和假设，会影响会计政策的执行并对财务报告中的资产、负债、收入和支出的列报金额产生影响，实际结果可能与估计不同。对于财务报表影响重大的判断事项和主要未来不确定事项，请参见本财务报表附注二、4.(30)。

2. 会计政策变更

本集团已于本年度采用了下列由国际会计准则理事会发布的国际财务报告准则修订。

国际财务报告准则第3号(修订)	对《框架概念》的引用
国际会计准则第37号(修订)	亏损合同 — 合同履约成本
国际会计准则第16号(修订)	不动产、厂场和设备 — 达到预期可使用状态前所获取的收入
国际财务报告准则第1号、国际财务报告准则第9号、国际财务报告准则第16号以及国际会计准则第41号(修订)	国际财务报告准则年度改进(2018-2020年周期)

本财务报表已于2022年度首次采纳上述经修订的并于2022年度生效的国际财务报告准则修订。首次采纳上述经修订的准则对本集团的财务状况及经营成果无重大影响。

3. 已颁布但尚未生效的主要国际财务报告准则的影响

本集团在本财务报表中尚未采用下列已颁布但尚未生效的准则和修订。

国际财务报告准则第17号及其相关修订 ⁽¹⁾	保险合同及其相关修订
国际会计准则第1号及国际财务报告准则实务公告第2号(修订) ⁽¹⁾	会计政策的披露
国际财务报告准则第8号(修订) ⁽¹⁾	会计估计的定义
国际财务报告准则第12号(修订) ⁽¹⁾	单项交易产生的与资产和负债相关的递延税项
国际财务报告准则第16号(修订) ⁽²⁾	售后租回交易中的租赁负债
国际会计准则第1号(修订)(2020) ⁽²⁾	负债的流动和非流动分类
国际会计准则第1号(修订)(2022) ⁽²⁾	附有契约条件的非流动负债
国际财务报告准则第10号及国际会计准则第28号(修订) ⁽³⁾	投资者与其联营、合营企业之间出售或投入资产

(1) 对自2023年1月1日及之后开始的年度期间生效。

(2) 对自2024年1月1日及之后开始的年度期间生效。

(3) 生效日期已无限期递延。

采纳上述经修订的准则对本集团的财务状况及经营成果无重大影响。

4. 重要会计政策

(1) 子公司

子公司指由本集团控制的被投资方（包括结构化主体）。控制，是指本集团拥有对被投资方的权力，通过参与被投资方的相关活动而享有可变回报，并且有能力运用对被投资方的权力影响其回报金额。如果一项或多项控制因素发生变化，本集团将重新评估是否能控制被投资方。这包括拥有的保护性权利（例如借款关系）变为实质性权利，从而使得本集团对被投资方拥有权力的情形。

结构化主体，是指在确定其控制方时没有将表决权或类似权利作为决定因素而设计的主体。主导该主体相关活动的依据通常是合同安排或其他安排形式。

对子公司的投资自本集团取得控制权之日起纳入合并财务报表，直至本集团对其控制权终止。在编制合并财务报表时，本集团内部所有交易及余额，包括未实现内部交易损益均已抵销。

在本行财务状况表中，本行对子公司的投资，以成本扣除减值准备列示（参见附注二、4.(20)）。

(2) 非控制性权益

非控制性权益指子公司所有者权益中不直接或间接归属于母公司的权益。

非控制性权益在合并财务状况表中股东权益项目下与归属于母公司股东的权益分开列示。在合并利润表中归属于非控制性权益和归属于母公司股东的净利润分开列示。

在不丧失控制权的前提下，如果本集团享有子公司的权益发生变化，按照权益类交易进行核算。相关权益的变动将体现为合并权益表中归属于母公司和非控制性权益金额的调整，但是无需调整商誉也不确认损益。

(3) 联营及合营公司

联营公司是指本集团能够对其施加重大影响的企业。

合营公司是指本集团与其他合营方共同控制且仅对其净资产享有权利的一项安排。

本集团对联营或合营公司的投资采用权益法进行核算。在权益法下，对联营或合营公司投资在合并财务状况表中以成本加本集团应占收购后联营公司或合营公司净资产份额变动，并扣除减值准备列示。合并利润表反映本集团所占联营或合营公司的经营成果的份额。当联营或合营公司出现直接计入权益的变动项目，本集团根据所持有份额在合并股东权益变动表中确认及披露。本集团与联营及合营公司之间内部发生交易所产生的未实现损益，已按应享有的比例计算归属本集团的部分，在权益法核算时予以抵销。

在本行财务状况表中，对联营及合营公司的投资以成本扣除减值准备列示（参见附注二、4.(20)）。

(4) 记账本位币

本集团境内机构的记账本位币为人民币，编制财务报表采用的货币为人民币。境外机构根据其经营所处的主要经济环境自行决定其记账本位币，在编制本财务报表时，这些境外机构的外币财务报表按照附注二、4.(5)进行了折算。

(5) 外币折算

本集团收到投资者以外币投入资本时按当日即期汇率折合为人民币，其他外币交易在初始确认时按交易发生日的即期汇率或即期汇率的近似汇率折合为人民币。

于财务状况表日，外币货币性项目采用该日的即期汇率折算为人民币。以外币计价，分类为以公允价值计量且其变动计入其他综合收益的金融资产的货币性项目，其外币折算差额分解为由摊余成本变动产生的折算差额和该等项目的其他账面金额变动产生的折算差额。属于摊余成本变动产生的折算差额计入当期损益，属于其他账面金额变动产生的折算差额计入其他综合收益。除与购建或者生产符合资本化条件资产有关的专门借款本金和利息的汇兑差额外，其他外币货币性项目的汇兑差额计入当期损益。

以历史成本计量的外币非货币性项目，仍采用交易发生日的即期汇率折算。以公允价值计量的外币非货币性项目，采用公允价值确定日的即期汇率折算，由此产生的汇兑差额，属于以公允价值计量且其变动计入其他综合收益的权益工具投资的差额，计入其他综合收益；其他差额计入当期损益。

对境外经营的财务报表进行折算时，财务状况表中的资产和负债项目，采用报告期末的即期汇率折算，股东权益项目中除未分配利润及其他综合收益中的外币财务报表折算差额项目外，其他项目采用发生时的即期汇率折算。利润表中的收入和费用项目，采用交易发生日的即期汇率或即期汇率的近似汇率折算。按照上述折算产生的外币财务报表折算差额，在其他综合收益中列示。处置境外经营时，相关的外币财务报表折算差额自其他综合收益转入处置当期损益。

(6) 现金及现金等价物的确定标准

现金及现金等价物是指库存现金，可随时用于支付的存款以及持有的期限短、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

(7) 贵金属

贵金属主要包括黄金、白银和其他贵金属。本集团非交易性贵金属按照取得时的成本进行初始计量，并以成本和可变现净值较低者进行后续计量。本集团为交易目的而获得的贵金属按照取得时的公允价值进行初始确认，并以公允价值于报告期末进行后续计量，相关变动计入当期损益。

(8) 金融工具

金融工具是指形成一方的金融资产，并形成其他方的金融负债或权益工具的合同。

(i) 金融资产及金融负债的确认和初始计量

金融资产和金融负债在本集团成为相关金融工具合同条款的一方时，于财务状况表内确认。

在初始确认时，金融资产及金融负债均以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产或金融负债，相关交易费用直接计入当期损益；对于其他类别的金融资产或金融负债，相关交易费用计入初始确认金额。

(ii) 金融资产的分类和后续计量

(a) 金融资产的分类

本集团通常根据管理金融资产的业务模式和金融资产的合同现金流量特征，在初始确认时将金融资产分为不同类别：以摊余成本计量的金融资产、以公允价值计量且其变动计入其他综合收益的金融资产及以公允价值计量且其变动计入当期损益的金融资产。

除非本集团改变管理金融资产的业务模式，在此情形下，所有受影响的相关金融资产在业务模式发生变更后的首个报告期间的第一天进行重分类，否则金融资产在初始确认后不得进行重分类。

本集团将同时符合下列条件且未被指定为以公允价值计量且其变动计入当期损益的金融资产，分类为以摊余成本计量的金融资产：

- 本集团管理该金融资产的业务模式是以收取合同现金流量为目标；
- 该金融资产的合同条款规定，在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。

本集团将同时符合下列条件且未被指定为以公允价值计量且其变动计入当期损益的金融资产，分类为以公允价值计量且其变动计入其他综合收益的金融资产：

- 本集团管理该金融资产的业务模式既以收取合同现金流量为目标又以出售该金融资产为目标；
- 该金融资产的合同条款规定，在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。

对于非交易性权益工具投资，本集团可在初始确认时将其不可撤销地指定为以公允价值计量且其变动计入其他综合收益的金融资产。该指定在单项投资的基础上作出，且相关投资从发行者的角度符合权益工具的定义。

除上述以摊余成本计量和以公允价值计量且其变动计入其他综合收益的金融资产外，本集团将其余所有的金融资产分类为以公允价值计量且其变动计入当期损益的金融资产。在初始确认时，如果能够消除或显著减少会计错配，本集团可以将本应以摊余成本计量或以公允价值计量且其变动计入其他综合收益的金融资产不可撤销地指定为以公允价值计量且其变动计入当期损益的金融资产。

管理金融资产的业务模式，是指本集团如何管理金融资产以产生现金流量。业务模式决定本集团所管理金融资产现金流量的来源是收取合同现金流量、出售

金融资产还是两者兼有。本集团以客观事实为依据、以关键管理人员决定的对金融资产进行管理的特定业务目标为基础，确定管理金融资产的业务模式。

本集团对金融资产的合同现金流量特征进行评估，以确定相关金融资产在特定日期产生的合同现金流量是否仅为对本金和以未偿付本金金额为基础的利息的支付。其中，本金是指金融资产在初始确认时的公允价值；利息包括对货币时间价值、与特定时期未偿付本金金额相关的信用风险、以及其他基本借贷风险、成本和利润的对价。此外，本集团对可能导致金融资产合同现金流量的时间分布或金额发生变更的合同条款进行评估，以确定其是否满足上述合同现金流量特征的要求。

(b) 金融资产的后续计量

- 以公允价值计量且其变动计入当期损益的金融资产

初始确认后，对于该类金融资产以公允价值进行后续计量，产生的利得或损失（包括利息和股利收入）计入当期损益，除非该金融资产属于套期关系的一部分。

- 以摊余成本计量的金融资产

初始确认后，对于该类金融资产采用实际利率法以摊余成本计量。以摊余成本计量且不属于任何套期关系的一部分的金融资产所产生的利得或损失，在终止确认、重分类、按照实际利率法摊销或确认减值时，计入当期损益。

- 以公允价值计量且其变动计入其他综合收益的债权投资

初始确认后，对于该类金融资产以公允价值进行后续计量。采用实际利率法计算的利息、减值损失或利得及汇兑损益计入当期损益，其他利得或损失计入其他综合收益。终止确认时，将之前计入其他综合收益的累计利得或损失从其他综合收益中转出，计入当期损益。

- 指定为以公允价值计量且其变动计入其他综合收益的权益工具投资

初始确认后，对于该类金融资产以公允价值进行后续计量。股利收入计入损益，其他利得或损失计入其他综合收益。终止确认时，将之前计入其他综合收益的累计利得或损失从其他综合收益中转出，计入留存收益。

(iii) 金融负债的分类和后续计量

- 以公允价值计量且其变动计入当期损益的金融负债

该类金融负债包括以公允价值计量且其变动计入当期损益的金融负债(含属于金融负债的衍生工具) 和指定为以公允价值计量且其变动计入当期损益的金融负债。

初始确认后，对于该类金融负债以公允价值进行后续计量。除下列情形外，产生的利得或损失 (包括利息费用) 计入当期损益：

- 该金融负债属于套期关系的一部分；
- 该金融负债是一项被指定为以公允价值计量且其变动计入当期损益的金融负债，且本集团自身信用风险变动引起的其公允价值变动计入其他综合收益。
- 其他金融负债

其他金融负债采用实际利率法以摊余成本计量，但金融资产转移不符合终止确认条件或继续涉入被转移金融资产所形成的金融负债、财务担保合同及贷款承诺除外。

(iv) 抵销

金融资产和金融负债在财务状况表内分别列示，没有相互抵销。但是，同时满足下列条件的，以相互抵销后的净额在财务状况表内列示：

- 本集团具有抵销已确认金额的法定权利，且该种法定权利是当前可执行的；
- 本集团计划以净额结算，或同时变现该金融资产和清偿该金融负债。

(v) 金融资产和金融负债的终止确认

满足下列条件之一时，本集团终止确认该金融资产：

- 收取该金融资产现金流量的合同权利终止；
- 该金融资产已转移，且本集团将金融资产所有权上几乎所有的风险和报酬转移给转入方；
- 该金融资产已转移，虽然本集团既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是未保留对该金融资产的控制。

该金融资产已转移，若本集团既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且并保留了对该金融资产的控制，则按照继续涉入所转移金融资产的程度确认有关金融资产，并确认相应的负债。

金融资产转移整体满足终止确认条件的，本集团将下列两项金额的差额计入当期损益：

- 被转移金融资产在终止确认日的账面价值；
- 因转移金融资产而收到的对价，与原直接计入其他综合收益的公允价值变动累计额中对应终止确认部分的金额 (涉及转移的金融资产为以公允价值计量且其变动计入其他综合收益的债权投资) 之和。

金融负债 (或其一部分) 的现时义务已经解除的，本集团终止确认该金融负债 (或该部分金融负债) 。

(vi) 减值

本集团以预期信用损失为基础，对下列项目进行减值会计处理并确认损失准备：

- 以摊余成本计量的金融资产；
- 合同资产
- 以公允价值计量且其变动计入其他综合收益的债权投资；
- 非以公允价值计量且其变动计入当期损益的贷款承诺和财务担保合同；
- 租赁应收款。

本集团持有的其他以公允价值计量的金融资产不适用预期信用损失模型，包括以公允价值计量且其变动计入当期损益的债务工具投资或权益工具投资，指定为以公允价值计量且其变动计入其他综合收益的权益工具投资，以及衍生金融资产。

预期信用损失的计量

预期信用损失，是指以发生违约的风险为权重的金融工具信用损失的加权平均值。信用损失，是指本集团按照原实际利率折现的、根据合同应收的所有合同现金流量与预期收取的所有现金流量之间的差额，即全部现金流短缺的现值。

本集团计量金融工具预期信用损失的方法反映下列各项要素：(i) 通过评价一系列可能的结果而确定的无偏概率加权平均金额；(ii) 货币时间价值；(iii) 在财务状况表日无须付出不必要的额外成本或努力即可获得的有关过去事项、当前状况以及未来经济状况预测的合理且有依据的信息。

在计量预期信用损失时，本集团需考虑的最长期限为企业面临信用风险的最长合同期限（包括考虑续约选择权）。

整个存续期预期信用损失，是指因金融工具整个预计存续期内所有可能发生的违约事件而导致的预期信用损失。

未来12个月内预期信用损失，是指因报告期末后12个月内（若金融工具的预计存续期少于12个月，则为预计存续期）可能发生的金融工具违约事件而导致的预期信用损失，是整个存续期预期信用损失的一部分。

附注八、1.(3) 就如何计量预期信用损失准备提供了更多详情信息。

预期信用损失准备的列报

为反映金融工具的信用风险自初始确认后的变化，本集团在每个报告期末重新计量预期信用损失，由此形成的损失准备的增加或转回金额，应当作为减值损失或利得计入当期损益。对于以摊余成本计量的金融资产，损失准备抵减该金融资产在财务状况表中列示的账面价值；对于以公允价值计量且其变动计入其他综合收益的债权投资，本集团在其他综合收益中确认其损失准备，不抵减该金融资产的账面价值。对于非以公允价值计量且其变动计入当期损益的贷款承诺和财务担保合同，本集团在预计负债中确认损失准备（参见附注三、27）。

核销

如果本集团不再合理预期金融资产合同现金流量能够全部或部分收回，则直接减记该金融资产的账面余额。这种减记构成相关金融资产的终止确认。这种情况通常发生在本集团确定债务人没有资产或收入来源可产生足够的现金流量以偿还将被减记的金额。但是，被减记的金融资产仍可能受到本集团催收到期款项相关执行活动的影响。

已减记的金融资产以后又收回的，作为减值损失的转回计入收回当期的损益。

(vii) 金融资产合同的修改

在某些情况(如重组贷款)下，本集团会修改或重新议定金融资产合同。本集团会评估修改或重新议定后的合同条款是否发生了实质性的变化。

如果修改后合同条款发生了实质性的变化，本集团将终止确认原金融资产，并按修改后的条款确认一项新金融资产。

如果修改后的合同条款并未发生实质性的变化，但导致合同现金流量发生变化的，本集团重新计算该金融资产的账面余额，并将相关利得或损失计入当期损益。重新计算的该金融资产的账面余额，应当根据将修改或重新议定的合同现金流量按金融资产的原实际利率(或者购买或源生的已发生信用减值的金融资产应按经信用调整的实际利率)折现的现值确定。对于修改或重新议定合同所产生的所有成本或费用，本集团调整修改后的金融资产账面价值，并在修改后金融资产的剩余期限内摊销。在评估相关金融工具的信用风险是否已经显著增加时，本集团将基于变更后的合同条款在报告期末发生违约的风险与基于原合同条款在初始确认时发生违约的风险进行比较。

(viii) 权益工具

本行发行权益工具收到的对价扣除交易费用后，计入股东权益。回购本行权益工具支付的对价和交易费用，减少股东权益。

(9) 财务担保合同和贷款承诺

财务担保合同

财务担保合同指，当特定债务人到期不能按照最初或修改后的债务工具条款偿付债务时，要求本集团向蒙受损失的合同持有人赔付特定金额的合同。

财务担保合同在担保提供日按公允价值进行初始确认。初始确认后，财务担保合同相关收益依据附注二、4.(25)所述会计政策的规定分摊计入当期损益。财务担保负债以按照依据金融工具的减值原则(参见附注二、4.(8))所确定的损失准备金额以及其初始确认金额扣除财务担保合同相关收益的累计摊销额后的余额孰高进行后续计量。

贷款承诺

贷款承诺，是指按照预先规定的条款和条件提供信用的确定承诺。本集团提供的贷款承诺按照预期信用损失评估减值。本集团未承诺以任何低于市场利率的价格发放贷款，也不以支付现金或发行其他金融工具作为贷款承诺的净结算。

本集团将贷款承诺和财务担保合同的损失准备列报在预计负债中。

(10) 衍生金融工具和套期会计

衍生金融工具

衍生金融工具初始以衍生交易合同签订当日的公允价值进行确认，并以其公允价值进行后续计量。公允价值为正数的衍生金融工具确认为一项资产，公允价值为负数的确认为一项负债。

如果混合合同包含的主合同是一项金融工具准则范围内的资产，嵌入式衍生工具不再从金融资产的主合同中分拆出来，而是将混合金融工具整体适用关于金融资产分类的相关规定。如果混合合同包含的主合同不是金融工具准则范围内的资产，当某些嵌入式衍生金融工具与其主合同的经济特征及风险不存在紧密关系，与该嵌入衍生工具具有相同条款的单独工具符合衍生金融工具的定义，并且该混合工具并非以公允价值计量且其变动计入当期损益时，则该嵌入式衍生金融工具应从混合合同中予以分拆，作为独立的衍生金融工具处理。这些嵌入式衍生金融工具以公允价值计量，公允价值的变动计入当期损益。

来源于衍生金融工具公允价值变动的损益，如果不符合套期会计的要求，应直接计入当期损益。

套期会计

套期会计方法，是指将套期工具和被套期项目产生的利得或损失在相同会计期间计入当期损益 (或其他综合收益) 以反映风险管理活动影响的方法。

被套期项目是使本集团面临公允价值或现金流量变动风险，且被指定为被套期对象的、能够可靠计量的项目。本集团指定为被套期项目有使本集团面临公允价值变动风险的固定利率借款、面临现金流量变动风险的浮动利率借款、面临外汇风险的以固定外币金额进行的购买或销售的确承诺等。

套期工具是本集团为进行套期而指定的、其公允价值或现金流量变动预期可抵销被套期项目的公允价值或现金流量变动的金融工具。对于外汇风险套期，本集团也将非衍生金融资产 (选择以公允价值计量且其变动计入其他综合收益的非交易性权益工具投资除外) 或非衍生金融负债的外汇风险成分指定为套期工具。

本集团在套期开始日及以后期间持续地对套期关系是否符合套期有效性要求进行评估。套期同时满足下列条件时，本集团认定套期关系符合套期有效性要求：

- 被套期项目和套期工具之间存在经济关系；
- 被套期项目和套期工具经济关系产生的价值变动中，信用风险的影响不占主导地位；
- 套期关系的套期比率，等于企业实际套期的被套期项目数量与对其进行套期的套期工具实际数量之比。

套期关系由于套期比率的原因而不再符合套期有效性要求，但指定该套期关系的风险管理目标没有改变的，本集团进行套期关系再平衡，对已经存在的套期关系中被套期项目或套期工具的数量进行调整，以使套期比率重新符合套期有效性要求。

发生下列情形之一的，本集团终止运用套期会计：

- 因风险管理目标发生变化，导致套期关系不再满足风险管理目标；
- 套期工具已到期、被出售、合同终止或已行使；
- 被套期项目与套期工具之间不再存在经济关系，或者被套期项目和套期工具经济关系产生的价值变动中，信用风险的影响开始占主导地位；
- 套期关系不再满足运用套期会计方法的其他条件。

(i) *现金流量套期*

现金流量套期是指对现金流量变动风险敞口进行的套期。套期工具产生的利得或损失中属于套期有效的部分，本集团将其作为现金流量套期储备，计入其他综合收益。现金流量套期储备的金额为下列两项的绝对额中较低者：

- 套期工具自套期开始的累计利得或损失；
- 被套期项目自套期开始的预计未来现金流量现值的累计变动额。

每期计入其他综合收益的现金流量套期储备的金额为当期现金流量套期储备的变动额。

套期工具产生的利得或损失中属于套期无效的部分，计入当期损益。

被套期项目为预期交易，且该预期交易使本集团随后确认一项非金融资产或非金融负债的，或者非金融资产或非金融负债的预期交易形成一项适用于公允价值套期会计的确定承诺时，本集团将原在其他综合收益中确认的现金流量套期储备金额转出，计入该资产或负债的初始确认金额。

对于不属于上述情况的现金流量套期，本集团在被套期的预期现金流量影响损益的相同期间，将原在其他综合收益中确认的现金流量套期储备金额转出，计入当期损益。

当本集团对现金流量套期终止运用套期会计时，在其他综合收益中确认的累计现金流量套期储备金额，按照下列会计政策进行处理：

- 被套期的未来现金流量预期仍然会发生的，累计现金流量套期储备的金额予以保留，并按照上述现金流量套期的会计政策进行会计处理；
- 被套期的未来现金流量预期不再发生的，累计现金流量套期储备的金额从其他综合收益 中转出，计入当期损益。

(ii) *公允价值套期*

公允价值套期是指对已确认资产或负债、尚未确认的确定承诺，或上述项目组成部分的公允价值变动风险敞口进行的套期。

套期工具产生的利得或损失计入当期损益。被套期项目因被套期风险敞口形成的利得或损失计入当期损益，同时调整未以公允价值计量的已确认被套期项目的账面价值。

被套期项目为以摊余成本计量的金融工具 (或其组成部分) 的，本集团对被套期项目账面价值所作的调整按照开始摊销日重新计算的利率进行摊销，并计入当期损益。

(iii) *境外经营净投资套期*

境外经营净投资套期是指对境外经营净投资外汇风险敞口进行的套期。套期工具形成的利得或损失中属于套期有效的部分，计入其他综合收益，并于全部或部分处置境外经营时相应转出，计入当期损益。套期工具形成的利得或损失中属于套期无效的部分，计入当期损益。

(11) 可转换工具

含权益成分的可转换工具

对于本集团发行的可转换为权益股份且转换时所发行的股份数量和对价的金额固定的可转换工具，本集团将其作为包含负债和权益成分的复合金融工具。

在初始确认时，本集团将相关负债和权益成分进行分拆，先确定负债成分的公允价值(包括其中可能包含的非权益性嵌入衍生工具的公允价值)，再从复合金融工具公允价值中扣除负债成分的公允价值，作为权益成分的价值，计入权益。发行复合金融工具发生的交易费用，在负债成分和权益成分之间按照各自占总发行价款的比例进行分摊。

初始确认后，对于没有指定为以公允价值计量且其变动计入当期损益的负债成分，采用实际利率法按摊余成本计量。权益成分在初始计量后不再重新计量。

当可转换工具进行转换时，本集团将负债成分和权益成分转至权益相关科目。当可转换工具被赎回时，赎回支付的价款以及发生的交易费用被分配至权益和负债成分。分配价款和交易费用的方法与该工具发行时采用的分配方法一致。价款和交易费用分配后，其与权益和负债成分账面价值的差异中，与权益成分相关的计入权益，与负债成分相关的计入损益。

不含权益成分的其他可转换工具

对于本集团发行的不含权益成分的其他可转换工具，在初始确认时，可转换工具的衍生工具成分以公允价值计量，剩余部分作为主债务工具的初始确认金额。

初始确认后，衍生工具成分以公允价值计量，公允价值变动形成的利得或损失计入当期损益。对于主债务工具，采用实际利率法按摊余成本计量。

当可转换工具进行转换时，本集团将主债务工具和衍生工具成分转至权益相关科目。当可转换工具被赎回时，赎回支付的价款与主债务工具和衍生工具成分账面价值的差异计入损益。

(12) 优先股和无固定期限资本债

本集团根据所发行的优先股、无固定期限资本债的合同条款及其所反映的经济实质，结合金融资产、金融负债和权益工具的定义，在初始确认时将这些金融工具或其组成部分分类为金融资产、金融负债或权益工具。

本集团对于其发行的同时包含权益成分和负债成分的优先股和无固定期限资本债，按照与含权益成分的可转换工具相同的会计政策进行处理。本集团对于其发行的不包含权益成分的优先股和无固定期限资本债，按照与不含权益成分的其他可转换工具相同的会计政策进行处理。

本集团对于其发行的应归类为权益工具的优先股和无固定期限资本债，按照实际收到的金额，计入权益。存续期间分派股利或利息的，作为利润分配处理。按合同条款约定赎回优先股和无固定期限资本债的，按赎回价格冲减权益。

(13) 买入返售金融资产和卖出回购金融资产款

买入返售金融资产，是指本集团按返售协议先买入再按固定价格返售金融资产所融出的资金。卖出回购金融资产款，是指本集团按回购协议先卖出再按固定价格回购金融资产所融入的资金。

买入返售金融资产和卖出回购金融资产款按业务发生时实际支付或收到的款项入账并在财务状况表中反映。买入返售的已购入标的资产不予以确认，在表外记录；卖出回购的标的资产仍在财务状况表中反映。

买入返售和卖出回购业务的买卖差价在相关交易期间以实际利率法摊销，分别确认为利息收入和利息支出。

(14) 固定资产

固定资产确认条件

固定资产指本集团为提供劳务、出租或经营管理而持有的，使用寿命超过一个会计年度的有形资产。

外购固定资产的初始成本包括购买价款、相关税费以及使该资产达到预定可使用状态前所发生的可归属于该项资产的支出。自行建造固定资产按附注二、4(15)确定初始成本。

对于构成固定资产的各组成部分，如果各自具有不同使用寿命或者以不同方式为本集团提供经济利益，适用不同折旧率或折旧方法的，本集团分别将各组成部分确认为单项固定资产。

对于固定资产的后续支出，包括与更换固定资产某组成部分相关的支出，在与支出相关的经济利益很可能流入本集团时资本化计入固定资产成本，同时将被替换部分的账面价值扣除；与固定资产日常维护相关的支出在发生时计入当期损益。

固定资产以成本减累计折旧及减值准备后在财务状况表内列示。

固定资产的折旧方法

本集团将固定资产的成本扣除预计净残值和累计减值准备后在其使用寿命内按年限平均法计提折旧，除非固定资产符合持有待售的条件。各类固定资产的使用寿命、预计净残值率和年折旧率分别为：

资产类别	使用寿命	预计净残值率	年折旧率
房屋及建筑物	30年	3 - 5%	3.17 - 3.23%
运输工具	5年	3 - 5%	19.00 - 19.40%
电子计算机及其他设备	3 - 5年	3 - 5%	19.00 - 32.33%
飞行及船舶设备	20年	5%	4.75%

本集团至少在每年年度终了对固定资产的使用寿命、预计净残值和折旧方法进行复核。

减值测试方法及减值准备计提方法参见附注二、4(20)。

固定资产处置

固定资产满足下述条件之一时，本集团会予以终止确认。

- 固定资产处于处置状态；
- 该固定资产预期通过使用或处置不能产生经济利益。

报废或处置固定资产项目所产生的损益为处置所得款项净额与项目账面金额之间的差额，并于报废或处置日在损益中确认。

(15) 在建工程

自行建造的固定资产的成本包括工程用物资、直接人工、符合资本化条件的借款费用和使该项资产达到预定可使用状态前所发生的必要支出。自行建造的固定资产于达到预定可使用状态时转入固定资产，此前列于在建工程，且不计提折旧。在建工程以成本减减值准备（参见附注二、4.(20)）在财务状况表内列示。

(16) 无形资产

无形资产以成本减累计摊销（仅限于使用寿命有限的无形资产）及减值准备（参见附注二、4(20)）后在财务状况表内列示。对于使用寿命有限的无形资产，本集团将无形资产的成本扣除预计净残值和累计减值准备后按直线法在预计使用寿命期内摊销，除非该无形资产符合持有待售的条件。

- 土地使用权从购入月份起按法定使用年限平均摊销。外购土地及建筑物的价款难以在土地使用权与建筑物之间合理分配的，全部作为固定资产。
- 软件从购入月份起按受益年限平均摊销。
- 品牌及特许经营权为无预期使用寿命的无形资产，不进行摊销。

本集团至少在每年年度终了对使用寿命有限的无形资产的使用寿命及摊销方法进行复核。

本集团将无法预见未来经济利益期限的无形资产视为使用寿命不确定的无形资产，并对这类无形资产不予摊销。本集团在每个会计期间对使用寿命不确定的无形资产的使用寿命进行复核。如果有证据表明无形资产的使用寿命是有限的，则估计其使用寿命，并按上述使用寿命有限的无形资产处理。

(17) 长期待摊费用

本集团将已发生且受益期在一年以上的各项费用确认为长期待摊费用。长期待摊费用以成本减累计摊销及减值准备在财务状况表内列示。

(18) 抵债资产

抵债资产是指本集团依法行使债权或担保物权而受偿于债务人、担保人或第三人的实物资产或财产权利。

对于受让的金融资产类抵债资产，本集团以其公允价值进行初始计量，并依据附注二、4.(8)所述的会计政策进行分类和后续计量。

对于受让的非金融资产类抵债资产，本集团按照放弃债权的公允价值和可直接归属该资产的税金等其他成本进行初始计量，并按照抵债资产账面价值与可收回金额孰低进行后续计量，减值测试方法及减值准备计提方法参见附注二、4(20)。

(19) 商誉

因非同一控制下企业合并形成的商誉，其初始成本是合并成本大于合并中取得的被购买方可辨认净资产公允价值份额的差额。本集团对商誉不摊销，以成本减累计减值准备（参见附注二、4.(20)）在财务状况表内列示。商誉在其相关资产组或资产组组合处置时予以转出，计入当期损益。

(20) 除金融资产外的其他资产减值

本集团在报告期末根据内部及外部信息以确定下列资产是否存在减值的迹象，包括：

- 固定资产
- 在建工程
- 使用权资产
- 无形资产
- 长期股权投资
- 商誉
- 长期待摊费用
- 非金融资产类抵债资产等

本集团对存在减值迹象的资产进行减值测试，估计资产的可收回金额。此外，无论是否存在减值迹象，本集团至少每年对尚未达到可使用状态的无形资产估计其可收回金额，于每年年度终了对商誉及使用寿命不确定的无形资产估计其可收回金额。本集团依据相关资产组或者资产组组合能够从企业合并的协同效应中的受益情况分摊商誉账面价值，并在此基础上进行商誉减值测试。

可收回金额是指资产（或资产组、资产组组合，下同）的公允价值（参见附注二、4.(22)）减去处置费用后的净额与资产预计未来现金流量的现值两者之间较高者。

资产组由创造现金流入相关的资产组成，是可以认定的最小资产组合，其产生的现金流入基本上独立于其他资产或者资产组。

资产预计未来现金流量的现值，按照资产在持续使用过程中和最终处置时所产生的预计未来现金流量，选择恰当的税前折现率对其进行折现后的金额加以确定。

可收回金额的估计结果表明，资产的可收回金额低于其账面价值的，资产的账面价值会减记至可收回金额，减记的金额确认为资产减值损失，计入当期损益，同时计提相应的资产减值准备。与资产组或者资产组组合相关的减值损失，先抵减分摊至该资产组或者资产组组合中商誉的账面价值，再根据资产组或者资产组组合中除商誉之外的其他各项资产的账面价值所占比重，按比例抵减其他各项资产的账面价值，但抵减后的各资产的账面价值不得低于该资产的公允价值减去处置费用后的净额（如可确定的）、该资产预计未来现金流量的现值（如可确定的）和零三者之中最高者。

资产减值损失一经确认，在以后会计期间不会转回。

(21) 预计负债及或有负债

或有负债是指过去的交易或事项形成的潜在义务，其存在须通过未来不确定事项的发生或不发生予以证实；或过去的交易或者事项形成的现时义务，履行该义务不是很可能导致经济利益流出本集团或该义务的影响金额不能可靠计量。本集团对该等义务不作确认，仅在财务报表附注五、或有事项及承诺中披露或有负债。

如果与或有事项相关的义务是本集团承担的现时义务，且该义务的履行很可能会导致经济利益流出本集团，以及有关金额能够可靠地计量，则本集团会确认预计负债。

预计负债按照履行相关现时义务所需支出的最佳估计数进行初始计量。对于货币时间价值影响重大的，预计负债以预计未来现金流量折现后的金额确定。在确定最佳估计数时，本集团综合考虑了与或有事项有关的风险、不确定性和货币时间价值等因素。所需支出存在一个连续范围，且该范围内各种结果发生的可能性相同的，最佳估计数按照该范围内的中间值确定；在其他情况下，最佳估计数分别下列情况处理：

- 或有事项涉及单个项目的，按照最可能发生金额确定。
- 或有事项涉及多个项目的，按照各种可能结果及相关概率计算确定。

本集团在报告期末对预计负债的账面价值进行复核，并按照当前最佳估计数对该账面价值进行调整。

(22) 公允价值的计量

除特别声明外，本集团按下述原则计量公允价值：

公允价值是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。

本集团估计公允价值时，考虑市场参与者在计量日对相关资产或负债进行定价时考虑的特征（包括资产状况及所在位置、对资产出售或者使用的限制等），并采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术。使用的估值技术主要包括市场法、收益法和成本法。

(23) 股利分配

股利在本行股东大会批准及宣告发放后确认为负债，并且从权益中扣除。中期股利自批准和宣告发放并且本行不能随意更改时从权益中扣除。期末股利的分配方案在报告期末之后决议通过的，作为报告期后事项予以披露。

(24) 受托业务

本集团在受托业务中作为客户的管理人、受托人或代理人。本集团的财务状况表不包括本集团因受托业务而持有的资产以及有关向客户交回该等资产的承诺，该等资产的风险及收益由客户承担。

本集团与客户签订委托贷款协议，由客户向本集团提供资金（以下简称“委托贷款资金”），并由本集团按客户的指示向第三方发放贷款（以下简称“委托贷款”）。由于本集团并不承担委托贷款及相关委托贷款资金的风险及报酬，因此委托贷款及委托贷款资金按其本金记录为财务状况表表外项目，而且并未对这些委托贷款计提任何减值准备。

(25) 收入确认

利息收入

对于所有以摊余成本计量的金融工具及以公允价值计量且其变动计入其他综合收益的金融资产中计息的金融工具，利息收入以实际利率计量。实际利率是指按金融工具的预计存续期间将其预计未来现金流入或流出折现至该金融资产账面余额或金融负债摊余成本的利率。实际利率的计算需要考虑金融工具的合同条款（例如提前还款权）并且包括所有归属于实际利率组成部分的费用和所有交易成本，但不包括预期信用损失。

本集团根据金融资产账面余额乘以实际利率计算确定利息收入并列报为利息收入，但下列情况除外：

- (i) 对于购入或源生的已发生信用减值的金融资产，自初始确认起，按照该金融资产的摊余成本和经信用调整的实际利率计算确定其利息收入；

- (ii) 对于购入或源生的未发生信用减值、但在后续期间成为已发生信用减值的金融资产，按照该金融资产的摊余成本（即，账面余额扣除预期信用损失准备之后的净额）和实际利率计算确定其利息收入。若该金融工具在后续期间因其信用风险有所改善而不再存在信用减值，并且这一改善在客观上可与应用上述规定之后发生的某一事件相联系，应转按实际利率乘以该金融资产账面余额来计算确定利息收入。

手续费及佣金收入

本集团通过向客户提供各类服务收取手续费及佣金。手续费及佣金收入在本集团履行了合同中的履约义务，即在客户取得相关服务的控制权时点或时段内确认收入。

满足下列条件之一时，本集团在某一时段内履行履约义务，否则，属于在某一时点履行履约义务：

- 客户在本集团履约的同时即取得并消耗通过本集团履约所带来的经济利益；
- 客户能够控制本集团履约过程中进行的服务；
- 本集团履约过程中所进行的服务具有不可替代用途，且本集团在整个合同期间内有权就累计至今已完成的履约部分收取款项。

股利收入

权益工具的股利收入于本集团收取股利的权利确立时在当期损益中确认。

交易净收入

交易净收入包括因持有以公允价值计量且其变动计入当期损益的金融资产和负债、衍生金融工具、交易性贵金属及大宗商品而产生的收益和损失等。

(26) 职工薪酬

短期薪酬

本集团在职工提供服务的会计期间，将实际发生或按规定的基准和比例计提的职工工资、奖金、医疗保险费、工伤保险费和生育保险费等社会保险费和住房公积金，确认为负债，并计入当期损益或相关资产成本。

离职后福利

本集团所参与的设定提存计划是按照中国有关法规要求，本集团职工参加的由政府机构设立管理的社会保障体系中的基本养老保险。基本养老保险的缴费金额按国家规定的基准和比例计算。本集团在职工提供服务的会计期间，将应缴存的金额确认为负债，并计入当期损益或相关资产成本。

除了社会基本养老保险外，本集团亦为员工设立退休福利提存计划（以下简称“年金计划”）。本集团及职工按照上一年度基本工资的一定比例向年金计划供款。本集团供款在发生时计入当期损益。本集团按固定的金额向年金计划供款，如企业年金基金不足以支付员工未来退休福利，本集团也无义务再注入资金。

辞退福利

本集团在职工劳动合同到期之前解除与职工的劳动关系，或者为鼓励职工自愿接受裁减而提出给予补偿的建议，在下列两者孰早日，确认辞退福利产生的负债，同时计入当期损益：

- 本集团不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时；
- 本集团有详细、正式的涉及支付辞退福利的重组计划；并且，该重组计划已开始实施，或已向受其影响的各方通告了该计划的主要内容，从而使各方形成了对本集团将实施重组的合理预期时。

其他长期职工福利

本集团在职工提供服务的会计期间，根据实际经营情况为相关岗位的员工计提延期支付薪酬，将应缴存的金额确认为负债，并计入当期损益或相关资产成本。

(27) 所得税

除因企业合并和直接计入股东权益（包括其他综合收益）的交易或者事项产生的所得税外，本集团将当期所得税和递延所得税计入当期损益。

当期所得税是按本年度应税所得额，根据税法规定的税率计算的预期应交所得税，加上以往年度应付所得税的调整。

报告期末，如果本集团拥有以净额结算的法定权利并且意图以净额结算或取得资产、清偿负债同时进行，那么当期所得税资产及当期所得税负债以抵销后的净额列示。

递延所得税资产与递延所得税负债分别根据可抵扣暂时性差异和应纳税暂时性差异确定。暂时性差异是指资产或负债的账面价值与其计税基础之间的差额，包括能够结转以后年度的可抵扣亏损和税款抵减。递延所得税资产的确认以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限。

递延所得税负债应按各种应纳税暂时性差异确认，除非：

- (i) 应纳税暂时性差异与具有以下特征的交易中产生的资产或负债的初始确认相关：商誉的初始确认，或者具有以下特征的交易中产生的资产或负债的初始确认：该交易不是企业合并，并且交易发生时既不影响会计利润也不影响应纳税所得额或可抵扣亏损；
- (ii) 对于与子公司、合营公司及联营公司投资相关的应纳税暂时性差异，该暂时性差异转回的时间能够控制并且该暂时性差异在可预见的未来很可能不会转回。

对于可抵扣暂时性差异、能够结转以后年度的可抵扣亏损和税款抵减，本集团以很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的未来应纳税所得额为限，确认由此产生的递延所得税资产，除非：

- (i) 可抵扣暂时性差异与具有以下特征的交易中产生的资产或负债的初始确认相关：该交易不是企业合并，并且交易发生时既不影响会计利润也不影响应纳税所得额或可抵扣亏损；

- (ii) 对于与子公司、合营公司及联营公司投资相关的可抵扣暂时性差异，同时满足下列条件的，确认相应的递延所得税资产：暂时性差异在可预见的未来很可能转回，且未来很可能获得用来抵扣该可抵扣暂时性差异的应纳税所得额。

报告期末，本集团根据递延所得税资产和负债的预期收回或结算方式，依据已颁布的税法规定，按照预期收回该资产或清偿该负债期间的适用税率计量该递延所得税资产和负债的账面金额。

报告期末，本集团对递延所得税资产的账面价值进行复核。如果未来期间很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

报告期末，递延所得税资产及递延所得税负债在同时满足以下条件时以抵销后的净额列示：

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

(28) 租赁

租赁，是指在一定期间内，出租人将资产的使用权让与承租人以获取对价的合同。

在合同开始日，本集团评估合同是否为租赁或者包含租赁。如果合同中一方让渡了在一定期间内控制一项或多项已识别资产使用的权利以换取对价，则该合同为租赁或者包含租赁。

为确定合同是否让渡了在一定期间内控制已识别资产使用的权利，本集团进行如下评估：

- 合同是否涉及已识别资产的使用。已识别资产可能由合同明确指定或在资产可供客户使用时隐性指定，并且该资产在物理上可区分，或者如果资产的某部分产能或其他部分在物理上不可区分但实质上代表了该资产的全部产能，从而使客户获得因使用该资产所产生的几乎全部经济利益。如果资产的供应方在整个使用期间拥有对该资产的实质性替换权，则该资产不属于已识别资产；
- 承租人是否有权获得在使用期间内因使用已识别资产所产生的几乎全部经济利益；
- 承租人是否有权在该使用期间主导已识别资产的使用。

合同中同时包含多项单独租赁的，承租人和出租人将合同予以分拆，并分别对各项单独租赁进行会计处理。合同中同时包含租赁和非租赁部分的，承租人和出租人将租赁和非租赁部分进行分拆。

• 本集团作为承租人

在租赁期开始日，本集团对租赁确认使用权资产和租赁负债。使用权资产按照成本进行初始计量，包括租赁负债的初始计量金额、在租赁期开始日或之前支付的租赁付款额（扣除已享受的租赁激励相关金额），发生的初始直接费用以及为拆卸及移除租赁资产、复原租赁资产所在场地或将租赁资产恢复至租赁条款约定状态预计将发生的成本。

本集团使用直线法对使用权资产计提折旧。对能够合理确定租赁期届满时取得租赁资产所有权的，本集团在租赁资产剩余使用寿命内计提折旧。无法合理确定租赁期届满时能够取得租赁资产所有权的，在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。使用权资产按照附注二、4.(20)的规定计提减值准备。

租赁负债按照租赁期开始日尚未支付的租赁付款额的现值进行初始计量，折现率为租赁内含利率。无法确定租赁内含利率的，采用本集团增量借款利率作为折现率。

本集团按照固定的周期性利率计算租赁负债在租赁期内各期间的利息费用，并计入当期损益或相关资产成本。未纳入租赁负债计量的可变租赁付款额在实际发生时计入当期损益或相关资产成本。

租赁期开始日后，发生下列情形的，本集团按照变动后租赁付款额的现值重新计量租赁负债：

- 根据担保余值预计的应付金额发生变动；
- 用于确定租赁付款额的指数或比率发生变动；
- 本集团对购买选择权、续租选择权或终止租赁选择权的评估结果发生变化，或续租选择权或终止租赁选择权的实际行使情况与原评估结果不一致。

在对租赁负债进行重新计量时，本集团相应调整使用权资产的账面价值。使用权资产的账面价值已调减至零，但租赁负债仍需进一步调减的，本集团将剩余金额计入当期损益。

本集团已选择对短期租赁（租赁期不超过 12 个月的租赁）和低价值资产租赁，选择不确认使用权资产和租赁负债。短期租赁和低价值资产租赁的租赁付款在租赁期内按直线法计入当期损益或相关资产成本。

• 本集团作为出租人

在租赁开始日，本集团将租赁分为融资租赁和经营租赁。融资租赁是指无论所有权最终是否转移但实质上转移了与租赁资产所有权有关的几乎全部风险和报酬的租赁。经营租赁是指除融资租赁以外的其他租赁。

本集团作为转租出租人时，基于原租赁产生的使用权资产，而不是原租赁的标的资产，对转租赁进行分类。如果原租赁为短期租赁且本集团选择对原租赁应用上述短期租赁的简化处理，本集团将该转租赁分类为经营租赁。

融资租赁下，在租赁期开始日，本集团对融资租赁确认应收融资租赁款，并终止确认融资租赁资产。本集团对应收融资租赁款进行初始计量时，将租赁投资净额作为应收融资租赁款的入账价值。租赁投资净额为未担保余值和租赁期开始日尚未收到的租赁收款额按照租赁内含利率折现的现值之和。

本集团按照固定的周期性利率计算并确认租赁期内各个期间的利息收入。应收融资租赁款的终止确认和减值按附注二、4.(8)所述的会计政策进行会计处理。未纳入租赁投资净额计量的可变租赁付款额在实际发生时计入当期损益。

经营租赁的租赁收款额在租赁期内按直线法或其他系统合理的方法确认为租金收入。本集团将其发生的与经营租赁有关的初始直接费用予以资本化，在租赁期内按照与租金收入确认相同的基础进行分摊，分期计入当期损益。未计入租赁收款额的可变租赁付款额在实际发生时计入当期损益。

(29) 关联方

满足如下条件的一方是本集团的关联方：

(a) 该方是个人或与该个人关系密切的家庭成员，如果该个人：

- (i) 对本集团实施控制或共同控制；
- (ii) 对本集团实施重大影响；或者
- (iii) 是本集团或本集团母公司的关键管理人员的成员；

(b) 该方是满足如下条件的主体：

- (i) 该主体与本集团是同一集团的成员；
- (ii) 一方是另一方的联营或合营公司（或是另一方的母公司、子公司或同系附属子公司的联营或合营公司）；
- (iii) 该主体和本集团是相同第三方的合营公司；
- (iv) 一方是第三方的合营公司并且另一方是该第三方的联营公司；
- (v) 该主体是为本集团或与本集团关联的主体的雇员福利而设的离职后福利计划；
- (vi) 该主体受 (a) 项所述的个人的控制或共同控制；
- (vii) (a)(i) 项所述的个人对该主体能够实施重大影响或 (a)(i) 项所述的个人是该主体（或其母公司）的关键管理人员的成员；且
- (viii) 该主体或其所在集团的成员为本集团或本集团的母公司提供关键管理人员服务。

(30) 主要会计估计和判断

编制财务报表时，本集团管理层需要运用估计和假设，这些估计和假设会对会计政策的应用及资产、负债、收入及费用的金额产生影响。实际情况可能与这些估计不同。本集团管理层对估计涉及的关键假设和不确定因素的判断进行持续评估，会计估计变更的影响在变更当期和未来期间予以确认。

在执行本集团会计政策的过程中，管理层会对未来不确定事项对财务报表的影响作出判断及假设。管理层在财务状况表日就主要未来不确定事项作出下列的判断及主要假设，可能导致下个会计期间的资产负债的账面价值作出重大调整。

预期信用损失的计量

对于以摊余成本计量和以公允价值计量且其变动计入其他综合收益的债务工具投资，以及贷款承诺及财务担保合同，其预期信用损失的计量中使用了复杂的模型和大量的假设。这些模型和假设涉及未来的宏观经济情况和客户的信用行为（例如，客户违约的可能性及相应损失）。附注八、1.信用风险中具体说明了预期信用损失计量中使用的参数、假设和估计技术。

商誉减值

本集团至少每年测试商誉是否发生减值，并且当商誉存在可能发生减值的迹象时，亦需进行减值测试。在进行减值测试时，需要将商誉分配到相应的资产组或资产组组合，并预计资产组或者资产组组合可收回金额。有关本集团商誉减值测试信息，参见附注三、第 19 项。

所得税

本集团需要对某些交易未来的税务处理作出判断以确认所得税。本集团根据有关税法规定，谨慎判断交易对应的所得税影响并相应地计提所得税。递延所得税资产只会在有可能有未来应纳税利润并可用作抵销有关暂时性差异时才可确认。对此需要就某些交易的税务处理作出重大判断，并需要就是否有足够的未来应纳税利润以抵销递延所得税资产的可能性作出重大的估计。

金融工具的公允价值

对于缺乏活跃市场的金融工具，本集团运用估值方法确定其公允价值。估值方法包括参照在市场中具有完全信息且有买卖意愿的经济主体之间进行公平交易时确定的交易价格，参考市场上另一类似金融工具的公允价值，或运用现金流量折现分析及期权定价模型进行估算。估值方法在最大程度上利用可观察市场信息，然而，当可观察市场信息无法获得时，管理层将对估值方法中包括的重大不可观察信息作出估计。

对结构化主体是否具有控制的判断

本集团管理或投资多个理财产品、信托计划、基金投资、资产管理计划和资产支持证券。判断是否控制该类结构化主体时，本集团确定其自身是以主要责任人还是代理人的身份行使决策权，评估其所享有的对该类结构化主体的整体经济利益（包括直接持有产生的收益以及预期管理费）以及对该类结构化主体的决策权范围。当在其他方拥有决策权的情况下，还需要确定其他方是否以其代理人的身份代为行使决策权。

有关本集团享有权益或者作为发起人但未纳入合并财务报表范围的理财产品、信托计划、基金投资及资产支持证券，参见附注三、37。

三 本财务报告主要项目注释

1 利息净收入

	本集团		本行	
	2022年	2021年	2022年	2021年
利息收入				
发放贷款和垫款				
-公司贷款	96,127	91,588	91,888	87,618
-个人贷款	110,209	112,530	109,314	111,599
-票据贴现	10,585	14,428	10,585	14,428
金融投资				
-以摊余成本计量的金融投资	45,430	46,765	45,349	46,732
-以公允价值计量且其变动计入其他综合收益的金融投资	16,534	17,858	16,070	17,412
存放和拆放同业及其他金融机构款项				
存放中央银行款项	12,914	9,520	12,883	9,372
买入返售金融资产	5,599	5,734	5,570	5,701
	2,122	2,270	2,122	2,270
小计	299,520	300,693	293,781	295,132
利息支出				
吸收存款	(96,828)	(84,867)	(96,005)	(84,028)
已发行债务证券	(39,212)	(38,664)	(38,767)	(38,163)
同业及其他金融机构存入和拆入款项	(20,125)	(29,771)	(18,366)	(27,964)
向中央银行借款	(5,982)	(7,500)	(5,968)	(7,476)
卖出回购金融资产款	(3,704)	(3,933)	(3,704)	(3,933)
小计	(165,851)	(164,735)	(162,810)	(161,564)
利息净收入	133,669	135,958	130,971	133,568

2 手续费及佣金净收入

	本集团		本行	
	2022年	2021年	2022年	2021年
手续费及佣金收入				
银行卡业务	14,403	12,863	14,402	12,862
托管及其他受托业务	11,222	13,657	7,100	9,761
代理业务	4,090	4,799	4,090	4,798
投行类业务	3,775	3,694	3,595	3,501
信用承诺	2,093	2,300	2,092	2,298
结算与清算业务	992	971	992	971
其他	1,191	1,563	1,037	1,297
小计	37,766	39,847	33,308	35,488
手续费及佣金支出	(9,075)	(10,713)	(10,860)	(10,778)
手续费及佣金净收入	28,691	29,134	22,448	24,710

3 净交易损益

	本集团		本行	
	2022年	2021年	2022年	2021年
以公允价值计量且其变动计入 当期损益的金融资产	14,257	15,052	14,865	14,065
汇兑损益	6,692	813	6,648	810
非外汇衍生金融工具	3,191	2,789	3,191	2,789
被套期债券	(497)	(491)	(497)	(491)
贵金属	(6,935)	1,749	(6,935)	1,749
其他	464	203	463	203
合计	17,172	20,115	17,735	19,125

4 金融投资净损益

	本集团		本行	
	2022年	2021年	2022年	2021年
以摊余成本计量的金融投资	2,683	1,010	2,683	1,010
以公允价值计量且其变动计入 其他综合收益的金融投资	2,509	1,214	2,457	1,143
股息收入	121	52	246	179
合计	5,313	2,276	5,386	2,332

5 营业费用

	本集团		本行	
	2022年	2021年	2022年	2021年
员工费用				
- 短期薪酬	23,801	23,292	21,650	21,383
- 离职后福利	2,690	2,503	2,513	2,393
- 其他长期职工薪酬	2,446	2,605	2,329	2,297
小计	28,937	28,400	26,492	26,073
折旧与摊销费	6,801	6,226	6,598	6,004
税金及附加	2,059	2,004	1,953	1,922
其他	18,791	17,078	16,325	14,831
合计	56,588	53,708	51,368	48,830

6 资产减值损失

	本集团		本行	
	2022年	2021年	2022年	2021年
发放贷款和垫款	65,143	64,542	64,005	63,444
其他	10,856	13,802	10,669	13,744
合计	75,999	78,344	74,674	77,188

7 所得税费用

	本集团		本行	
	2022年	2021年	2022年	2021年
当期所得税费用	11,864	11,694	10,127	10,506
递延所得税费用	(7,712)	(6,389)	(7,381)	(6,322)
合计	4,152	5,305	2,746	4,184

将基于利润表的税前利润采用适用税率计算的所得税调节为所得税费用：

	本集团		本行	
	2022年	2021年	2022年	2021年
税前利润	56,149	59,071	51,225	54,493
按中国法定税率计算的所得税	14,037	14,768	12,806	13,623
子公司采用不同税率的影响	49	(43)	-	-
不可抵扣支出的影响	982	377	671	319
免税收入的影响	(10,035)	(8,768)	(9,841)	(8,743)
其他所得税调整	(881)	(1,029)	(890)	(1,015)
所得税费用	4,152	5,305	2,746	4,184

8 每股收益

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(1) 基本每股收益

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- 基本每股收益以归属于母公司普通股股东的净利润除以本行发行在外普通股的加权平均数计算。优先股的转股特征使得本行存在或有可发行普通股。截至2022年12月31日，转股的触发事件并未发生，因此报告期间优先股的转股特征对本年的基本及稀释每股收益的计算没有影响。

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- 本集团

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	<u>2022 年</u>	<u>2021 年</u>
归属于母公司股东本年净利润	51,171	53,003
减：归属于母公司优先股股东的当年净利润	(1,559)	(1,559)
支付无固定期限资本债利息	(3,794)	(3,794)
	45,818	47,650
归属于母公司普通股股东的当年净利润	45,818	47,650
本行发行在外普通股股本的加权平均数 (百万股)	29,352	29,352
基本每股收益 (人民币元)	1.56	1.62

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- 本年累计发放优先股股利人民币 15.59 亿元，支付无固定期限资本债利息人民币 37.94 亿元，计算普通股基本每股收益时，已在归属于普通股股东的净利润中扣除当年宣告发放的优先股股利及无固定期限资本债利息。

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(2) 稀释每股收益

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- 本年度稀释每股收益基于本行 2019 年公开发行的人民币 500 亿元可转换公司债券在当期期初转换为普通股的假设，以调整可转换公司债券当期计提的利息费用后归属于本行普通股股东的净利润除以本行在假设条件下发行在外的普通股加权平均数计算。

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- 本集团

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	<u>2022 年</u>	<u>2021 年</u>
归属于母公司普通股股东的当年净利润	45,818	47,650
加：本年可转换公司债券的利息费用 (税后)	1,471	1,429
	47,289	49,079
归属于母公司普通股股东的当年净利润	47,289	49,079
本行发行在外普通股股本的加权平均数(百万股)	29,352	29,352
加：假定可转换公司债券全部转换为普通股的 加权平均数 (百万股)	3,579	3,460
	32,931	32,812
用以计算稀释每股收益的当年发行在外普通股的 加权平均数 (百万股)	32,931	32,812
稀释每股收益 (人民币元)	1.44	1.50

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9 现金及存放中央银行款项

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	注	本集团		本行	
		2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
库存现金		5,544	5,470	5,403	5,338
存放中央银行法定 准备金	(1)	345,351	339,973	343,433	338,268
存放中央银行超额 存款准备金	(2)	105,479	73,454	103,168	70,405
存放中央银行财政 存款		544	1,939	544	1,939
应计利息		171	160	171	160
合计		457,089	420,996	452,719	416,110

-

(1) 本集团按规定向中国人民银行及境外中央银行缴存法定存款准备金，包括人民币、外币存款准备金以及远期售汇业务外汇风险准备金，此部分资金不能用于本集团的日常经营。

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(2) 超额存款准备金为本集团存放于中国人民银行以及境外中央银行用于资金清算的款项。

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10 存放和拆放同业及其他金融机构款项

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	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
存放境内银行	108,385	71,746	98,389	62,787
存放境外银行	58,737	53,693	58,532	52,517
存放境内非银行金融机构	906	255	906	68
拆放境内银行	28,367	24,726	28,367	24,726
拆放境外银行	38,714	70,276	38,714	70,276
拆放境内非银行金融机构	282,110	201,157	288,456	201,637
拆放境外非银行金融机构	80	8,188	134	9,718
应计利息	3,873	4,062	3,813	3,985
减：减值准备	(569)	(322)	(539)	(293)
合计	520,603	433,781	516,772	425,421

-

于2022年12月31日及2021年12月31日，本集团存放和拆放同业及其他金融机构款项中包括存出保证金及风险准备金等款项，该等款项的使用存在限制。

- 11 衍生金融工具

本集团

	2022年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	3,889,642	12,374	(9,973)
汇率衍生工具	1,882,807	21,145	(23,554)
贵金属及其他衍生工具	332,377	9,310	(3,999)
合计		42,829	(37,526)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	12,048	545	(100)
-货币互换合同	-	-	-
现金流量套期			
-利率互换合同	627	34	-
-货币互换合同	20,788	134	(148)
合计		713	(248)
	2021年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	4,099,578	17,147	(15,789)
汇率衍生工具	1,578,860	13,844	(12,669)
贵金属及其他衍生工具	209,031	2,782	(1,070)
合计		33,773	(29,528)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	9,251	42	(126)
-货币互换合同	361	-	(8)
现金流量套期			
-利率互换合同	1,649	17	-
-货币互换合同	3,554	5	(25)
合计		64	(159)

本行

	2022年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	3,889,015	12,340	(9,989)
汇率衍生工具	1,880,130	21,120	(23,537)
贵金属衍生工具及其他衍生工具	332,377	9,310	(3,999)
合计		42,770	(37,525)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	12,048	545	(100)
-货币互换合同	-	-	-
现金流量套期			
-货币互换合同	18,111	109	(131)
合计		654	(231)

	2021年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	4,097,929	17,130	(15,789)
汇率衍生工具	1,578,023	13,844	(12,648)
贵金属及其他衍生工具	209,031	2,782	(1,070)
合计		33,756	(29,507)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	9,251	42	(126)
-货币互换合同	361	-	(8)
现金流量套期			
-货币互换合同	2,717	5	(4)
合计		47	(138)

财务状况表日各种衍生金融工具的名义金额仅提供了一个与表内所确认的公允价值资产或负债的对比基础，并不代表所涉及的未来现金流量或当前公允价值，因而也不能反映本集团所面临的信用风险或市场风险。随着与衍生金融产品合约条款相关的外汇汇率、市场利率及贵金属价格及其他市场价格的波动，衍生金融产品的估值可能产生对本集团有利（确认为资产）或不利（确认为负债）的影响，这些影响可能在不同期间有较大的波动。

12 买入返售金融资产

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
债券	111,366	117	111,366	101
应计利息	60	-	60	-
减:减值准备	(15)	-	(15)	-
合计	111,411	117	111,411	101

13 发放贷款和垫款

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
发放贷款和垫款				
-以摊余成本计量 (a)	4,371,902	4,255,699	4,262,596	4,153,741
-以公允价值计量且 其变动计入其他综合 收益 (b)	468,537	484,192	468,537	484,192
-以公允价值计量且其 变动计入当期损益 (c)	60,223	46,149	60,223	46,149
小计	4,900,662	4,786,040	4,791,356	4,684,082
应计利息	16,309	15,257	15,693	14,664
减: 减值准备				
-以摊余成本计量的发 放贷款和垫款本金	(118,083)	(110,087)	(111,473)	(104,256)
-以摊余成本计量的发 放贷款和垫款应计利 息	(538)	(256)	(536)	(256)
小计	(118,621)	(110,343)	(112,009)	(104,512)
发放贷款和垫款净额	4,798,350	4,690,954	4,695,040	4,594,234

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
(a) 以摊余成本计量的发放贷款和垫款				
企业贷款				
一般企业贷款	2,392,505	2,261,151	2,298,480	2,175,189
贸易融资	85,865	102,155	85,865	102,155
贴现	1,132	1,773	1,132	1,768
个人贷款				
住房贷款	872,127	905,974	865,791	898,953
经营贷款	445,633	392,104	440,968	387,147
信用卡及透支	433,693	416,142	433,693	416,142
消费贷款及其他	140,947	176,400	136,667	172,387
小计	<u>4,371,902</u>	<u>4,255,699</u>	<u>4,262,596</u>	<u>4,153,741</u>
(b) 以公允价值计量且其变动计入其他综合收益的发放贷款和垫款				
企业贷款				
贸易融资	68,727	24,868	68,727	24,868
贴现	399,810	459,324	399,810	459,324
小计	<u>468,537</u>	<u>484,192</u>	<u>468,537</u>	<u>484,192</u>
(c) 以公允价值计量且其变动计入当期损益的发放贷款和垫款				
企业贷款				
贸易融资	50,961	19,554	50,961	19,554
贴现	9,262	26,595	9,262	26,595
小计	<u>60,223</u>	<u>46,149</u>	<u>60,223</u>	<u>46,149</u>
发放贷款和垫款合计	<u><u>4,900,662</u></u>	<u><u>4,786,040</u></u>	<u><u>4,791,356</u></u>	<u><u>4,684,082</u></u>

13.1 按行业分类分布情况

本集团

	2022年12月31日		2021年12月31日	
	金额	比例 (%)	金额	比例 (%)
企业贷款				
制造业	472,245	9.64	433,936	9.07
租赁和商务服务业	469,945	9.59	421,641	8.81
房地产业	322,036	6.57	331,015	6.92
金融业	235,797	4.81	108,267	2.26
水利、环境和公共设施 管理业	191,308	3.90	180,796	3.78
交通运输、仓储和邮政业	190,118	3.88	185,778	3.88
电力、热力、燃气及 水生产和供应业	161,222	3.29	146,184	3.05
批发和零售业	159,972	3.26	177,773	3.71
建筑业	157,220	3.21	165,645	3.46
采矿业	70,194	1.43	78,343	1.64
信息传输、软件和 信息技术服务业	66,636	1.36	63,203	1.32
科学研究和技术服务业	31,425	0.64	37,850	0.79
文化、体育和娱乐业	19,094	0.39	17,770	0.37
教育	14,937	0.30	14,668	0.31
农、林、牧、渔业	14,202	0.29	17,243	0.36
卫生和社会工作	12,665	0.26	15,819	0.33
住宿和餐饮业	6,652	0.14	7,707	0.16
居民服务、修理和其他 服务业	1,850	0.04	3,217	0.07
公共管理、社会保障和 社会组织	362	0.01	710	0.01
其他	178	0.01	163	0.01
小计	2,598,058	53.02	2,407,728	50.31
贴现	410,204	8.37	487,692	10.19
个人贷款	1,892,400	38.61	1,890,620	39.50
合计	4,900,662	100.00	4,786,040	100.00

本行

	2022年12月31日		2021年12月31日	
	金额	比例 (%)	金额	比例 (%)
企业贷款				
制造业	456,864	9.53	426,249	9.10
租赁和商务服务业	468,176	9.76	420,635	8.98
房地产业	322,019	6.71	330,994	7.07
金融业	237,548	4.95	110,242	2.35
水利、环境和公共设施 管理业	187,423	3.91	175,158	3.74
交通运输、仓储和邮政业	156,097	3.26	154,032	3.29
电力、热力、燃气及 水生产和供应业	138,747	2.90	120,657	2.58
批发和零售业	156,926	3.28	175,868	3.75
建筑业	152,750	3.19	161,763	3.45
采矿业	64,988	1.36	73,050	1.56
信息传输、软件和 信息技术服务业	65,535	1.37	62,391	1.33
科学研究和技术服务业	31,258	0.65	37,754	0.81
文化、体育和娱乐业	18,676	0.39	17,107	0.37
教育	14,753	0.31	14,522	0.31
农、林、牧、渔业	10,929	0.23	14,162	0.30
卫生和社会工作	12,495	0.26	15,636	0.33
住宿和餐饮业	6,508	0.14	7,527	0.16
居民服务、修理和其他 服务业	1,804	0.04	3,146	0.07
公共管理、社会保障和 社会组织	359	0.01	710	0.02
其他	178	0.01	163	0.01
小计	2,504,033	52.26	2,321,766	49.58
贴现	410,204	8.56	487,687	10.41
个人贷款	1,877,119	39.18	1,874,629	40.01
合计	4,791,356	100.00	4,684,082	100.00

13.2 按担保方式分布情况

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
信用贷款	2,057,153	2,012,057	2,015,028	1,970,107
保证贷款	941,698	779,176	897,598	743,976
抵押贷款	1,661,258	1,740,296	1,645,324	1,724,164
质押贷款	240,553	254,511	233,406	245,835
合计	4,900,662	4,786,040	4,791,356	4,684,082

13.3 逾期贷款

本集团

	2022年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	17,264	13,300	2,102	2,067	34,733
保证贷款	6,936	8,290	9,181	2,124	26,531
抵押贷款	14,916	11,821	10,341	2,037	39,115
质押贷款	3,586	1,966	1,840	136	7,528
合计	42,702	35,377	23,464	6,364	107,907

	2021年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	10,968	12,500	3,919	1,165	28,552
保证贷款	7,967	15,248	7,302	1,592	32,109
抵押贷款	10,478	11,770	9,667	1,710	33,625
质押贷款	906	2,972	1,184	132	5,194
合计	30,319	42,490	22,072	4,599	99,480

本行

	2022年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	16,337	12,910	2,026	1,272	32,545
保证贷款	6,346	7,663	8,659	2,095	24,763
抵押贷款	14,749	11,685	10,281	2,025	38,740
质押贷款	2,570	1,965	1,830	136	6,501
合计	40,002	34,223	22,796	5,528	102,549

	2021年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	10,836	12,209	3,346	967	27,358
保证贷款	7,709	14,938	6,896	1,555	31,098
抵押贷款	10,407	11,698	9,581	1,698	33,384
质押贷款	901	2,970	1,073	132	5,076
合计	29,853	41,815	20,896	4,352	96,916

本集团及本行将本金或利息逾期1天及以上的贷款整笔归类为逾期贷款。

13.4 贷款减值准备变动

(a) 以摊余成本计量的贷款和垫款的减值准备变动

本集团

注	第一阶段	第二阶段	第三阶段	总计
	12个月预期 信用损失	整个存续期预期 信用损失	整个存续期预期 信用损失	
2022年1月1日余额	33,081	14,763	62,243	110,087
本年转移:				
-至第一阶段	1,421	(1,243)	(178)	-
-至第二阶段	(1,523)	4,226	(2,703)	-
-至第三阶段	(899)	(7,310)	8,209	-
本年净增加	(1) 6,065	12,620	46,190	64,875
本年核销 / 处置	-	-	(64,956)	(64,956)
收回原核销贷款和垫款	-	-	8,625	8,625
其他变动	140	-	(688)	(548)
2022年12月31日余额	38,285	23,056	56,742	118,083

	注	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2021年1月1日余额		31,044	22,831	65,241	119,116
本年转移:					
-至第一阶段		1,155	(1,026)	(129)	-
-至第二阶段		(1,163)	2,506	(1,343)	-
-至第三阶段		(1,078)	(10,558)	11,636	-
本年净增加	(1)	3,186	1,015	60,573	64,774
本年核销 / 处置		-	-	(81,102)	(81,102)
收回原核销贷款和垫款		-	-	8,149	8,149
其他变动		(63)	(5)	(782)	(850)
2021年12月31日余额		33,081	14,763	62,243	110,087

本行

	注	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2022年1月1日余额		30,659	14,112	59,485	104,256
本年转移:					
-至第一阶段		1,399	(1,225)	(174)	-
-至第二阶段		(1,493)	3,588	(2,095)	-
-至第三阶段		(890)	(7,274)	8,164	-
本年净增加	(1)	5,602	12,332	45,803	63,737
本年核销 / 处置		-	-	(64,608)	(64,608)
收回原核销贷款和垫款		-	-	8,573	8,573
其他变动		47	-	(532)	(485)
2022年12月31日余额		35,324	21,533	54,616	111,473

	注	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2021年1月1日余额		29,320	21,527	63,321	114,168
本年转移:					
-至第一阶段		1,149	(1,024)	(125)	-
-至第二阶段		(1,106)	2,444	(1,338)	-
-至第三阶段		(1,024)	(10,095)	11,119	-
本年净增加	(1)	2,336	1,262	60,078	63,676
本年核销 / 处置		-	-	(80,917)	(80,917)
收回原核销贷款和垫款		-	-	8,124	8,124
其他变动		(16)	(2)	(777)	(795)
2021年12月31日 余额		30,659	14,112	59,485	104,256

- (1) 该项目包括由模型参数的更新导致的违约概率、违约敞口、违约损失率变动以及阶段变化对预期信用损失计量产生的影响。
- (2) 第一阶段金融工具为自初始确认后信用风险未显著增加的金融工具；第二阶段金融工具为自初始确认后信用风险显著增加，但尚未发生信用减值的金融工具；第三阶段金融工具为在财务状况表日已发生信用减值的金融工具。信用减值的判断标准详见附注八第1.(3)项。

(b) 以公允价值计量且其变动计入其他综合收益的发放贷款和垫款减值准备变动

本集团及本行

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2022年1月1日余额	325	4	190	519
本年转移:				
-至第一阶段	-	-	-	-
-至第二阶段	-	-	-	-
-至第三阶段	-	-	-	-
本年净增加/(减少)	258	(4)	14	268
本年核销及处置	-	-	(196)	(196)
2022年12月31日余额	583	-	8	591

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2021年1月1日余额	529	4	218	751
本年转移:				
-至第一阶段	1	(1)	-	-
-至第二阶段	(8)	8	-	-
-至第三阶段	-	-	-	-
本年净减少	(197)	(7)	(28)	(232)
2021年12月31日余额	325	4	190	519

14 金融投资

注	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
以公允价值计量且其变动计入当期损益的金融投资 (a)	708,984	526,034	636,751	487,998
以摊余成本计量的金融投资 (b)	1,196,691	1,306,188	1,193,150	1,304,324
以公允价值计量且其变动计入其他综合收益的金融投资 (c)	649,788	486,701	641,678	482,376
金融投资净额	<u>2,555,463</u>	<u>2,318,923</u>	<u>2,471,579</u>	<u>2,274,698</u>

(a) 以公允价值计量且其变动计入当期损益的金融投资

注	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
基金投资	444,881	394,804	425,803	373,007
资金信托及资产管理计划 (1)	99,452	15,385	58,221	10,309
政府债券	54,617	34,146	54,454	34,146
企业债券	38,413	16,216	37,744	14,989
券商收益凭证	20,348	13,437	20,348	13,437
权益投资	19,140	15,696	11,781	7,882
金融债券	8,812	12,236	6,771	10,581
同业存单	5,296	9,012	5,296	9,012
政策性银行债券	4,932	1,789	4,932	1,789
资产支持证券	4,683	6,519	4,683	6,409
理财产品及结构性存款	1,850	327	203	-
其他投资 (2)	6,560	6,467	6,515	6,437
合计	<u>708,984</u>	<u>526,034</u>	<u>636,751</u>	<u>487,998</u>

(3) 资金信托及资产管理计划由第三方信托计划受托人或资产管理人管理和运作，主要投向于债券、资产支持证券和附有第三方回购安排的权益性投资等。

(4) 其他投资主要是本集团将长期应付职工薪酬委托给长江养老保险股份有限公司进行投资运作。

(b) 以摊余成本计量的金融投资

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
政府债券	563,491	567,605	563,081	567,605
资金信托及资产管理 计划				
- 贷款	199,085	253,657	196,703	252,640
- 资产支持证券	191,872	195,477	191,872	195,227
- 票据资产	-	695	-	695
- 其他	1,907	2,543	1,907	2,543
政策性银行债券	198,999	200,520	198,999	200,520
金融债券	31,910	73,240	31,910	73,240
企业债券	12,381	12,475	12,333	12,475
同业存单	1,656	1,137	1,656	1,137
资产支持证券	261	138	128	138
券商收益凭证	-	850	-	850
其他债权工具	177	100	-	-
小计	1,201,739	1,308,437	1,198,589	1,307,070
应计利息	14,424	17,527	14,353	17,467
减值准备				
- 投资本金	(19,431)	(19,743)	(19,752)	(20,200)
- 应计利息	(41)	(33)	(40)	(13)
小计	(19,472)	(19,776)	(19,792)	(20,213)
以摊余成本计量的金融 投资净额	1,196,691	1,306,188	1,193,150	1,304,324

(i) 以摊余成本计量的金融投资减值准备变动如下：

本集团

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预 期信用损失	第三阶段 整个存续期预 期信用损失	总计
2022年1月1日				
余额	2,032	640	17,071	19,743
本年转移：				
- 至第一阶段	118	(118)	-	-
- 至第二阶段	(143)	143	-	-
- 至第三阶段	(12)	(134)	146	-
本年净增加	112	550	4,972	5,634
本年核销	-	-	(5,948)	(5,948)
其他	2	-	-	2
	<u>2,109</u>	<u>1,081</u>	<u>16,241</u>	<u>19,431</u>
2022年12月31日余额				
	<u>2,109</u>	<u>1,081</u>	<u>16,241</u>	<u>19,431</u>
	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预 期信用损失	第三阶段 整个存续期预 期信用损失	总计
2021年1月1日				
余额	1,469	174	10,256	11,899
本年转移：				
- 至第一阶段	-	-	-	-
- 至第二阶段	(22)	22	-	-
- 至第三阶段	(11)	(190)	201	-
本年净增加	597	634	10,702	11,933
本年核销	-	-	(4,082)	(4,082)
其他	(1)	-	(6)	(7)
	<u>1,469</u>	<u>174</u>	<u>10,256</u>	<u>11,899</u>
2021年12月31日余额				
	<u>1,469</u>	<u>174</u>	<u>10,256</u>	<u>11,899</u>
	<u>2,032</u>	<u>640</u>	<u>17,071</u>	<u>19,743</u>

本行

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2022年1月1日				
余额	2,031	640	17,529	20,200
本年转移:				
- 至第一阶段	118	(118)	-	-
- 至第二阶段	(143)	143	-	-
- 至第三阶段	(12)	(134)	146	-
本年净增加	58	525	4,835	5,418
本年核销	-	-	(5,868)	(5,868)
其他	2	-	-	2
	<u>2,054</u>	<u>1,056</u>	<u>16,642</u>	<u>19,752</u>
2022年12月31日				
余额	<u>2,054</u>	<u>1,056</u>	<u>16,642</u>	<u>19,752</u>

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2021年1月1日				
余额	1,459	155	10,921	12,535
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	(22)	22	-	-
- 至第三阶段	(11)	(185)	196	-
本年净增加	606	648	10,494	11,748
本年核销	-	-	(4,082)	(4,082)
其他	(1)	-	-	(1)
	<u>2,031</u>	<u>640</u>	<u>17,529</u>	<u>20,200</u>
2021年12月31日				
余额	<u>2,031</u>	<u>640</u>	<u>17,529</u>	<u>20,200</u>

(c) 以公允价值计量且其变动计入其他综合收益的金融投资

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
政府债券	250,527	187,196	247,212	187,196
企业债券	103,102	82,762	98,955	80,419
政策性银行债券	102,645	93,264	102,645	93,264
同业存单	91,035	11,726	91,035	11,726
金融债券	84,877	83,847	84,256	81,869
资产支持证券	2,886	5,134	2,886	5,134
抵债股权	2,700	2,908	2,700	2,908
资产管理计划	-	9,200	-	9,198
其他权益工具投资	5,170	4,174	5,170	4,174
小计	642,942	480,211	634,859	475,888
应计利息	6,846	6,490	6,819	6,488
合计	649,788	486,701	641,678	482,376

(i) 以公允价值计量且其变动计入其他综合收益的金融投资减值准备变动如下：

本集团

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2022年1月1日				
余额	340	224	640	1,204
本年转移：				
- 至第一阶段	-	-	-	-
- 至第二阶段	(11)	11	-	-
- 至第三阶段	-	(129)	129	-
本年净增加	246	114	2,155	2,515
本年核销	-	-	(65)	(65)
其他变动	15	7	62	84
2022年12月31日余额	590	227	2,921	3,738

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2021年1月1日				
余额	537	101	1,177	1,815
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	(43)	148	(105)	-
- 至第三阶段	-	(2)	2	-
本年净减少	(143)	(21)	(349)	(513)
本年核销	-	-	(64)	(64)
其他变动	(11)	(2)	(21)	(34)
2021年12月31日余额	340	224	640	1,204

本行

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2022年1月1日				
余额	318	180	220	718
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	(11)	11	-	-
- 至第三阶段	-	(129)	129	-
本年净增加	209	127	2,162	2,498
本年核销	-	-	(65)	(65)
其他变动	14	4	30	48
2022年12月31日余额	530	193	2,476	3,199

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2021年1月1日				
余额	419	56	598	1,073
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	(43)	43	-	-
- 至第三阶段	-	(2)	2	-
本年净(减少)/增加	(50)	84	(311)	(277)
本年核销	-	-	(64)	(64)
其他变动	(8)	(1)	(5)	(14)
2021年12月31日余额	318	180	220	718

15 投资联营企业及合营企业

	附注	本集团		本行	
		2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
合营企业	三、38(2)	2,319	2,513	2,319	2,513
联营企业	三、38(2)	336	306	-	-
合计		2,655	2,819	2,319	2,513

本集团

	2022年 1月1日	减少投资	按权益法 调整的 净损益	按权益法 调整的其他 综合收益	宣告 分配的 现金股利	其他变动	2022年 12月31日
浦银安盛基金 管理有限公司 (以下简称 “浦银安盛”)	1,519	(362)	175	-	(46)	-	1,286
浦发硅谷银行 有限公司 (以下简称 “浦发硅谷”)	994	-	23	-	-	16	1,033
其他	306	-	32	-	(2)	-	336
合计	2,819	(362)	230	-	(48)	16	2,655

	2021年 1月1日	追加/(减 少)投资	按权益法 调整的 净损益	按权益法 调整的其他 综合收益	宣告 分配的 现金股利	其他变动	2021年 12月31日
浦银安盛	1,384	-	186	-	(51)	-	1,519
浦发硅谷	743	250	4	1	-	(4)	994
其他	274	(1)	33	-	-	-	306
合计	2,401	249	223	1	(51)	(4)	2,819

16 固定资产

本集团

	房屋及 建筑物	运输工具	电子计算机 及其他设备	飞行及 船舶设备	合计
原值					
2021年1月1日	14,184	453	8,874	18,465	41,976
本年购入	26	33	1,737	4,954	6,750
在建工程转入	-	-	19	-	19
本年处置	(71)	(37)	(821)	-	(929)
2021年12月31日	14,139	449	9,809	23,419	47,816
本年购入	341	25	1,482	3,722	5,570
在建工程转入	2,942	-	6	-	2,948
本年处置	(137)	(30)	(580)	-	(747)
2022年12月31日	17,285	444	10,717	27,141	55,587
累计折旧					
2021年1月1日	(4,840)	(361)	(6,349)	(3,070)	(14,620)
本年计提	(461)	(25)	(1,107)	(1,035)	(2,628)
本年处置	71	34	814	-	919
2021年12月31日	(5,230)	(352)	(6,642)	(4,105)	(16,329)
本年计提	(473)	(26)	(1,257)	(1,027)	(2,783)
本年处置	111	28	543	-	682
2022年12月31日	(5,592)	(350)	(7,356)	(5,132)	(18,430)
账面价值					
2022年12月31日	11,693	94	3,361	22,009	37,157
2021年12月31日	8,909	97	3,167	19,314	31,487

本行

	房屋及建筑物	运输工具	电子计算机 及其他设备	合计
原值				
2021年1月1日	13,577	422	8,585	22,584
本年购入	20	31	1,683	1,734
在建工程转入	-	-	19	19
本年处置	(71)	(36)	(770)	(877)
2021年12月31日	13,526	417	9,517	23,460
本年购入	341	23	1,441	1,805
在建工程转入	2,942	-	6	2,948
本年处置	(8)	(27)	(562)	(597)
2022年12月31日	16,801	413	10,402	27,616
累计折旧				
2021年1月1日	(4,638)	(336)	(6,129)	(11,103)
本年计提	(430)	(23)	(1,052)	(1,505)
本年处置	71	34	765	870
2021年12月31日	(4,997)	(325)	(6,416)	(11,738)
本年计提	(461)	(25)	(1,229)	(1,715)
本年处置	3	25	530	558
2022年12月31日	(5,455)	(325)	(7,115)	(12,895)
账面价值				
2022年12月31日	11,346	88	3,287	14,721
2021年12月31日	8,529	92	3,101	11,722

于2022年12月31日，本集团及本行原值为人民币12.15亿元（2021年12月31日：人民币6.77亿元），净值为人民币11.26亿元（2021年12月31日：人民币5.17亿元）的房屋及建筑物已在使用但产权登记正在办理中。

17 租赁

(1) 使用权资产

本集团

原值	房屋及 建筑物	设备及其他	合计
2021年1月1日	16,461	178	16,639
本年增加	2,938	22	2,960
本年减少	(2,540)	(62)	(2,602)
2022年1月1日	16,859	138	16,997
本年增加	2,522	33	2,555
本年减少	(2,383)	(19)	(2,402)
2022年12月31日	16,998	152	17,150
累计折旧			
2021年1月1日	(8,096)	(97)	(8,193)
本年增加	(2,685)	(33)	(2,718)
本年减少	2,416	58	2,474
2022年1月1日	(8,365)	(72)	(8,437)
本年增加	(2,919)	(29)	(2,948)
本年减少	2,238	19	2,257
2022年12月31日	(9,046)	(82)	(9,128)
账面价值			
2022年12月31日	7,952	70	8,022
2021年12月31日	8,494	66	8,560

本行

	房屋及 建筑物	设备及其他	合计
原值			
2021年1月1日	15,662	176	15,838
本年增加	2,817	22	2,839
本年减少	(2,365)	(60)	(2,425)
2022年1月1日	16,114	138	16,252
本年增加	2,322	33	2,355
本年减少	(2,313)	(19)	(2,332)
2022年12月31日	16,123	152	16,275
累计折旧			
2021年1月1日	(7,737)	(96)	(7,833)
本年增加	(2,526)	(33)	(2,559)
本年减少	2,201	57	2,258
2022年1月1日	(8,062)	(72)	(8,134)
本年增加	(2,795)	(29)	(2,824)
本年减少	2,159	19	2,178
2022年12月31日	(8,698)	(82)	(8,780)
账面价值			
2022年12月31日	7,425	70	7,495
2021年12月31日	8,052	66	8,118

(2) 租赁负债

于财务状况表日按剩余到期日的分析如下：

本集团

	<u>2022年12月31日</u>	<u>2021年12月31日</u>
3个月以内	782	793
3个月到1年	2,075	2,152
1年至5年	5,058	5,576
5年以上	442	634
未折现租赁负债合计	<u>8,357</u>	<u>9,155</u>
年末租赁负债账面价值	<u>7,832</u>	<u>8,451</u>

本行

	<u>2022年12月31日</u>	<u>2021年12月31日</u>
3个月以内	738	753
3个月到1年	1,965	2,068
1年至5年	4,767	5,297
5年以上	324	513
未折现租赁负债合计	<u>7,794</u>	<u>8,631</u>
年末租赁负债账面价值	<u>7,293</u>	<u>7,993</u>

18 无形资产

本集团

	<u>土地使用权</u>	<u>软件及其他</u>	<u>品牌及特许经营权</u>	<u>合计</u>
原值				
2021年1月1日	6,800	7,086	2,236	16,122
本年增加	-	1,570	-	1,570
本年处置	-	(30)	-	(30)
2021年12月31日	6,800	8,626	2,236	17,662
本年增加	-	1,455	-	1,455
本年处置	-	(1)	-	(1)
2022年12月31日	6,800	10,080	2,236	19,116
累计摊销				
2021年1月1日	(627)	(4,972)	-	(5,599)
本年摊销	(173)	(1,382)	-	(1,555)
本年处置	-	30	-	30
2021年12月31日	(800)	(6,324)	-	(7,124)
本年摊销	(174)	(1,470)	-	(1,644)
本年处置	-	1	-	1
2022年12月31日	(974)	(7,793)	-	(8,767)
账面价值				
2022年12月31日	5,826	2,287	2,236	10,349
2021年12月31日	6,000	2,302	2,236	10,538

本行

	<u>土地使用权</u>	<u>软件及其他</u>	<u>合计</u>
原值			
2021年1月1日	6,797	6,251	13,048
本年增加	-	1,541	1,541
本年处置	-	(1)	(1)
2021年12月31日	6,797	7,791	14,588
本年增加	-	1,414	1,414
本年处置	-	(1)	(1)
2022年12月31日	<u>6,797</u>	<u>9,204</u>	<u>16,001</u>
累计摊销			
2021年1月1日	(627)	(4,187)	(4,814)
本年摊销	(173)	(1,363)	(1,536)
本年处置	-	1	1
2021年12月31日	(800)	(5,549)	(6,349)
本年摊销	(173)	(1,444)	(1,617)
本年处置	-	1	1
2022年12月31日	<u>(973)</u>	<u>(6,992)</u>	<u>(7,965)</u>
账面价值			
2022年12月31日	<u>5,824</u>	<u>2,212</u>	<u>8,036</u>
2021年12月31日	<u>5,997</u>	<u>2,242</u>	<u>8,239</u>

19 商誉

	<u>2022年 12月31日</u>	<u>2021年 12月31日</u>
商誉		
-上海国际信托有限公司 (以下简称“上海信托”)	6,981	6,981
减：减值准备	-	-
合计	<u>6,981</u>	<u>6,981</u>

商誉为本行于2016年3月发行普通股收购上海信托97.33%的股权产生的。

本集团的所有商誉已于购买日分摊至相关的资产组或资产组组合，分摊情况根据经营分部汇总如下：

	2022年及2021年 12月31日
上海信托	4,739
上海信托子公司	
- 上投摩根基金管理有限公司(以下简称 “上投摩根”)	1,630
- 其他	612
合计	<u>6,981</u>

在进行商誉减值测试时，本集团将相关资产或资产组组合(含商誉)的账面价值与其可收回金额进行比较，如果可收回金额低于账面价值，相关差额计入当期损益。本集团的商誉分摊本年度未发生变化。

于2022年12月31日，上海信托资产组的可回收余额按照其公允价值减去处置费用后的净额确定。管理层认为该方法在国内市场环境面临较大不确定性背景下，与以前年度所采用的现金流量预测方法相比更具有代表性。管理层选取可比公司案例采用市净率方法评估上海信托资产组的公允价值，并根据特定风险因素对市净率进行修正。

对于子公司中上投摩根资产组，管理层按照其已签订的相关股权转让协议所确定的公允价值减去处置费用后的净额确定。对于其他子公司资产组，管理层采用现金流量预测方法计算相关可回收金额。

20 递延所得税

20.1 本集团及本行互抵后的递延所得税资产和负债列示如下：

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
递延所得税资产	<u>68,690</u>	<u>58,962</u>	<u>66,867</u>	<u>57,542</u>
递延所得税负债	<u>(641)</u>	<u>(638)</u>	<u>-</u>	<u>-</u>

20.2 互抵前的递延所得税资产和负债及对应的暂时性差异列示如下：

本集团

	2022年12月31日		2021年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
资产减值准备	250,428	62,606	227,429	56,857
衍生金融负债公允价值变动	37,528	9,382	29,528	7,382
应付职工薪酬	9,128	2,282	7,770	1,943
预计负债	6,230	1,558	6,275	1,569
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	12,639	3,160	5,026	1,218
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	1,744	436	1,466	357
贵金属公允价值变动	3,237	809	-	-
其他	6,543	1,637	6,004	1,501
小计	<u>327,477</u>	<u>81,870</u>	<u>283,498</u>	<u>70,827</u>
互抵金额		(13,180)		(11,865)
互抵后的递延所得税资产金额		<u>68,690</u>		<u>58,962</u>

	2022年12月31日		2021年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
衍生金融资产公允价值变动	(42,770)	(10,693)	(33,773)	(8,443)
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	(3,818)	(955)	(7,051)	(1,763)
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	(5,598)	(1,400)	(6,302)	(1,571)
非同一控制下企业合并形成的 可辨认净资产公允价值与 账面价值差异	(2,460)	(615)	(2,544)	(636)
贵金属公允价值变动	(517)	(129)	(354)	(88)
其他	(117)	(29)	(8)	(2)
小计	<u>(55,280)</u>	<u>(13,821)</u>	<u>(50,032)</u>	<u>(12,503)</u>
互抵金额		13,180		11,865
互抵后的递延所得税负债金额		<u>(641)</u>		<u>(638)</u>

本行

	2022年12月31日		2021年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
资产减值准备	245,518	61,379	223,468	55,867
衍生金融负债公允价值变动	37,525	9,381	29,507	7,377
应付职工薪酬	7,624	1,906	7,566	1,892
预计负债	6,228	1,557	6,272	1,568
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	11,955	2,989	4,396	1,099
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	2,256	564	1,355	339
贵金属公允价值变动	3,233	808	-	-
其他	5,847	1,463	4,998	1,249
小计	320,186	80,047	277,562	69,391
互抵金额		(13,180)		(11,849)
互抵后的递延所得税资产金额		66,867		57,542

	2022年12月31日		2021年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
衍生金融资产公允价值变动	(42,770)	(10,693)	(33,756)	(8,439)
以公允价值计量且其变动计入 其他综合收益的金融资产公 允价值变动	(3,818)	(955)	(7,051)	(1,763)
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	(5,598)	(1,400)	(6,236)	(1,559)
贵金属公允价值变动	(517)	(129)	(354)	(88)
其他	(13)	(3)	-	-
小计	(52,716)	(13,180)	(47,397)	(11,849)
互抵金额		13,180		11,849
互抵后的递延所得税负债金额		-		-

20.3 递延所得税的变动情况列示如下：

	附注	本集团		本行	
		2022年	2021年	2022年	2021年
年初净额		58,324	51,669	57,542	51,049
计入利润表的递延所得税	三、7	7,712	6,389	7,381	6,322
计入其他综合收益的递延所得税	三、34	2,013	266	1,944	171
年末净额		68,049	58,324	66,867	57,542

21 其他资产

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
待清算款项	25,423	66,394	25,417	66,384
存出保证金	14,403	14,355	14,403	14,355
其他应收款	11,400	4,983	9,298	3,842
预付土地及其他 款项	4,654	4,256	1,675	2,150
应收利息	3,787	4,065	3,784	4,065
信托业保障基金 代垫款	1,520	1,819	-	-
长期待摊费用	1,398	1,180	1,335	1,118
抵债资产	444	612	374	555
其他	1,785	830	969	294
合计	64,814	98,494	57,255	92,763

22 同业及其他金融机构存入和拆入款项

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
境内银行存放款项	198,159	208,531	205,763	215,512
境外银行存放款项	3,220	1,478	3,220	1,478
境内非银行金融机构存放 款项	551,064	702,353	555,781	703,484
境外非银行金融机构存放 款项	15,603	9,888	15,993	10,230
境内银行拆入款项	195,752	139,511	120,253	70,053
境外银行拆入款项	56,443	40,244	48,047	32,579
境内非银行金融机构拆入 款项	3,596	2,600	200	-
应计利息	2,963	2,170	2,705	1,942
合计	<u>1,026,800</u>	<u>1,106,775</u>	<u>951,962</u>	<u>1,035,278</u>

23 以公允价值计量且其变动计入当期损益的金融负债

	注	本集团		本行	
		2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
与贵金属相关的金融 负债		84,677	18,861	84,677	18,861
与债券卖空相关的金融 负债		3,099	1,093	3,099	1,093
合并结构化主体中其 他份额持有人权益 (1)		7,005	11,326	-	-
合计		<u>94,781</u>	<u>31,280</u>	<u>87,776</u>	<u>19,954</u>

- (1) 本集团将纳入合并财务报表范围的结构化主体的其他份额持有人权益指定为以公允价值计量且其变动计入当期损益的金融负债。于2022年12月31日及2021年12月31日，上述公允价值未发生由于信用风险变化导致的重大变动。

24 卖出回购金融资产款

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
债券	242,281	130,170	200,109	125,989
票据	104,743	44,016	104,743	44,016
同业存单	3,047	-	-	-
应计利息	97	33	97	33
合计	350,168	174,219	304,949	170,038

25 吸收存款

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
活期存款				
-公司	1,656,442	1,745,409	1,649,899	1,738,847
-个人	413,721	340,312	410,761	337,563
定期存款				
-公司	1,836,412	1,631,948	1,833,261	1,628,886
-个人	917,007	682,684	898,395	664,599
其他存款	2,896	2,703	2,828	2,676
小计	4,826,478	4,403,056	4,795,144	4,372,571
应计利息	67,334	60,552	66,213	59,404
合计	4,893,812	4,463,608	4,861,357	4,431,975

26 已发行债务证券

注	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
发行存款证及同业存单 (1)	887,197	900,375	887,197	900,375
已发行债券				
12 次级债券 (2)	-	12,000	-	12,000
18 浦发银行二级 01 (3)	20,000	20,000	20,000	20,000
18 浦发银行二级 02 (4)	20,000	20,000	20,000	20,000
19 浦发银行小微债 01 (5)	-	50,000	-	50,000
20 浦发银行二级 01 (6)	32,000	32,000	32,000	32,000
20 浦发银行二级 02 (7)	8,000	8,000	8,000	8,000
20 浦发银行二级 03 (8)	30,000	30,000	30,000	30,000
20 浦发银行二级 04 (9)	10,000	10,000	10,000	10,000
20 浦发银行 01 (10)	50,000	50,000	50,000	50,000
21 浦发银行 01 (11)	60,000	60,000	60,000	60,000
21 浦发银行 02 (12)	40,000	40,000	40,000	40,000
22 浦发银行 01 (13)	25,000	-	25,000	-
22 浦发银行 02 (13)	5,000	-	5,000	-
22 浦发银行 03 (14)	30,000	-	30,000	-
22 浦发银行 04 (15)	30,000	-	30,000	-
香港中期票据 (16)	10,122	11,513	10,122	11,513
新加坡中期票据 (17)	2,085	1,912	2,085	1,912
伦敦中期票据 (18)	2,781	1,912	2,781	1,912
浦发转债 (19)	49,998	49,998	49,998	49,998
19 浦银租赁债 01 (20)	-	2,000	-	-
19 浦银租赁债 02 (21)	-	2,000	-	-
20 浦银租赁二级 (22)	1,100	1,100	-	-
20 浦银租赁债 (23)	2,800	3,000	-	-
21 浦银租赁绿色债 (24)	3,000	3,000	-	-
21 浦银租赁债 01 (25)	2,000	2,000	-	-
22 浦银租赁债 01 (26)	1,450	-	-	-
小计	435,336	410,435	424,986	397,335
加：待摊销金额及其他	1,532	459	1,546	479
已发行债券	436,868	410,894	426,532	397,814
应计利息	6,239	5,852	6,127	5,702
合计	1,330,304	1,317,121	1,319,856	1,303,891

- (1) 于2022年12月31日,本集团及本行在全国银行间债券市场公开发行但尚未到期的同业存单共计153笔,最长期限为365天,利率区间为1.85%至2.65%(于2021年12月31日,本集团及本行在全国银行间债券市场公开发行但尚未到期的同业存单共计191笔,最长期限为365天,利率区间为2.30%至3.18%)。

本集团发行的存款证均由本集团境外机构发行。于2022年12月31日,本集团公开发行但尚未到期的存款证共计92笔,最长期限为365天,利率区间为0%到5.66%(于2021年12月31日,本集团公开发行但尚未到期的存款证共计77笔,最长期限为365天,利率区间为0%到3.15%)。

- (2) 2012年12月27日,本行在全国银行间债券市场发行总额为人民币120亿元的次级债券。该期债券期限为15年,本行具有在第10年末按面值赎回全部次级债券的选择权,票面年利率固定为5.20%。本行已行使上述赎回选择权。
- (3) 2018年9月5日,本行在全国银行间债券市场发行总额为人民币200亿元的二级资本工具。该债券期限为10年,本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为4.96%。
- (4) 2018年9月14日,本行在全国银行间债券市场发行总额为人民币200亿元的二级资本工具。该债券期限为10年,本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为4.96%。
- (5) 2019年3月25日,本行在全国银行间债券市场公开发行总额为人民币500亿元的“2019年第一期小型微型企业贷款专项金融债券”。该债券期限为3年,票面年利率固定为3.50%。
- (6) 2020年7月30日,本行在全国银行间债券市场发行总额为人民币320亿元的二级资本工具。该债券期限为10年,本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为3.87%。
- (7) 2020年7月30日,本行在全国银行间债券市场发行总额为人民币80亿元的二级资本工具。该债券期限为15年,本行具有在第10年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为4.18%。
- (8) 2020年9月15日,本行在全国银行间债券市场发行总额为人民币300亿元的二级资本工具。该债券期限为10年,本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为4.27%。
- (9) 2020年9月15日,本行在全国银行间债券市场发行总额为人民币100亿元的二级资本工具。该债券期限为15年,本行具有在第10年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为4.52%。
- (10) 2020年4月27日,本行在全国银行间债券市场公开发行总额为人民币500亿元的“2020年第一期金融债券”。该期债券期限为3年,票面年利率固定为2.08%。
- (11) 2021年3月23日,本行在全国银行间债券市场公开发行总额为人民币600亿元的“2021年第一期金融债券”。该期债券期限为3年,票面年利率固定为3.48%。

- (12) 2021年12月2日，本行在全国银行间债券市场公开发行总额为人民币400亿元的“2021年第二期金融债券”。该期债券期限为3年，票面年利率固定为2.97%。
- (13) 2022年1月21日，本行在全国银行间债券市场公开发行总额为人民币250亿元的“2022年第一期金融债券（品种一）”，总额为人民币50亿元的“2022年第一期金融债券（品种二）”。上述债券期限均为3年，票面年利率均固定为2.69%。
- (14) 2022年2月24日，本行在全国银行间债券市场公开发行总额为人民币300亿元的“2022年第二期金融债券”。该期债券期限为3年，票面年利率固定为2.78%。
- (15) 2022年11月9日，本行在全国银行间债券市场公开发行总额为人民币300亿元的“2022年第三期金融债券”。该期债券期限为3年，票面年利率固定为2.45%。
- (16) 2020年7月27日，本行在香港联交所发行总额为5亿美元的中期票据；该票据期限为3年，票面年利率浮动为3ML+85BPS。2021年7月13日，本行在香港联交所同步发行了总额为20亿港币的中期票据和总额为7亿美元的中期票据；上述票据期限分别为2年和3年，票面利率分别为固定利率0.600%和固定利率0.875%。
- (17) 2021年1月19日，本行在新加坡交易所发行总额为3亿美元的中期票据；该票据期限为3年，票面年利率固定为1.056%。
- (18) 2019年10月29日，本行在伦敦交易所发行总额为3亿美元的中期票据；该票据期限为3年，票面年利率浮动为3ML+70BPS。于2022年10月29日已到期。2022年7月14日，本行在伦敦交易所发行总额为4亿美元的中期票据；该票据期限为3年，票面年利率固定为3.25%。
- (19) 本行可转换公司债券发行规模为人民币500亿元，于2019年11月15日在上海证券交易所上市，存续的起止日期为2019年10月28日至2025年10月27日，存续期间共六年，第一年债券利率为0.20%、第二年债券利率为0.80%、第三年债券利率为1.50%、第四年债券利率为2.10%、第五年债券利率为3.20%、第六年债券利率为4.00%。本债券采用每年付息一次的付息方式，到期归还本金和最后一年利息。本债券转股期自债券发行结束之日满六个月后的第一个交易日起至可转债到期日止，即为2020年5月4日至2025年10月27日。

本债券的初始转股价格为15.05元/股，在本次发行之后，当本行出现因派送股票股利、转增股本、增发新股或配股等情况（不包括因本次发行的可转债转股而增加的股本）使本行股份发生变化或派送现金股利时，本行将按一定公式进行转股价格的调整。本债券持有人在转股期内申请转股，转股数量的计算方式为本债券持有人申请转股的本债券票面总金额除以申请转股当日有效的转股价格。在本行发行的可转债期满后五个交易日内，本行将以本债券可转债面值的110%（含最后一年利息）赎回全部未转股的可转债。本债券具体发行条款参见相关发行公告。

截止2022年12月31日，累计已有人民币1,376,000元浦发转债转为公司普通股，累计转股股数93,773股，占浦发转债转股前公司已发行普通股股份总额的0.0003%。上述转债对本行其他权益工具的累积影响不重大。

本集团及本行已发行可转换公司债券的负债和权益成份分拆如下：

	负债成份	权益成份 (附注三、30)	合计
可转换公司债券发行金额	47,214	2,786	50,000
直接交易费用	(78)	(4)	(82)
于发行日余额	47,136	2,782	49,918
年初累计摊销	3,431	-	3,431
年初累计转股	(2)	-	(2)
于2022年1月1日余额	50,565	2,782	53,347
本年摊销	1,157	-	1,157
于2022年12月31日余额	51,722	2,782	54,504

- (20) 2019年7月23日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币20亿元的“2019年第一期金融债券”。该期债券期限为3年，票面年利率固定为3.62%。
- (21) 2019年8月20日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币20亿元的“2019年第二期金融债券”。该期债券期限为3年，票面年利率固定为3.45%。
- (22) 2020年8月11日，本行子公司浦银金融租赁有限公司在全国银行间债券市场发行总额为人民币11亿元的二级资本工具。该债券期限为10年，本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为4.20%。
- (23) 2020年11月17日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币30亿元的“2020年金融债券”。该期债券期限为3年，票面年利率固定为3.88%。于2022年12月31日，本集团实际对外发行金额为人民币28亿元。
- (24) 2021年7月6日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币30亿元的“2021年绿色金融债券”。该期债券期限为3年，票面年利率固定为3.38%。
- (25) 2021年10月21日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币20亿元的“2021年第一期金融债券”。该期债券期限为3年，票面年利率固定为3.30%。
- (26) 2022年7月8日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币15亿元的“2022年第一期金融债券（货运物流）”。该期债券期限为3年，票面年利率固定为2.93%。于2022年12月31日，本集团实际对外发行金额为人民币14.50亿元。

27 预计负债

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
财务担保合同和贷款承诺				
减值准备	6,229	6,274	6,227	6,271
其他	1	1	1	1
合计	6,230	6,275	6,228	6,272

28 其他负债

	本集团		本行	
	2022年 12月31日	2021年 12月31日	2022年 12月31日	2021年 12月31日
待清算款项	25,634	25,001	25,628	24,998
应付职工薪酬	12,672	14,865	10,764	13,068
应交增值税及其他税费	4,923	5,259	4,366	4,202
预收履约款及保证金	3,175	3,288	217	202
合同负债	3,238	3,140	2,690	2,545
预提费用	2,414	2,758	2,402	2,748
其他	5,303	4,846	2,067	2,313
合计	57,359	59,157	48,134	50,076

29 股本

本集团及本行

	2022年 12月31日	2021年 12月31日
境内上市人民币普通股 (A 股)	29,352	29,352

本行发行的 A 股股本均为普通股，每股面值人民币 1 元，享有同等权益。

30 其他权益工具

本集团及本行

	注	2022年 12月31日	2021年 12月31日
计入本行一级资本的其他权益工具			
—浦发转债权益成份	(1)	2,782	2,782
计入本行其他一级资本的其他权益工具	(2)	109,909	109,909
合计		112,691	112,691

(1) 于2022年12月31日，本行发行的可转换公司债券权益成份为人民币27.82亿元（2021年：人民币27.82亿元），具体信息参见附注三、26.(19)。

(2) 计入本行其他一级资本的其他权益工具

发行在外的 其他权益工具	付息率	发行 价格(元)	数量	年初 金额	本年 变动	年末 金额	到期日或 续期情况	转换情况
浦发优1(a)	第一个5年的股息 率为6%； 第二个5年的股息 率为5.58%	100	1.5亿	15,000	-	15,000	无到期日	未发生转换
浦发优2(a)	第一个5年的股息 率为5.5%； 第二个5年的股息 率为4.81%	100	1.5亿	15,000	-	15,000	无到期日	未发生转换
19 浦发银行 永续债(b)	前5年的股息率为 4.73%	100	3.0亿	30,000	-	30,000	无到期日	未发生转换
20 浦发银行 永续债(b)	前5年的股息率为 4.75%	100	5.0亿	50,000	-	50,000	无到期日	未发生转换
减：发行费用				(91)	-	(91)		
账面价值				109,909	-	109,909		

(a) 于2014年11月28日和2015年3月6日，本行向境内投资者发行票面金额合计人民币300亿元的非累积优先股，本行按扣除发行费用后的金额计人民币299.20亿元计入其他权益工具。在优先股存续期间，在满足相关要求的情况下，如得到银保监会的批准，本行有权在优先股发行日期满5年之日起于每年的优先股股息支付日行使赎回权，赎回全部或部分本次发行的优先股，优先股股东无权要求本行赎回优先股。发行的优先股采用分阶段调整的票面股息率，即在一个5年的股息率调整期内以固定股息率每年一次以现金方式支付股息。本行有权全部或部分取消优先股股息的宣派和支付。

当本行发生下述强制转股触发事件时，经银保监会批准，本行发行并仍然存续的优先股将全部或部分转为本行普通股：

- 当本行核心一级资本充足率降至5.125%（或以下）时，由本行董事会决定，本次发行的优先股应按照强制转股价格全额或部分转为本行A股普通股，并使本行的核心一级资本充足率恢复至5.125%以上；

- 4、 当本行发生二级资本工具触发事件时，发行的优先股应按照强制转股价格全额转为本行 A 股普通股。

当满足强制转股触发条件时，仍然存续的优先股将在监管部门批准的前提下以人民币 7.62 元/股的价格全额或部分转换为 A 股普通股。在董事会决议日后，当本行发生送红股、转增股本、增发新股（不包括因本行发行的带有可转为普通股条款的融资工具，如优先股、可转换公司债券等转股而增加的股本）和配股等情况时，本行将按上述条件出现的先后顺序，依次对转股价格按照既定公式进行累计调整。

依据适用的法律法规和“中国银监会关于浦发银行非公开发行优先股及修改公司章程的批复”（银监复 [2014] 564 号），优先股募集资金用于补充本行其他一级资本。

在本行清算时，本行优先股股东优先于普通股股东分配，其所获得的清偿金额为票面金额，如本行剩余财产不足以支付的，按照优先股股东持股比例分配。

- (b) 于 2019 年 7 月和 2020 年 11 月，本行在全国银行间债券市场分别发行“上海浦东发展银行股份有限公司 2019 年无固定期限资本债券”（发行规模为人民币 300 亿元）和“上海浦东发展银行股份有限公司 2020 年无固定期限资本债券”（发行规模为人民币 500 亿元），本行按扣除发行费用后合计的金额计入其他权益工具。上述无固定期限资本债的存续期与本行持续经营存续期一致。在满足相关要求的情况下，如得到银保监会的批准，本行有权在无固定期限资本债发行日期满 5 年之日起于每年的无固定期限资本债利息支付日行使赎回权，赎回全部或部分本次发行的无固定期限资本债，无固定期限资本债持有人无权要求本行赎回无固定期限资本债。本行有权全部或部分取消无固定期限资本债利息的宣派和支付。

依据适用的法律法规、“中国银保监会关于浦发银行发行无固定期限资本债券的批复”（[2019] 596 号）及“中国银保监会关于浦发银行发行无固定期限资本债券的批复”（银保监复 [2020] 595 号），本行固定期限资本债募集资金用于补充本行其他一级资本。

本行无固定期限资本债的受偿顺序在存款人、一般债权人和处于高于本无固定期限资本债顺位的次级债务之后、本行股东持有的所有类别股份之前；本行无固定期限资本债与发行人其他偿还顺序相同的其他一级资本工具同顺位受偿。

对于“上海浦东发展银行股份有限公司 2019 年无固定期限资本债券”，当本行发生银保监会或相关部门认为的下述触发事件并获得监管部门批准前提下，本行有权在无需获得本无固定期限资本债投资者同意的情况下对本次债券进行减记。

- 3、 当其他一级资本工具触发事件发生时，即本行核心一级资本充足率降至 5.125%（或以下），本行有权在报银保监会并获得同意、但无需获得债券持有人同意的情况下，将届时已发行且存续的本无固定期限资本债按照票面总金额全部或部分减记，促使核心一级资本充足率恢复到 5.125% 以上；
- 4、 当二级资本工具触发事件发生时，本行有权在无需获得债券持有人同意的情况下将届时已发行且存续的本无固定期限资本债按照票面总金额全部减记。

对于“上海浦东发展银行股份有限公司 2020 年无固定期限资本债券”，当无法生存触发事件发生时，本行有权在无需获得债券持有人同意的情况下，将本次债券的本金进行部分或全部减记。

无法生存触发事件是指以下两种情形的较早发生者：(1) 银保监会认定若不进行减记发行人将无法生存；(2) 相关部门认定若不进行公共部门注资或提供同等效力的支持，发行人将无法生存。

31 资本公积

	本集团		本行	
	2022 年 12 月 31 日	2021 年 12 月 31 日	2022 年 12 月 31 日	2021 年 12 月 31 日
股本溢价	81,691	81,691	81,691	81,691
其他资本公积				
-子公司增资变动	50	50	-	-
-其他	21	21	21	21
合计	81,762	81,762	81,712	81,712

如附注三、26(19)所述，经银保监会等相关机构批准，本行于 2019 年公开发行票面金额为人民币 500 亿元 A 股可转换公司债券。截至 2022 年 12 月 31 日，约人民币 1,376,000 元可转换公司债券转为 A 股普通股，累积增加本行股本为 93,773 股，并相应增加了本行股本溢价。

32 盈余公积

本集团及本行

	2022 年 1 月 1 日	本年增加	2022 年 12 月 31 日
	法定盈余公积	22,206	-
任意盈余公积	137,086	15,093	152,179
合计	159,292	15,093	174,385

	2021 年 1 月 1 日	本年增加	2021 年 12 月 31 日
	法定盈余公积	22,206	-
任意盈余公积	120,533	16,553	137,086
合计	142,739	16,553	159,292

根据有关规定，本行应当按照法定财务报表税后利润的 10%提取法定盈余公积。当本行法定盈余公积金累计额达到本行股本的 50%时，可不再提取。在提取法定盈余公积金后，可提取任意盈余公积金。

33 一般风险准备

本集团

	<u>2022年 1月1日</u>	<u>本年增加</u>	<u>2022年 12月31日</u>
一般风险准备	<u>90,993</u>	<u>8,522</u>	<u>99,515</u>

	<u>2021年 1月1日</u>	<u>本年增加</u>	<u>2021年 12月31日</u>
一般风险准备	<u>79,640</u>	<u>11,353</u>	<u>90,993</u>

本行

	<u>2022年 1月1日</u>	<u>本年变动</u>	<u>2022年 12月31日</u>
一般风险准备	<u>89,000</u>	<u>4,500</u>	<u>93,500</u>

	<u>2021年 1月1日</u>	<u>本年变动</u>	<u>2021年 12月31日</u>
一般风险准备	<u>78,000</u>	<u>11,000</u>	<u>89,000</u>

本行按财政部《金融企业准备金计提管理办法》(财金[2012]20号)的规定提取一般准备。

本集团一般风险准备还包括本行下属子公司根据其所属行业或所属地区的法规提取的其他一般准备。

34 其他储备

本集团

	2022 年							归属于母公司股 东的其他综合 收益年末余额
	归属于母公司股 东的其他综合 收益年初余额	本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后归属于 母公司	税后归属于 非控制性权益	所有者权益 内部结转	
将重分类进损益的其他综合收益 以公允价值计量且其变动计入 其他综合收益的债务工具								
- 公允价值变动	1,039	(8,291)	(2,509)	2,655	(8,145)	-	-	(7,106)
- 减值准备	1,417	2,867	(261)	(647)	1,959	-	-	3,376
外币报表折算差额	(15)	376	-	-	335	41	-	320
现金流量套期储备	17	(3)	-	1	(11)	9	-	6
其他	1	-	-	-	-	-	-	1
不能重分类进损益的其他综合收益 以公允价值计量且其变动计入 其他综合收益的权益工具								
- 公允价值变动	362	(61)	-	4	(57)	-	45	350
	<u>2,821</u>	<u>(5,112)</u>	<u>(2,770)</u>	<u>2,013</u>	<u>(5,919)</u>	<u>50</u>	<u>45</u>	<u>(3,053)</u>

	2021 年						归属于母公司股 东的其他综合 收益年末余额
	归属于母公司股 东的其他综合 收益年初余额	本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后归属于 母公司	税后归属于 非控制性权益	
将重分类进损益的其他综合收益							
以公允价值计量且其变动计入其 他综合收益的债务工具							
- 公允价值变动	1,479	669	(1,214)	108	(440)	3	1,039
- 减值准备	2,081	(779)	(64)	170	(664)	(9)	1,417
外币报表折算差额	85	(101)	-	-	(100)	(1)	(15)
现金流量套期储备	(3)	31	-	(2)	20	9	17
其他	-	1	-	-	1	-	1
不能重分类进损益的其他综合收益							
以公允价值计量且其变动计入 其他综合收益的权益工具							
- 公允价值变动	334	38	-	(10)	28	-	362
	<u>3,976</u>	<u>(141)</u>	<u>(1,278)</u>	<u>266</u>	<u>(1,155)</u>	<u>2</u>	<u>2,821</u>

本行

	2022 年					所有者权益 内部结转	其他综合收益 年末余额
	其他综合收益 年初余额	本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后净额		
将重分类进损益的其他综合收益							
以公允价值计量且其变动计入其他综合收益 的债务工具							
- 公允价值变动	1,574	(7,828)	(2,457)	2,570	(7,715)	-	(6,141)
- 减值准备	929	2,814	(261)	(638)	1,915	-	2,844
外币报表折算差额	(24)	(20)	-	-	(20)	-	(44)
现金流量套期储备	7	(32)	-	8	(24)	-	(17)
其他	1	-	-	-	-	-	1
不能重分类进损益的其他综合收益							
以公允价值计量且其变动计入其他综合收益 的权益工具							
- 公允价值变动	362	(61)	-	4	(57)	45	350
	<u>2,849</u>	<u>(5,127)</u>	<u>(2,718)</u>	<u>1,944</u>	<u>(5,901)</u>	<u>45</u>	<u>(3,007)</u>

其他综合收益 年初余额	2021 年				其他综合收益 年末余额	
	本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后净额		
将重分类进损益的其他综合收益						
以公允价值计量且其变动计入其他综合收益 的债务工具						
- 公允价值变动	1,676	1,007	(1,143)	34	(102)	1,574
- 减值准备	1,368	(523)	(64)	148	(439)	929
外币报表折算差额	(31)	7	-	-	7	(24)
现金流量套期储备	2	6	-	(1)	5	7
其他	-	1	-	-	1	1
不能重分类进损益的其他综合收益						
以公允价值计量且其变动计入其他综合收益 的权益工具						
- 公允价值变动	334	38	-	(10)	28	362
	<u>3,349</u>	<u>536</u>	<u>(1,207)</u>	<u>171</u>	<u>(500)</u>	<u>2,849</u>

35 利润分配

(1) 2021 年度利润分配

于2022年6月17日，股东大会批准的本行2021年度利润分配方案如下：

- (i) 按当年税后利润30%的比例提取任意盈余公积，共计人民币150.93亿元；
- (ii) 提取一般准备人民币45亿元；
- (iii) 以实施利润分配股权登记日普通股总股本为基数，向全体普通股股东每10股派送现金股利人民币4.1元（含税）。

(2) 2020 年度利润分配

于2021年6月11日，股东大会批准的本行2020年度利润分配方案如下：

- (i) 按当年税后利润30%的比例提取任意盈余公积，共计人民币165.53亿元；
- (ii) 提取一般准备人民币110亿元；
- (iii) 以实施利润分配股权登记日普通股总股本为基数，向全体普通股股东每10股派发现金股利人民币4.8元(含税)。

(3) 优先股股利分配

于2022年10月27日，本行董事会审议通过浦发优1股息发放方案。按照浦发优1票面股息率5.58%计算，发放股息共计人民币8.37亿元（含税），股息发放日为2022年12月5日。

于2022年1月26日，本行董事会审议通过浦发优2股息发放方案。按照浦发优2票面股息率4.81%计算，发放股息共计人民币7.215亿元（含税），股息发放日为2022年3月11日。

于2021年11月19日，本行董事会审议通过浦发优1股息发放方案。按照浦发优1票面股息率5.58%计算，发放股息共计人民币8.37亿元（含税），股息发放日为2021年12月3日。

于2021年2月24日，本行董事会审议通过浦发优2股息发放方案。按照浦发优2票面股息率4.81%计算，发放股息共计人民币7.215亿元（含税），股息发放日为2021年3月11日。

(4) 无固定期限资本债付息

于2022年11月，本行按照2020年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币23.75亿元。

于2022年7月，本行按照2019年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币14.19亿元。

于2021年11月，本行按照2020年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币23.75亿元。

于2021年7月，本行按照2019年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币14.19亿元。

36 金融资产转移

在日常业务中，本集团进行的某些交易会将已确认的金融资产转让给第三方或特殊目的信托。这些金融资产转移若全部或部分符合终止确认条件，相关金融资产全部或部分终止确认。当本集团保留了已转让资产的绝大部分风险与报酬时，相关金融资产转移不符合终止确认条件，本集团继续在财务状况表上确认上述资产。

资产证券化交易

本集团进行的部分证券化交易会使得本集团终止确认全部转移的金融资产。2022年度，本集团通过该类资产证券化交易转移的金融资产账面原值人民币264.34亿元，符合完全终止确认条件（2021年度：人民币184.64亿元）。

除上述证券化交易外，截至2022年12月31日，本集团将账面原值为人民币358.74亿元（2021年12月31日：人民币358.74亿元）的信贷资产转让给证券化实体，本集团在上述交易中既没有转移也没有保留与所转让信贷资产所有权有关的几乎所有风险和报酬，且保留了对该信贷资产的控制。本集团在财务状况表上会按照本集团的继续涉入程度确认该项资产，其余部分终止确认。截至2022年12月31日，本集团继续确认的资产价值为人民币46.50亿元（2021年12月31日：人民币46.50亿元）。

信贷资产转让

2022年度，本集团直接向第三方转让信贷资产人民币113.85亿元，均为向资产管理公司转让不良贷款，且均已终止确认（2021年度，本集团直接向第三方转让信贷资产人民币85.14亿元，均为向资产管理公司转让不良贷款，且均已终止确认）。

证券借出交易

于证券借出交易中，交易对手在本集团无任何违约的情况下，可以将上述证券出售或再次用于担保，但同时需承担在协议规定的到期日将上述证券归还于本集团的义务。对于上述业务，本集团认为本集团保留了相关证券的绝大部分风险和报酬，故未对相关证券进行终止确认。在2022年12月31日，本集团在证券借出交易中转让资产的账面价值为人民币676.32亿元（2021年12月31日：人民币406.39亿元）。

37 在未纳入合并财务报表范围的结构化主体中的权益

(1) 在第三方机构发起设立的结构化主体中享有的权益

本集团通过直接持有投资而在第三方机构发起设立的结构化主体中享有权益。这些结构化主体未纳入本集团的合并财务报表范围，主要包括基金投资、资金信托及资产管理计划、资产支持证券以及其他投资。这些结构化主体的性质和目的主要是管理投资者的资产并赚取管理费，其融资方式是向投资者发行投资产品。

本集团通过直接持有投资而在第三方机构发起设立的结构化主体中享有的权益的账面价值及最大损失敞口列示如下

账面价值	本集团	
	2022年 12月31日	2021年 12月31日
以公允价值计量且其变动计入当期损益的金融投资		
基金投资	443,879	394,604
资金信托及资产管理计划	95,101	11,395
权益投资	10,371	7,281
资产支持证券	4,656	6,518
理财产品及结构性存款	-	10
其他投资	6,560	6,467
以摊余成本计量的金融投资		
资金信托及资产管理计划	372,761	433,573
资产支持证券	207	127
以公允价值计量且其变动计入其他综合收益的金融投资		
资产支持证券	2,886	5,134
资产管理计划	-	9,198
抵债股权	828	828

资金信托及资产管理计划和资产支持证券的最大损失敞口按其在财务状况表中确认的分类为其在报告日的公允价值或摊余成本。基金投资和其他投资的最大损失敞口为其在报告日的公允价值。

(2) 在本集团作为发起人但未纳入合并财务报表范围的结构化主体中享有的权益

本集团发起设立的未纳入合并财务报表范围的结构化主体主要为本集团发行的理财产品、信托计划、基金投资及资产支持证券等。这些结构化主体的性质和目的主要是管理投资者的资产并收取管理费，其融资方式是向投资者发行投资产品。本集团在这些未纳入合并财务报表范围的结构化主体中享有的权益主要包括直接持有投资或通过管理这些结构化主体收取管理费收入。

截至2022年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的理财产品投资的资产规模为人民币9,802.63亿元(2021年12月31日：人民币11,704.05亿元)。

于2022年度及2021年度，本集团未向自身发起设立的理财产品提供重大财务支持。

截至2022年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的信托计划总规模为人民币3,054.63亿元(2021年12月31日：人民币3,879.01亿元)。

截至2022年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的基金投资总规模为人民币2,012.25亿元(2021年12月31日：人民币2,651.35亿元)。

截至2021年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的资产支持证券总规模为人民币1,367.37亿元(2021年12月31日：人民币1,971.36亿元)。

于2022年，本集团通过向自身发起设立的理财产品、信托计划投资者提供服务获取的手续费收入分别为人民币51.99亿元和人民币24.94亿元(2021年：分别为人民币69.80亿元、人民币27.84亿元)。本集团从自身发起设立的其他未并表结构化主体中所获取的手续费收入不重大。

- (3) 本集团于本年度发起但于2022年12月31日已不再享有权益的未纳入合并财务报表范围的结构化主体

本集团无于2022年1月1日之后发行，并于2022年12月31日之前已到期的理财产品。(本集团于2021年1月1日之后发行，并于2021年12月31日之前已到期的理财产品发行总量不重大)。

本集团于2022年1月1日之后发行，并于2022年12月31日之前已到期的资产支持证券发行总量共计人民币5.02亿元(本集团于2021年1月1日之后发行，并于2021年12月31日之前已到期的资产支持证券发行总量共计人民币5.93亿元)。

本集团无于2022年1月1日之后发行，并于2022年12月31日之前已到期的信托计划与基金投资。

38 在其他主体中的权益

(1) 在主要子公司中的权益

- (i) 集团内主要子公司

子公司名称	主要经营地	注册地	取得方式	持股比例 (直接)
浦银金融租赁股份有限公司	上海	上海	设立	61.02%
上海信托	上海	上海	收购	97.33%
浦银国际控股有限公司	香港	香港	收购	100.00%
浦银理财有限责任公司	上海	上海	设立	100.00%
绵竹浦发村镇银行有限责任公司	四川绵竹	四川绵竹	设立	55.00%
溧阳浦发村镇银行股份有限公司	江苏溧阳	江苏溧阳	设立	51.00%
巩义浦发村镇银行股份有限公司	河南巩义	河南巩义	设立	51.00%
上海奉贤浦发村镇银行股份有限公司	上海奉贤	上海奉贤	设立	51.00%
资兴浦发村镇银行股份有限公司	湖南资兴	湖南资兴	设立	51.00%
重庆巴南浦发村镇银行股份有限公司	重庆巴南	重庆巴南	设立	51.00%
邹平浦发村镇银行股份有限公司	山东邹平	山东邹平	设立	51.00%
泽州浦发村镇银行股份有限公司	山西晋城	山西晋城	设立	51.00%
大连甘井子浦发村镇银行股份有限公司	辽宁甘井子	辽宁甘井子	设立	51.00%
韩城浦发村镇银行股份有限公司	陕西韩城	陕西韩城	设立	51.00%
江阴浦发村镇银行股份有限公司	江苏江阴	江苏江阴	设立	51.00%
浙江平阳浦发村镇银行股份有限公司	浙江平阳	浙江平阳	设立	51.00%
浙江新昌浦发村镇银行股份有限公司	浙江新昌	浙江新昌	设立	51.00%
沅江浦发村镇银行股份有限公司	湖南沅江	湖南沅江	设立	51.00%
茶陵浦发村镇银行股份有限公司	湖南株洲	湖南株洲	设立	51.00%
临川浦发村镇银行股份有限公司	江西抚州	江西抚州	设立	51.00%
临武浦发村镇银行股份有限公司	湖南郴州	湖南郴州	设立	51.00%
衡南浦发村镇银行股份有限公司	湖南衡阳	湖南衡阳	设立	51.00%
哈尔滨呼兰浦发村镇银行股份有限公司	黑龙江哈尔滨	黑龙江哈尔滨	设立	51.00%
公主岭浦发村镇银行股份有限公司	吉林四平	吉林四平	设立	51.00%
榆中浦发村镇银行股份有限公司	甘肃兰州	甘肃兰州	设立	51.00%
富民浦发村镇银行股份有限公司	云南富民	云南富民	设立	51.00%
宁波海曙浦发村镇银行股份有限公司	浙江宁波	浙江宁波	设立	51.00%
乌鲁木齐米东浦发村镇银行股份有限公司	新疆乌鲁木齐	新疆乌鲁木齐	设立	51.00%
天津宝坻浦发村镇银行股份有限公司	天津宝坻	天津宝坻	设立	49.00%
重庆铜梁浦发村镇银行股份有限公司	重庆铜梁	重庆铜梁	设立	51.00%
黔西南义龙浦发村镇银行股份有限公司	贵州义龙	贵州义龙	设立	51.00%
扶风浦发村镇银行股份有限公司	陕西宝鸡	陕西宝鸡	设立	51.00%

截至财务状况表日，根据本行与天津宝坻浦发村镇银行股份有限公司其他股东的相关约定，本行在天津宝坻浦发村镇银行股份有限公司股东大会中持有 51% 的表决权，故本行认为能够对其实施控制。于 2023 年 1 月，本行与天津宝坻浦发村镇银行股份有限公司其他股东签署股权转让协议，本行直接持股比例上升至 51%。

上述子公司均为非上市公司，全部纳入本行合并报表的合并范围。

(ii) 重要非全资子公司的相关信息

本行评估了每一家子公司的非控制性权益，认为每一家子公司的非控制性权益对本集团均不重大。

(2) 在合营企业和联营企业中的权益

(i) 主要合营企业和联营企业的基础信息

<u>被投资单位名称</u>	<u>注</u>	<u>主要经营地</u>	<u>注册地</u>	<u>对集团是否 具有战略性</u>	<u>持股比例 (直接)</u>	<u>业务性质</u>
合营企业：						
浦银安盛基金管理 有限公司	(a)	上海	上海	是	51%	金融业
浦发硅谷银行有限公司		上海	上海	是	50%	金融业

本集团对上述股权投资均采用权益法核算。

(a) 根据浦银安盛的章程，涉及决定公司的战略计划和公司自有资金的投资计划、授权董事会批准公司的年度财务预算方案与决算方案、批准公司的利润分配方案与弥补亏损方案、批准公司的任何股权转让和批准修改章程等事项的股东会决议须以特别决议的形式，经持有与会股东代表所持表决权三分之二以上的股东代表同意才能通过，因此虽然本集团持有浦银安盛 51% 的表决权股份，但仍无法单独对其施加控制。

(ii) 主要合营企业和联营企业的主要财务信息

本集团的合营及联营企业均为非上市公司。上述合营企业及联营企业的净利润和净资产对本集团影响均不重大。

四 分部报告

本集团高级管理层按照本行各地分行及子公司所处的不同经济地区审阅本集团的经营情况。本行的各地分行及子公司主要服务于当地客户和极少数其他地区客户，因此经营分部以资产所在地为依据。

本集团各经营分部的主要收入来源于向客户提供各种商业银行服务及投资业务，包括存贷款、票据、贸易融资、货币市场拆借及证券投资等。

本集团的地区经营分部如下：

总行：	总行本部（总行本部及直属机构）
长三角地区：	上海、江苏、浙江、安徽地区分行
珠三角及海西地区：	广东、福建地区分行
环渤海地区：	北京、天津、河北、山东地区分行
中部地区：	山西、河南、湖北、湖南、江西、海南地区分行
西部地区：	重庆、四川、贵州、云南、广西、陕西、甘肃、青海、宁夏、 新疆、内蒙古、西藏地区分行
东北地区：	辽宁、吉林、黑龙江地区分行
境外及附属机构：	境外分行及境内外子公司

2022年										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
利息收入	129,807	87,333	33,612	38,822	25,017	30,028	9,539	11,416	(66,054)	299,520
其中：外部利息收入	116,547	62,922	24,403	25,566	24,456	26,919	8,241	10,466	-	299,520
分部间利息收入	13,260	24,411	9,209	13,256	561	3,109	1,298	950	(66,054)	-
利息支出	(86,559)	(53,102)	(23,248)	(25,260)	(12,779)	(18,100)	(5,511)	(7,354)	66,062	(165,851)
其中：外部利息支出	(54,828)	(45,298)	(14,154)	(21,501)	(10,326)	(8,755)	(4,675)	(6,314)	-	(165,851)
分部间利息支出	(31,731)	(7,804)	(9,094)	(3,759)	(2,453)	(9,345)	(836)	(1,040)	66,062	-
利息净收入	43,248	34,231	10,364	13,562	12,238	11,928	4,028	4,062	8	133,669
手续费及佣金净收入/ (支出)	14,519	4,130	2,608	1,003	340	(666)	180	6,579	(2)	28,691
净交易损益	13,407	1,202	448	757	374	432	146	412	(6)	17,172
金融投资净损益	5,386	-	-	-	-	-	-	(73)	-	5,313
其他营业净收入/(支出)	103	146	19	90	16	108	9	3,379	(209)	3,661
营业费用	(19,022)	(11,312)	(4,222)	(5,312)	(4,100)	(4,760)	(1,858)	(6,211)	209	(56,588)
资产减值损失	(35,643)	(8,218)	(4,196)	(2,838)	(7,928)	(14,028)	(1,391)	(1,757)	-	(75,999)
联营企业及合营企业投资 净损益	198	-	-	-	-	-	-	32	-	230
分部税前利润/(亏损) 总额	22,196	20,179	5,021	7,262	940	(6,986)	1,114	6,423	-	56,149
2022年12月31日										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
发放贷款和垫款 分部资产总额	553,520 4,700,936	1,538,543 2,454,245	611,277 754,000	631,186 958,945	515,155 576,903	570,421 621,781	189,937 266,418	190,514 441,247	(2,203) (2,069,824)	4,798,350 8,704,651
吸收存款 分部负债总额	82,640 4,048,318	2,101,837 2,434,215	621,945 748,895	846,142 951,537	489,845 575,835	444,747 628,896	205,831 265,383	101,606 414,621	(781) (2,069,824)	4,893,812 7,997,876
分部资产负债净头寸	652,618	20,030	5,105	7,408	1,068	(7,115)	1,035	26,626	-	706,775

	2021 年									
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
利息收入	125,008	86,125	32,841	40,724	29,620	27,998	9,274	9,131	(60,028)	300,693
其中：外部利息收入	112,699	65,294	24,582	26,575	29,458	25,039	8,413	8,633	-	300,693
分部间利息收入	12,309	20,831	8,259	14,149	162	2,959	861	498	(60,028)	-
利息支出	(83,766)	(49,695)	(21,428)	(26,759)	(13,817)	(18,583)	(5,546)	(5,169)	60,028	(164,735)
其中：外部利息支出	(64,225)	(41,349)	(12,327)	(20,525)	(9,736)	(7,358)	(4,500)	(4,715)	-	(164,735)
分部间利息支出	(19,541)	(8,346)	(9,101)	(6,234)	(4,081)	(11,225)	(1,046)	(454)	60,028	-
利息净收入	41,242	36,430	11,413	13,965	15,803	9,415	3,728	3,962	-	135,958
手续费及佣金净收入/ (支出)	19,495	2,297	2,085	823	(424)	(166)	200	4,824	-	29,134
净交易损益	15,392	1,251	363	653	376	419	86	1,575	-	20,115
金融投资净损益	2,332	-	-	-	-	-	-	(56)	-	2,276
其他营业净收入	135	151	25	106	35	84	10	2,871	-	3,417
营业费用	(17,395)	(11,313)	(3,862)	(5,264)	(3,803)	(4,663)	(1,882)	(5,526)	-	(53,708)
资产减值损失	(30,718)	(6,144)	(3,185)	(4,397)	(3,967)	(24,940)	(3,739)	(1,254)	-	(78,344)
联营企业及合营企业投资 净损益	190	-	-	-	-	-	-	33	-	223
分部税前利润 / (亏损) 总额	30,673	22,672	6,839	5,886	8,020	(19,851)	(1,597)	6,429	-	59,071
	2021 年 12 月 31 日									
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
发放贷款和垫款	568,205	1,464,815	567,961	608,632	544,401	570,532	194,080	174,862	(2,534)	4,690,954
分部资产总额	3,994,931	2,305,152	698,256	984,964	571,081	602,101	236,826	380,013	(1,636,567)	8,136,757
吸收存款	142,215	1,882,049	575,921	777,332	447,288	368,530	182,747	88,819	(1,293)	4,463,608
分部负债总额	3,364,271	2,282,428	691,343	978,645	562,974	622,151	238,382	354,912	(1,636,567)	7,458,539
分部资产负债净头寸	630,660	22,724	6,913	6,319	8,107	(20,050)	(1,556)	25,101	-	678,218

五 或有事项及承诺

1 信用承诺

- 本集团信用承诺明细如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
银行承兑汇票	729,985	617,735
开出信用证	236,245	192,522
开出保函	109,643	113,363
信用卡及贷款承诺	704,235	647,121
	1,780,108	1,570,741
合计	1,780,108	1,570,741

2 国债兑付承诺

本集团受财政部委托作为其代理人承销国债。国债持有人可以要求提前兑付持有的国债，而本集团亦有义务对国债履行兑付责任。本集团国债提前兑付金额为国债本金及应付利息。于 2022 年 12 月 31 日，本集团及本行具有提前兑付义务的国债本金余额为人民币 77.81 亿元(2021 年 12 月 31 日：人民币 116.68 亿元)。上述国债的原始期限为三至五年不等。管理层认为在该等国债到期日前，本集团所需提前兑付的国债金额并不重大。

3 资本性承诺

截至 2022 年 12 月 31 日止，本集团已签订合同但尚未支付的资本支出为人民币 75.40 亿元 (2021 年 12 月 31 日：人民币 101.41 亿元)。此外，本行子公司已签订合同但尚未支付的融资租赁承诺和经营性固定资产采购计划为人民币 103.12 亿元 (2021 年 12 月 31 日：人民币 53.31 亿元)。

截至 2022 年 12 月 31 日止，本集团已批准但未签订合同的资本支出为人民币 53.30 亿元 (2021 年 12 月 31 日：人民币 51.31 亿元)。此外，本行子公司已批准但未签订合同的融资租赁承诺和经营性固定资产采购计划为人民币 8.30 亿元 (2021 年 12 月 31 日：人民币 5.06 亿元)。

4 诉讼事项

于 2022 年 12 月 31 日，本集团作为被告被起诉尚未判决的诉讼案件有 196 笔，涉及金额约人民币 78.00 亿元，本集团作为第三人被起诉尚未判决的诉讼案件有 209 笔，涉及金额约人民币 3.14 亿元，预计赔付可能性均不大 (于 2021 年 12 月 31 日，本集团作为被告被起诉尚未判决的诉讼案件有 148 笔，涉及金额约人民币 13.71 亿元，本集团作为第三人被起诉尚未判决的诉讼案件有 198 笔，涉及金额约人民币 5.11 亿元，预计赔付可能性均不大)。

六 委托贷款业务

本集团向第三方提供委托贷款业务。因委托贷款业务而持有的资产未包括在财务报表中。于2022年12月31日，本集团的委托贷款余额为人民币673.63亿元(2021年12月31日：人民币764.27亿元)。

七 关联方关系及其交易

1 持有本行5%及以上股份的主要股东

于2022年12月31日和2021年12月31日，持有本行5%及以上普通股份的主要股东包括：

	<u>直接持股比例</u>	<u>主营业务</u>
上海国际集团有限公司	21.57%	投资管理
中国移动通信集团广东有限公司	18.18%	移动通信
富德生命人寿保险股份有限公司—传统	9.47%	保险业务
富德生命人寿保险股份有限公司—资本金	6.01%	保险业务

2 对本行施加重大影响的其他股东

于2022年12月31日及2021年12月31日，对本行施加重大影响的其他主要股东包括：

	<u>直接持股比例</u>	<u>主营业务</u>
中国烟草总公司江苏省公司	0.78%	烟草制品

3 子公司

子公司的基本情况及相关信息详见附注三、38.(1)在其他主体中的权益。

4 合营企业和联营企业

合营企业和联营企业的基本情况及相关信息详见附注三、38.(2)在其他主体中的权益。

5 其他主要关联方

其他关联方主要包括持有本行5%及以上普通股股份主要股东所属集团，其他对本集团施加重大影响的主要股东所属集团，本行关键管理人员(包括董事、监事和高级管理层)及其关系密切的家庭成员以及该等关键管理人员或与其关系密切的家庭成员能控制、共同控制的公司以及担任董事(不合同为双方的独立董事)、高级管理人员的公司。

6 关联方交易及余额

本集团与关联方进行的主要交易的金额及于报告期末的主要往来款项余额如下：

	<u>主要股东</u>	<u>合营企业 及联营企业</u>	<u>其他主要关联方- 主要股东 所属集团 (不含股东)</u>	<u>其他主要关联方- 关键管理人员及 其近亲属有重大 影响的企业 (不含股东)</u>	<u>其他主要关联方- 关联自然人</u>	<u>合计</u>	<u>占有关同类 交易金额 / 余额的比例</u>
2022 年进行的主要交易金额如下：							
利息收入	-	-	54	70	1	125	0.04%
利息支出	(500)	(28)	(1,316)	(208)	(1)	(2,053)	1.24%
手续费及佣金收入	1	34	4	7	1	47	0.12%
净交易损益	-	(18)	(15)	(10)	-	(43)	-0.25%
联营企业及合营企业投资净损益	-	230	-	-	-	230	100.00%
营业费用	(11)	-	(228)	-	-	(239)	0.42%
其他综合收益	1	-	-	1	-	2	-0.03%

	主要股东	合营企业 及联营企业	其他主要关联方- 主要股东所属集团 (不含股东)	其他主要关联方- 关键管理人员及其近亲属 有重大影响的企业(不含股东)	其他主要关联方- 关联自然人	合计	占有关同类 交易金额 / 余额的比例
于 2022 年 12 月 31 日							
主要往来款项的余额如下:							
存放和拆放同业及其他金融 机构款项	-	-	-	75	-	75	0.01%
发放贷款和垫款	-	-	1,555	1,729	23	3,307	0.07%
衍生金融资产	-	-	-	218	-	218	0.51%
金融投资:							
-以公允价值计量且其变动计入 当期损益的金融投资	-	-	-	3,316	-	3,316	0.47%
-以摊余成本计量的金融投资	-	-	-	447	-	447	0.04%
-以公允价值计量且其变动计入 其他综合收益的金融投资	101	-	-	1,007	-	1,108	0.17%
投资联营企业及合营企业	-	2,655	-	-	-	2,655	100.00%
其他资产	-	-	2	-	-	2	0.01%
同业及其他金融机构存入和 拆入款项	-	(1,463)	(15,097)	(2,496)	-	(19,056)	1.86%
衍生金融负债	-	(18)	-	(177)	-	(195)	0.52%
吸收存款	(6,197)	(4,066)	(41,256)	(13,534)	(1)	(65,054)	1.33%
其他负债	(1)	-	(37)	-	-	(38)	0.07%
于 2022 年 12 月 31 日							
重大表外项目如下:							
开出保函	-	-	107	-	-	107	0.10%
信用卡承诺	-	-	-	-	12	12	0.01%
提供信贷业务担保	-	-	8,639	400	-	9,039	0.32%
银行承兑汇票	-	-	67	-	-	67	0.01%
发行理财产品资金投向	-	-	-	1,240	-	1,240	0.13%
衍生金融工具名义本金	-	919	-	59,192	-	60,111	0.98%

注 (1): 于 2022 年 12 月 31 日, 本行关键管理人员持有本行所发行的普通股共计 1,290,600 股, 并定期获取相应的现金股利分红。

注 (2): 于 2022 年 12 月 31 日, 中国移动通信集团广东有限公司直接持有本行发行的可转换公司债券中 18.17% 的份额。

	<u>主要股东</u>	<u>合营企业 及联营企业</u>	<u>其他主要关联方- 主要股东 所属集团 (不含股东)</u>	<u>其他主要关联方- 关键管理人员及 其近亲属有重大 影响的企业 (不含股东)</u>	<u>其他主要关联方- 关联自然人</u>	<u>合计</u>	<u>占有关同类 交易金额 / 余额的比例</u>
2021 年进行的主要交易金额如下:							
利息收入	-	3	79	66	1	149	0.05%
利息支出	(527)	(27)	(1,194)	(505)	(1)	(2,254)	1.37%
手续费及佣金收入	1	124	4	5	-	134	0.34%
净交易损益	-	(14)	-	103	-	89	0.44%
联营企业及合营企业投资净损益	-	223	-	-	-	223	100.00%
营业费用	(7)	-	(109)	-	-	(116)	0.23%
其他综合收益	-	-	-	(17)	-	(17)	1.47%

	主要股东	合营企业 及联营企业	其他主要关联方- 主要股东所属集团 (不含股东)	其他主要关联方- 关键管理人员及其近亲属 有重大影响的企业(不含股东)	其他主要关联方- 关联自然人	合计	占有关同类 交易金额 / 余额的比例
于 2021 年 12 月 31 日							
主要往来款项的余额如下:							
存放和拆放同业及其他金融 机构款项	-	-	426	1,559	-	1,985	0.46%
发放贷款和垫款	-	-	1,191	1,843	19	3,053	0.07%
衍生金融资产	-	1	-	607	-	608	1.80%
金融投资:							
-以公允价值计量且其变动计入 当期损益的金融投资	-	-	1	1,587	-	1,588	0.30%
-以摊余成本计量的金融投资	-	-	-	449	-	449	0.03%
-以公允价值计量且其变动计入 其他综合收益的金融投资	-	-	-	1,572	-	1,572	0.32%
投资联营企业及合营企业	-	2,819	-	-	-	2,819	100.00%
同业及其他金融机构存入和 拆入款项	-	(1,563)	(28,154)	(8,435)	-	(38,152)	3.45%
衍生金融负债	-	(13)	-	(391)	-	(404)	1.37%
吸收存款	(3,614)	(3,882)	(71,961)	(21,639)	(24)	(101,120)	2.27%
于 2021 年 12 月 31 日							
重大表外项目如下:							
开出保函	-	-	51	-	-	51	0.04%
信用卡承诺	-	-	-	-	12	12	0.01%
委托贷款	-	-	82	-	-	82	0.11%
提供信贷业务担保	-	-	2,224	2,749	-	4,973	0.18%
银行承兑汇票	-	-	19	-	-	19	0.01%
发行理财产品资金投向	-	-	-	2,006	-	2,006	0.17%
衍生金融工具名义本金	-	1,214	-	75,893	-	77,107	1.31%

注 (1): 于 2021 年 12 月 31 日, 本行关键管理人员持有本行所发行的普通股共计 1,290,600 股, 并定期获取相应的现金股利分红。

注 (2): 于 2021 年 12 月 31 日, 上海国际集团有限公司及其子公司合计持有本行发行的可转换公司债券中 8.67% 的份额, 中国移动通信集团广东有限公司直接持有本行发行的可转换公司债券中 18.17% 的份额。

7 存在控制关系的关联方

与本行存在控制关系的关联方为本行的控股子公司。与控股子公司之间的重大往来余额及交易均已在合并财务报表中抵销，主要交易的详细情况如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
年末余额：		
存放和拆放同业及其他金融机构款项	6,851	2,559
发放贷款和垫款	2,203	1,388
以公允价值计量且其变动计入其他综合收益的金融投资	252	-
同业及其他金融机构存放款项	13,424	8,473
衍生金融负债	16	-
吸收存款	781	1,293
其他往来款	99	32
报告期间交易：	2022 年	2021 年
存放和拆放同业及其他金融机构款项利息收入	120	49
净交易损失	16	-
发放贷款和垫款利息收入	81	60
以公允价值计量且其变动计入其他综合收益的金融投资 利息收入	13	-
同业及其他金融机构存放款项利息支出	362	265
吸收存款利息支出	6	12
手续费及佣金收入	46	54
手续费及佣金支出	1,839	111
其他营业净收入	6	-
营业费用	201	-

8 关键管理人员薪酬

关键管理人员是指有权利及责任直接或间接地计划、指令和控制本集团活动的人员，包括董事、监事和高级管理人员。

关键管理人员各期薪酬（不包括由本行承担的社会保险费）如下：

	2022 年	2021 年
支付关键管理人员薪酬	20	26

2022 年度关键管理人员薪酬为在过去 12 个月或者根据相关协议安排在未来 12 个月内在本行任职的董事、监事及高级管理人员于本年度获得由本行发放的除本行承担的社会保险费外的全部薪酬。

9 与年金计划的交易

本集团设立的企业年金基金除正常的供款外，于报告期内均未发生其他关联交易。

10 重大关联授信

重大关联交易是指本行与一个关联方之间单笔交易金额占本行最近一期净资产值 1%以上，或本行与一个关联方发生交易后本行与该关联方的交易余额占本行最近一期净资产值 5%以上的交易。

于 2022 年，本行与集团外关联方开展的重大关联交易中新增重大关联授信情况如下：

<u>关联公司名称</u>	<u>对关联公司及其集团内 其他公司的授信总额度</u>
中国烟草总公司	27,000
国泰君安证券股份有限公司	24,600
上海国际集团有限公司	19,790
百联集团有限公司	12,000
中国移动通信集团有限公司	9,000

与本行授信相关的重大关联交易具体情况请参见本行公开披露的相关董事会决议。

八 金融风险管理

本集团的经营面临多种金融风险，本集团分析、评估、接受和管理某种程度的风险或风险组合。管理金融风险对于金融行业至关重要，同时商业运营也必然会带来金融风险。本集团的目标是达到风险与收益之间恰当的平衡，同时尽量减少对本集团财务报表的不利影响。

本集团制定金融风险管理政策的目的是为了识别并分析相关风险，以制定适当的风险限额和控制程序，并通过可靠的信息系统对风险及其限额进行监控。

本集团面临的主要金融风险为信用风险、市场风险和流动性风险。其中市场风险包括汇率风险、利率风险和商品价格风险。

本行董事会确定本集团的风险偏好。本行高级管理层根据董事会确定的风险偏好，在信用风险、市场风险和流动性风险等领域制定相应的风险管理政策及程序，经董事会批准后由总行各部门负责执行。

1 信用风险

信用风险是因债务人或交易对手未按照约定履行其义务从而使银行业务发生损失的风险。

(1) 信用风险管理

(i) 贷款

本集团管理、限制以及控制所发现的信用风险集中度，特别是集中于单一借款人、集团、行业和区域。

本集团对同一借款人、集团、区域和行业设定限额，以优化信用风险结构。本集团适时监控上述风险，必要之时增加审阅的频率。

本集团通过定期分析借款人偿还本金和利息的能力管理信贷风险暴露，并据此适时地更新借款额度。

本集团制定了一系列政策，采取各种措施缓释信用风险。其中获取抵质押物、保证金以及取得公司或个人的担保是本集团控制信用风险的重要手段之一。本集团规定了可接受的特定抵质押物的种类，主要包括以下几个类型：

- 住宅，土地使用权
- 商业资产，如商业房产、存货和应收款项
- 金融工具，如债券和股票

抵质押物公允价值一般需经过本集团指定的专业评估机构的评估。当有迹象表明抵质押物发生减值时，本集团会重新审阅该等抵质押物是否能够充分覆盖相应贷款的信用风险。为降低信用风险，本集团规定了不同抵质押物的最高抵押率（贷款额与抵质押物公允价值的比例），企业贷款和零售贷款的主要抵质押物种类及其对应的最高抵押率如下：

<u>抵质押物</u>	<u>最高抵押率</u>
定期存单	90% - 100%
国债	90% - 100%
金融债	95%
公司类债券 (含金融机构)	80%
收费权	60% - 70%
特许经营权	50%
商业用房、标准厂房	60%
商品住宅	70%
土地使用权	50% - 60%

管理层基于最新的外部估价评估抵质押物的公允价值，同时根据经验、当前的市场情况和处置费用对公允价值进行调整。

对于由第三方担保的贷款，本集团会评估担保人的财务状况，历史信用及其代偿能力。

(ii) 债券及其他票据

本集团通过控制投资规模、设定发行主体准入名单、评级准入、投后管理等机制管理债券及其他票据的信用风险敞口。一般情况下，外币债券要求购买时的发行主体外部信用评级（以标准普尔或同等评级机构为标准）在BBB-或以上。境外人民币债券要求购买时发行主体的外部信用评级（中央银行认定的信用评级机构）在BBB+或以上。境内中长期人民币债券评级（中央银行认定的信用评级机构）为AA或以上，短期债券评级（中央银行认定的信用评级机构）为A-1。

(iii) 以摊余成本计量的其他金融资产

以摊余成本计量的其他金融资产主要包括资金信托及资产管理计划。本集团对合作的信托公司、证券公司和基金公司实行评级准入制度，对信托计划及资产管理计划最终融资方设定授信额度，并定期进行后续风险管理。

(iv) 同业往来

本集团对单个金融机构的信用风险进行定期的审阅和管理。对于与本集团有资金往来的单个银行或非银行金融机构均设定有信用额度。

(v) 衍生金融工具

本集团对衍生金融工具的交易进行额度限制。对于企业客户，本集团还通过收取保证金来缓释衍生金融工具相关的信用风险。

(vi) 信用承诺

信用承诺的主要目的是确保客户能够获得所需的资金。承兑汇票、信用证和开出保函等信用承诺为本集团作出的不可撤销的承诺，即本集团承诺代客户向第三方付款或在客户无法履行其对第三方的付款义务时将代其履行支付义务，本集团承担与贷款相同的信用风险。在客户申请的信用承诺金额超过其原有授信额度的情况下，本集团将收取保证金以降低提供该项服务所承担的信用风险。本集团面临的潜在信用风险的金额等同于信用承诺的总金额。此外，本集团授予客户信用卡额度和贷款承诺，客户在未来支用信用卡额度和贷款承诺时会产生现金流出。

(vii) 受托管理信托计划

受托管理信托计划的信用风险主要表现为，在交易过程中交易对手不履行承诺，不能或不愿履行合约承诺而使信托财产或固有财产遭受潜在损失的可能性。本集团对受托管理信托计划严格实行“贷前调查、贷中审查、贷后检查”。在产品交易结构设计上，通过引入金融机构信用、财产抵押、权利质押等担保方式，综合运用规避、预防、分散、转移、补偿等手段管理风险，分散、转移融资主体的信用风险，尽力降低信用风险敞口。

(2) 信用风险衡量

本集团根据《贷款风险分类指引》(银监发 [2007] 54 号) 管理信贷资产质量, 根据《贷款风险分类指引》要求, 将信贷资产分为正常、关注、次级、可疑、损失五类, 其中后三类贷款被视为不良贷款。

报告期内, 本集团建立健全防范化解重大风险长效机制, 积极防控重点领域风险, 持续改善资产质量。

(3) 预期信用损失计量方法

本集团根据新准则要求将需要确认预期信用损失准备的金融工具划分为三个阶段, 第一阶段是“信用质量正常”阶段, 仅需计算未来一年预期信用损失, 第二阶段是“信用风险显著增加”阶段, 以及第三阶段是“已发生信用减值”阶段, 需计算整个生命周期的预期信用损失。本集团按新准则要求开发了减值模型来计算预期信用损失, 采用自上而下的开发方法, 建立了国内生产总值、居民消费价格指数等宏观指标与风险参数回归模型, 并定期预测乐观、基准和悲观共三种宏观情景, 应用减值模型计算多情景下的预期信用损失。

信用风险评级

本集团采用内部信用风险评级反映单个交易对手的违约概率评估结果, 且对不同类别的交易对手采用不同的内部评级模型。在贷款申请时收集的借款人及特定贷款信息(例如: 可支配收入、零售敞口的担保率、公司借款人的销售收入和行业分类) 都被纳入评级模型。同时, 本集团还将征信机构借款人评分等外部数据作为补充信息。此外, 本模型还将信用风险管理人员的专家判断纳入到逐笔信用敞口的最终内部信用评级中, 从而将可能未被其他来源考虑的因素纳入评级模型。

本集团无按照企业会计准则相关要求认定为“低风险”并进行信用风险管理的金融资产。

阶段划分

信用风险显著增加

本集团在每个财务状况表日评估相关金融资产的信用风险自初始确认后是否已显著增加。本集团进行金融资产的预期信用损失阶段划分时充分考虑反映其信用风险是否出现显著变化的各种合理且有依据的信息, 包括前瞻性信息。主要考虑因素有监管及经营环境、内外部信用评级、偿债能力、经营能力、贷款合同条款、还款行为等。当触发以下一个或多个定量、定性或上限标准时, 本集团认为金融工具的信用风险已发生显著增加:

定量标准:

本集团通过信用风险评级是否下跌到一定等级如企业贷款和金融投资交易对手在报告日的信用风险评级较初始确认时的信用风险评级下降达到 **B** 级及以下或违约概率较初始确认的违约概率是否大幅上升如个人贷款交易对手在报告日违约概率达到初始违约概率的 **8-10** 倍等表明信用风险显著增加的情况, 判断金融资产的信用风险自初始确认后是否发生显著增加。

定性标准：

对于企业贷款和金融投资，如果借款人在风险监控清单上和 / 或该工具满足以下一个或多个标准：

- 信用利差显着上升
- 借款人出现业务、财务和/或经济状况的重大不利变化
- 实际或预期的宽限期或重组
- 借款人经营情况的实际或预期的重大不利变化
- 出现现金流/流动性问题的早期迹象，例如应付账款/贷款还款的延期

上限标准：

交易对手在合同付款日后逾期超过 30 天仍未付款。

根据监管机构相关通知政策，本集团审慎评估受新型冠状病毒肺炎疫情影响的借款人的贷款延期延付申请，为满足政策条件的借款人提供临时性延期还款便利，并依据延期还款的具体条款和借款人的还款能力等分析判断相关金融资产的信用风险是否自初始确认后显著增加。

违约和已发生信用减值

当金融资产发生减值时，本集团将该金融资产界定为已发生违约。当金融资产符合以下一项或多项条件时，本集团将该金融资产界定为已发生信用减值：

定性标准：

交易对手满足“难以还款”的标准，表明交易对手发生重大财务困难，示例包括：

- 发行方或债务人发生重大财务困难
- 债务人违反合同，如偿付利息或本金违约或逾期等
- 债权人出于债务人财务困难有关的经济或合同考虑，给予债务人在任何其他情况下都不会做出让步
- 债务人很可能破产或进行其他债务重组
- 发行方或债务人财务困难导致该金融资产的活跃市场消失
- 以大幅折扣购买或源生一项金融资产，该折扣反映了发生信用损失的事实

上限标准：

交易对手在合同付款日后逾期超过 90 天仍未付款。

上述标准适用于本集团所有的金融资产，且与内部信用风险管理目标保持一致。违约定义已被一致地应用于本集团的预期信用损失计算过程中对违约概率、违约损失率及违约风险敞口的模型建立。

信用风险敞口的分组

—

在统计预期信用损失准备和宏观经济指标关联性时，本集团将具有类似信用风险特征的资产划入同一组合，在进行分组时，本集团获取了充分的信息，确保其统计上的可靠性。根据产品类型、客户类型、客户所属行业等信用风险特征，对信用风险敞口进行风险分组。本集团定期对分组的合理性进行重检修正，对风险分组进行定性、定量的评估，当组合内的风险敞口信用风险特征发生变化时，及时对分组合理性进行重检，必要时根据相关信用风险敞口的风险特征重新划分组别。

对预期信用损失计量所使用的参数、假设及估计技术的说明

根据信用风险是否显著增加或已发生信用减值，本集团对不同的资产分别以 12 个月或整个存续期的预期信用损失计量准备损失。预期信用损失是违约概率、违约风险敞口及违约损失率三者的乘积。相关定义如下：

- 违约概率是指债务人在未来 12 个月或在整个剩余存续期发生违约的可能性。
- 违约风险敞口是指发生违约时某一债项应被偿付的金额。
- 违约损失率是指某一债项违约导致的损失金额占该违约债项风险暴露的比例。

本集团通过预计未来各单个敞口的违约概率、违约损失率和违约风险敞口，来确定预期信用损失。这种做法可以有效地计算未来各月的预期信用损失。

整个存续期违约概率是基于到期信息由 12 个月违约概率推演而成。到期分析覆盖了贷款从初始确认到整个存续期结束的违约变化情况。到期组合的基础是可观察的历史数据，并假定同一组合和信用等级的资产的情况相同。上述分析以历史数据作为支持。

本集团根据对影响违约后回收的因素来确定违约损失率。不同产品类型的违约损失率有所不同。

在确定 12 个月及整个存续期预期信用损失时应考虑前瞻性经济信息。

本报告期内，估计技术或关键假设未发生重大变化。

预期信用损失模型中包括的前瞻性信息

信用风险显著增加的评估及预期信用损失的计算均涉及前瞻性信息。本集团通过进行历史数据分析，识别出影响各资产组合的信用风险及预期信用损失的关键经济指标。

本集团依据行业最佳实践结合集团内部专家判断，选择了一系列宏观经济指标，对各模型敞口建立实际违约概率与宏观因子间的统计学关系，并通过对应宏观因子预测值计算得到实际违约概率的前瞻性结果。

除了提供基本经济情景外，本集团根据对每一个主要产品类型的分析，设定情景的数量。本集团在每一个报告日重新评估情景的数量及其特征。于2022年12月31日及2021年12月31日，本集团结合统计分析及专家判断来确定情景权重，并同时考虑了各情景所代表的可能结果的范围。本集团在判断信用风险是否发生显著增加时，使用了基准及其他情景下的整个存续期违约概率乘以情景权重，并考虑了定性和上限标准。在确定金融工具处于第一阶段、第二阶段或第三阶段时，也相应确定了应当按照12个月或整个存续期的预期信用损失计量损失准备。本集团以加权的12个月预期信用损失（第一阶段）或加权的整个存续期预期信用损失（第二阶段及第三阶段）计量相关的损失准备。

于2022年末，本行对2023年基准、乐观、悲观的宏观经济情景权重设定分别为70%、15%、15%。本行使用的2023年关键经济指标在不同情景下的预测值列示如下：国内生产总值同比增长率基准情景下为4.5%，乐观情景下为6%，悲观情景下为3.5%；消费者物价指数同比增长率基准情景下为2.5%，乐观情景下为3%，悲观情景下为2%；广义货币供应量同比增长率基准情景下为8%，乐观情景下为9%，悲观情景下为7%。

本集团认为这些预测体现了集团对可能结果的最佳估计，并分析了本集团不同组合的非线性及不对称特征，以确定所选择的情景能够适当地代表可能发生的情景。与其他经济预测类似，对预计值和发生可能性的估计具有的高度的固有不确定性，因此实际结果可能同预测存在重大差异。

评价预期信用风险的组合方法

在统计预期信用损失准备和宏观经济指标关联性时，本集团将具有类似信用风险特征的资产划入同一组合，在进行分组时，本集团获取了充分的信息，确保其统计上的可靠性。当无法从内部获取足够信息时，本集团参照内部/外部的补充数据用于建立模型。用于确定分组特征的信息以及补充数据列示如下：

企业贷款和金融投资

- 行业
- 担保类型

个人贷款

- 产品类型（例如，住房贷款、消费贷款、信用卡）
- 还款方式
- 额度使用率区间
- 按照抵押率（贷款余额 / 押品价值）的区间

(4) 风险敞口

纳入减值评估范围的金融资产和担保承诺

下表对纳入预期信用损失评估范围的金融工具的信用风险敞口进行了分析。下列金融资产的账面价值即本集团就这些资产的最大信用风险敞口。

	2022年12月31日			合计
	第一阶段	第二阶段	第三阶段	
存放中央银行款项	451,545	-	-	451,545
存放和拆放同业及其他金融 机构款项	520,603	-	-	520,603
买入返售金融资产	111,411	-	-	111,411
发放贷款和垫款				
- 以摊余成本计量	4,124,772	114,014	30,804	4,269,590
- 以公允价值计量且其变动计入 其他综合收益	467,913	609	15	468,537
金融投资				
- 以摊余成本计量	1,110,862	33,764	52,065	1,196,691
- 以公允价值计量且其变动计入 其他综合收益	638,547	1,304	2,067	641,918
其他金融资产	52,218	204	4,111	56,533
合计	7,477,871	149,895	89,062	7,716,828

	2021年12月31日			合计
	第一阶段	第二阶段	第三阶段	
存放中央银行款项	415,526	-	-	415,526
存放和拆放同业及其他金融 机构款项	433,781	-	-	433,781
买入返售金融资产	117	-	-	117
发放贷款和垫款				
- 以摊余成本计量	4,034,450	99,520	26,643	4,160,613
- 以公允价值计量且其变动计入 其他综合收益	480,663	3,258	271	484,192
金融投资				
- 以摊余成本计量	1,226,771	27,295	52,122	1,306,188
- 以公允价值计量且其变动计入 其他综合收益	476,860	2,077	682	479,619
其他金融资产	88,197	109	3,311	91,617
合计	7,156,365	132,259	83,029	7,371,653

	2022年 <u>12月31日</u>	2021年 <u>12月31日</u>
	最大信用风险敞口	最大信用风险敞口
担保及承诺：		
银行承兑汇票	727,909	615,478
开出信用证	235,945	192,254
开出保函	109,469	113,132
信用卡及贷款承诺	700,556	643,603
	<hr/>	<hr/>
合计	<u>1,773,879</u>	<u>1,564,467</u>

未纳入减值评估范围的金融资产

下表对未纳入预期信用损失评估范围的金融资产的最大信用风险敞口进行了分析。

	2022年 <u>12月31日</u>	2021年 <u>12月31日</u>
	最大信用风险敞口	最大信用风险敞口
以公允价值计量且其变动计入当期损益的		
金融投资	708,984	526,034
发放贷款和垫款	60,223	46,149
衍生金融资产	42,829	33,773
	<hr/>	<hr/>
合计	<u>812,036</u>	<u>605,956</u>

(5) 已发生信用减值的发放贷款和垫款

本集团密切监控已发生信用减值的金融资产对应的担保品，因为相较于其他担保品，本集团为降低潜在信用损失而没收这些担保品的可能性更大。于2022年12月31日，本集团已发生信用减值的发放贷款和垫款账面余额为人民币862.12亿元（2021年12月31日：人民币886.71亿元），其中，有担保物覆盖的部分为人民币335.30亿元（2021年12月31日：人民币399.22亿元）。

(6) 债券及其他投资

下表列示了标准普尔或债券发行机构所在国家主要评级机构的评级对本集团持有债券及其他债项投资的评级情况。

	2022年12月31日			合计
	以公允价值计量且其变动计入当期损益的金融投资	以摊余成本计量的金融投资	以公允价值计量且其变动计入其他综合收益的金融投资	
中长期债券:				
AAA	19,215	568,206	133,477	720,898
AA+到 AA-	2,989	4,101	14,486	21,576
A+到 A-	327	6,117	22,596	29,040
A-以下	726	5,136	28,738	34,600
短期债券:				
AAA	3,823	10,475	1,188	15,486
AA+到 AA-	518	-	-	518
A 及 A 以下	115	1,370	-	1,485
未评级	208,840	601,286	441,433	1,251,559
	<u>236,553</u>	<u>1,196,691</u>	<u>641,918</u>	<u>2,075,162</u>

	2021年12月31日			合计
	以公允价值计量且其变动计入当期损益的金融投资	以摊余成本计量的金融投资	以公允价值计量且其变动计入其他综合收益的金融投资	
中长期债券:				
AAA	20,385	512,174	150,073	682,632
AA+到 AA-	3,277	3,667	10,104	17,048
A+到 A-	670	13,438	12,548	26,656
A-以下	3,100	5,003	32,362	40,465
短期债券:				
AAA	18,084	16,775	-	34,859
AA+到 AA-	2,143	254	212	2,609
A 及 A 以下	26	3,080	-	3,106
未评级	64,628	751,797	274,320	1,090,745
	<u>112,313</u>	<u>1,306,188</u>	<u>479,619</u>	<u>1,898,120</u>

2 市场风险

市场风险是指因市场价格（利率、汇率、股票价格和商品价格）的不利变动而使银行表内和表外业务发生损失的风险。本集团面临的市场风险存在于本集团的交易账户与银行账户中，主要包括利率风险和汇率风险，以及商品价格风险。本集团认为本集团面临的商品价格风险并不重大。

董事会承担对市场风险管理实施监控的最终责任，确保集团有效地识别、计量、监测和控制各项业务所承担的各类市场风险。在董事会的授权下，高级管理层负责集团市场风险管理体系的建设，建立分工明确的市场风险管理组织结构、权限结构和责任机制。执行层各部门负责从政策流程、计量方法、计量模型、分析报告、限额管控等方面落实集团市场风险管理的执行工作，及时准确地识别、计量、监测与控制所辖领域内的市场风险，并向董事会和高级管理层进行汇报。

同时，集团市场风险管理遵照内部控制与外部督查相结合的原则，各业务经营部门承担有关市场风险管理的日常内控职责，并与市场风险管理部门和合规部门，以及审阅部门构成市场风险管理的三道防线。

本集团按照既定标准和当前管理能力测度市场风险，其主要的测度方法包括压力测试、风险价值分析、返回检验、缺口分析、敏感性分析等。在新产品或新业务上线前，该产品和业务中的市场风险将按照规定流程予以辨识。

(1) 汇率风险

本集团主要在中华人民共和国境内经营，主要经营人民币业务，外币业务以美元为主。下表汇总了本集团于财务状况表日的外币汇率风险敞口分布，各原币金融资产和金融负债的账面价值已折合为人民币金额：

	2022年12月31日				
	人民币	美元 折合人民币	港币 折合人民币	其他币种 折合人民币	本外币 折合人民币 合计
现金及存放中央银行 款项	410,885	41,178	4,774	252	457,089
存放和拆放同业及其他 金融机构款项	393,830	98,303	5,881	22,589	520,603
衍生金融资产	38,160	4,614	3	52	42,829
买入返售金融资产	111,395	16	-	-	111,411
发放贷款和垫款	4,609,625	132,841	38,499	17,385	4,798,350
金融投资：					
以公允价值计量且其 变动计入当期损益 的金融投资	699,988	8,996	-	-	708,984
以摊余成本计量的 金融投资	1,174,049	22,410	-	232	1,196,691
以公允价值计量且其 变动计入其他综合 收益的金融投资	535,992	106,628	3,740	3,428	649,788
其他金融资产	29,226	21,730	3,897	1,680	56,533
金融资产总额	8,003,150	436,716	56,794	45,618	8,542,278
向中央银行借款	165,133	-	-	-	165,133
同业及其他金融机构存 入和拆入款项	842,710	145,542	18,646	19,902	1,026,800
以公允价值计量且其变 动计入当期损益的 金融负债	94,781	-	-	-	94,781
衍生金融负债	36,047	1,460	16	3	37,526
卖出回购金融资产款	337,259	8,743	4,166	-	350,168
吸收存款	4,636,107	229,607	16,633	11,465	4,893,812
已发行债务证券	1,291,088	33,804	5,412	-	1,330,304
租赁负债	6,907	1	859	65	7,832
其他金融负债	30,571	1,214	278	1,350	33,413
金融负债总额	7,440,603	420,371	46,010	32,785	7,939,769
金融工具净头寸	562,547	16,345	10,784	12,833	602,509
货币衍生合约	15,543	(12,119)	(6,085)	(6,027)	(8,688)
信用承诺	1,707,794	55,080	4,890	6,115	1,773,879

	2021年12月31日				
	人民币	美元 折合人民币	港币 折合人民币	其他币种 折合人民币	本外币 折合人民币 合计
现金及存放中央银行 款项	372,580	44,434	3,735	247	420,996
存放和拆放同业及其他 金融机构款项	247,212	155,336	10,098	21,135	433,781
衍生金融资产	32,764	852	2	155	33,773
买入返售金融资产	16	101	-	-	117
发放贷款和垫款	4,504,671	141,074	26,517	18,692	4,690,954
金融投资：					
以公允价值计量且其 变动计入当期损益 的金融投资	515,612	10,415	-	7	526,034
以摊余成本计量的 金融投资	1,297,294	8,685	-	209	1,306,188
以公允价值计量且其 变动计入其他综合 收益的金融投资	409,668	69,629	4,102	3,302	486,701
其他金融资产	37,637	44,025	5,954	4,001	91,617
金融资产总额	7,417,454	474,551	50,408	47,748	7,990,161
向中央银行借款	236,317	-	-	-	236,317
同业及其他金融机构存 入和拆入款项	990,256	85,435	15,460	15,624	1,106,775
以公允价值计量且其变 动计入当期损益的 金融负债	31,089	191	-	-	31,280
衍生金融负债	28,428	1,072	3	25	29,528
卖出回购金融资产款	162,260	11,959	-	-	174,219
吸收存款	4,193,282	242,273	17,889	10,164	4,463,608
已发行债务证券	1,271,348	42,187	3,585	1	1,317,121
租赁负债	7,488	-	900	63	8,451
其他金融负债	30,421	1,097	364	462	32,344
金融负债总额	6,950,889	384,214	38,201	26,339	7,399,643
金融工具净头寸	466,565	90,337	12,207	21,409	590,518
货币衍生合约	103,683	(86,027)	(5,285)	(10,221)	2,150
信用承诺	1,510,578	44,642	697	8,550	1,564,467

本集团采用敏感性分析衡量汇率变化对本集团净利润的可能影响。下表列出了于财务状况表日按当日金融资产和金融负债进行汇率敏感性分析结果。

净利润	2022年12月31日		2021年12月31日	
	汇率变动		汇率变动	
(减少)/增加	-1%	1%	-1%	1%
美元对人民币	(32)	32	(32)	32
其他外币对人民币	(86)	86	(136)	136

以上敏感性分析基于资产和负债具有静态的汇率风险结构，其计算了当其他因素不变时，外币对人民币汇率的合理可能变动对净利润的影响。有关的分析基于以下假设：(1) 各种汇率敏感度是指各币种对人民币于报告日当天收盘（中间价）汇率绝对值波动1%造成的汇兑损益；(2) 其他外币汇率变动是指其他外币对人民币汇率同时同向波动；(3) 计算外汇敞口时，包含了即期外汇敞口和远期外汇敞口。由于基于上述假设，汇率变化导致本集团净利润出现的实际变化可能与此敏感性分析的结果不同。

(2) 利率风险

利率风险是指由于利率水平、期限结构等要素发生不利变动导致整体收益和经济价值遭受损失的风险，包括银行账簿的利率风险和交易账簿的利率风险。

银行账簿利率风险，是指利率水平、期限结构等不利变动导致银行账簿经济价值和整体收益遭受损失的风险。本集团已建立完善的银行账簿利率风险治理体系，本行董事会负责批准银行账簿利率风险偏好及重要的政策与程序，承担银行账簿利率风险管理的最终责任；本行高级管理层负责根据董事会批准的银行账簿利率风险偏好，制定适当的银行账簿利率风险管理机制、组织架构、制度与流程等，以保障管理目标的实现；本行总行资产负债管理部负责牵头组织实施日常风险识别、计量、监测、控制与缓释管理，本行总行审计部负责对银行账簿利率风险管理独立开展内部审计。

本集团主要采用重定价缺口分析、久期分析、敏感性分析、情景模拟等适当的计量方法与工具对利率风险进行计量、监测。报告期内，本集团秉承中性审慎的银行账簿利率风险偏好及风险策略管理，加强对国内外宏观政策及货币政策的研判，结合利率市场化、利率曲线变化趋势的影响，实行动态监测与前瞻性风险管理；报告期内，本集团通过资产负债主动配置工具、价格工具引导业务规模与期限结构按照风险管理策略及资产负债经营目标方向调整，保持利率风险指标在董事会风险偏好范围内并可持续运行。

本集团密切关注国际基准利率改革监管政策与同业动态，积极开展转换工作，相关工作有序进行。

本集团的利率风险敞口如下表列示。各项金融资产和金融负债按合同约定的重新定价日与到期日两者较早者，以账面价值列示。

	2022年12月31日						
	1个月以内	1至3个月	3个月至1年	1至5年	5年以上	不计息	合计
资产							
现金及存放中央银行款项	438,508	-	-	-	-	18,581	457,089
存放和拆放同业及其他金融机构款项	157,534	64,404	203,168	91,624	-	3,873	520,603
衍生金融资产	-	-	-	-	-	42,829	42,829
买入返售金融资产	111,411	-	-	-	-	-	111,411
发放贷款和垫款	1,395,798	630,198	1,770,381	886,827	99,375	15,771	4,798,350
金融投资：							
以公允价值计量且其变动计入当期损益的金融投资	16,637	14,019	45,332	34,596	10,930	587,470	708,984
以摊余成本计量的金融投资	61,446	13,788	109,933	548,664	448,477	14,383	1,196,691
以公允价值计量且其变动计入其他综合收益的金融投资	9,359	25,301	189,497	328,630	82,285	14,716	649,788
其他金融资产	3,790	-	14,368	-	-	38,375	56,533
金融资产总额	2,194,483	747,710	2,332,679	1,890,341	641,067	735,998	8,542,278
负债							
向中央银行借款	9,928	13,211	140,686	-	-	1,308	165,133
同业及其他金融机构存入和拆入款项	780,456	101,955	136,115	5,072	239	2,963	1,026,800
以公允价值计量且其变动计入当期损益的金融负债	-	-	-	-	-	94,781	94,781
衍生金融负债	-	-	-	-	-	37,526	37,526
卖出回购金融资产款	283,601	42,179	24,291	-	-	97	350,168
吸收存款	2,834,624	411,040	726,397	854,409	8	67,334	4,893,812
已发行债务证券	63,213	316,452	565,582	257,727	121,091	6,239	1,330,304
租赁负债	332	446	2,043	4,674	337	-	7,832
其他金融负债	441	230	2,383	-	-	30,359	33,413
金融负债总额	3,972,595	885,513	1,597,497	1,121,882	121,675	240,607	7,939,769
净额	(1,778,112)	(137,803)	735,182	768,459	519,392	495,391	602,509

	2021 年 12 月 31 日						合计
	1 个月以内	1 至 3 个月	3 个月至 1 年	1 至 5 年	5 年以上	不计息	
资产							
现金及存放中央银行款项	399,621	-	-	-	-	21,375	420,996
存放和拆放同业及其他金融机构款项	135,132	105,938	179,866	8,785	-	4,060	433,781
衍生金融资产	-	-	-	-	-	33,773	33,773
买入返售金融资产	16	101	-	-	-	-	117
发放贷款和垫款	1,138,363	697,229	1,860,021	901,167	79,173	15,001	4,690,954
金融投资：							
以公允价值计量且其变动计入当期							
损益的金融投资	11,201	10,781	25,068	31,413	15,441	432,130	526,034
以摊余成本计量的金融投资	73,483	77,900	144,072	533,147	460,092	17,494	1,306,188
以公允价值计量且其变动计入其他							
综合收益的金融投资	14,986	22,830	54,079	305,803	75,431	13,572	486,701
其他金融资产	4,067	-	13,744	-	-	73,806	91,617
金融资产总额	1,776,869	914,779	2,276,850	1,780,315	630,137	611,211	7,990,161
负债							
向中央银行借款	9,907	26,460	197,631	-	-	2,319	236,317
同业及其他金融机构存入和拆入							
款项	681,741	220,168	193,174	8,911	612	2,169	1,106,775
以公允价值计量且其变动计入当期							
损益的金融负债	-	-	-	-	-	31,280	31,280
衍生金融负债	-	-	-	-	-	29,528	29,528
卖出回购金融资产款	132,596	24,699	16,891	-	-	33	174,219
吸收存款	2,115,070	1,044,476	561,461	682,044	5	60,552	4,463,608
已发行债务证券	54,222	203,624	700,667	220,693	132,063	5,852	1,317,121
租赁负债	264	526	2,104	5,076	481	-	8,451
其他金融负债	562	150	1,263	-	-	30,369	32,344
金融负债总额	2,994,362	1,520,103	1,673,191	916,724	133,161	162,102	7,399,643
净额	(1,217,493)	(605,324)	603,659	863,591	496,976	449,109	590,518

注：以上列示为 1 个月以内的金融资产包括于 2022 年 12 月 31 日和 2021 年 12 月 31 日的逾期金额 (扣除减值准备)。

本集团采用敏感性分析衡量利率变化对本集团净利润和权益的可能影响。下表列出于财务状况表日按当日资产和负债进行利率敏感性分析结果。

	2022年12月31日		2021年12月31日	
	利率变动 (基点)		利率变动 (基点)	
	-100	+100	-100	+100
净利润增加 / (减少)	3,487	(3,487)	(3,987)	3,987
权益中其他综合收益 增加 / (减少)	8,213	(7,703)	8,323	(7,896)

以上敏感性分析基于资产和负债具有静态的利率风险结构。有关的分析仅衡量一年内利率变化，反映为一年内本集团资产和负债的重新定价对本集团按年化计算利息收入的影响，基于以下假设：(1) 除活期存款外，所有在三个月内及三个月后但一年内重新定价或到期的资产和负债均假设在有关期间中间重新定价或到期；(2) 活期存款和央行存款准备金利率保持不变；(3) 收益率曲线随利率变化而平行移动；(4) 资产和负债组合并无其他变化。由于基于上述假设，利率增减导致本集团净利润出现的实际变化可能与此敏感性分析的结果不同。

权益变动的敏感性分析是基于收益率曲线随利率变动而平移的假设，通过设定利率变动一定百分比对期末以公允价值计量且其变动计入其他综合收益的债务工具公允价值进行重新估算得出的。

3 流动性风险

本集团流动性风险的管理目标是确保履行对客户提款及支付义务，实现资产负债总量与结构的均衡；通过积极主动的管理，降低流动性成本，避免自身流动性危机的发生，并能够有效应对系统性流动性风险。

本集团建立了较为完善的流动性风险治理体系。本行董事会负责审核批准流动性风险偏好及重要的政策与程序，承担对流动性风险管理的最终责任；本行监事会负责对董事会和高管层的流动性风险管理履职情况进行监督；本行高级管理层负责根据董事会批准的流动性风险偏好，制定适当的流动性风险管理机制、组织架构、制度与流程、风险限额、压力测试关键假设及应急预案方案等，以保障管理目标的实现；本行资产负债管理委员会负责审议流动性风险管理策略、风险限额、压力测试关键假设等。本行总行资产负债管理部负责拟定集团流动性风险管理政策和程序，并牵头开展流动性风险管理各项定性分析和定量计量监测等具体管理工作。本行总行审计部负责对流动性风险独立开展内部审计。本集团流动性风险偏好审慎，符合监管要求和本集团自身管理需要。

本集团流动性风险管理体系主要分为日常流动性管理体系与应急管理体系，具体内容主要涉及十个方面，分别是政策策略、管理架构、规章制度、管理工具、日常运行、压力测试、系统建设、风险监测、风险报告、应急管理以及应急演练。

报告期内，本集团根据总量平衡、结构均衡的要求，实行分层次的流动性风险前瞻性、主动性管理；对本外币日常头寸账户进行实时监测，对本外币头寸实行集中调拨；建立大额头寸提前申报制度，对流动性总量水平建立监测机制；按日编制现金流缺口表，运用缺口管理方法预测未来财务状况表内外项目现金流缺口变化状况；及时对财务状况表内外项目进行流动性风险评估，根据本集团流动性风险政策和风险限额要求，通过主动融资安排、资产负债组合调整，使本集团的业务发展总量、结构、节奏满足流动性安全的要求。

下表按剩余期限列示的本集团非衍生金融资产和非衍生金融负债为合同规定的未贴现现金流。

	2022年12月31日							合计
	即时偿还	3个月内	3个月至1年	1至5年	5年以上	已逾期	无期限	
资产								
现金及存放中央银行款项	111,023	171	-	-	-	-	345,895	457,089
存放和拆放同业及其他金融机构款项	126,368	98,099	209,369	96,200	-	-	-	530,036
买入返售金融资产	-	111,474	-	-	-	-	-	111,474
发放贷款和垫款	-	1,170,013	1,303,271	1,341,820	1,494,711	93,584	-	5,403,399
金融投资：								
以公允价值计量且其变动计入当期损益的金融投资	568,330	39,621	48,406	38,710	14,595	1,237	19,140	730,039
以摊余成本计量的金融投资	-	44,470	137,783	665,178	538,692	54,108	-	1,440,231
以公允价值计量且其变动计入其他综合收益的金融投资	-	37,630	205,497	369,450	92,898	806	7,870	714,151
其他金融资产	39,680	-	-	-	-	7,804	14,403	61,887
金融资产总额	845,401	1,501,478	1,904,326	2,511,358	2,140,896	157,539	387,308	9,448,306
负债								
向中央银行借款	-	23,745	144,173	-	-	-	-	167,918
同业及其他金融机构存入和拆入款项	564,341	320,733	139,124	5,695	293	-	-	1,030,186
以公允价值计量且其变动计入当期损益的金融负债	91,189	-	-	3,099	493	-	-	94,781
卖出回购金融资产款	-	326,083	24,471	-	-	-	-	350,554
吸收存款	2,117,549	1,172,671	761,414	983,266	10	-	-	5,034,910
已发行债务证券	-	386,202	586,704	341,481	137,072	-	-	1,451,459
租赁负债	-	781	2,072	5,069	435	-	-	8,357
其他金融负债	28,471	1,292	1,529	1,468	720	-	-	33,480
金融负债总额	2,801,550	2,231,507	1,659,487	1,340,078	139,023	-	-	8,171,645
净额	(1,956,149)	(730,029)	244,839	1,171,280	2,001,873	157,539	387,308	1,276,661
衍生金融工具								
-流入	-	147,576	127,188	42,081	97	-	-	316,942
-流出	-	146,786	124,007	40,822	56	-	-	311,671
衍生金融工具净额	-	790	3,181	1,259	41	-	-	5,271
信用承诺	674,372	352,583	705,794	44,719	2,640	-	-	1,780,108

	2021年12月31日							合计
	即时偿还	3个月内	3个月至1年	1至5年	5年以上	已逾期	无期限	
资产								
现金及存放中央银行款项	81,023	-	-	-	-	-	339,973	420,996
存放和拆放同业及其他金融机构款项	76,897	166,260	185,616	9,448	-	-	-	438,221
买入返售金融资产	-	118	-	-	-	-	-	118
发放贷款和垫款	-	1,104,947	1,511,575	1,355,997	1,364,268	58,743	-	5,395,530
金融投资：								
以公允价值计量且其变动计入当期损益的金融投资	424,248	20,285	26,513	34,230	16,904	2,416	7,882	532,478
以摊余成本计量的金融投资	-	118,298	178,310	677,948	544,344	65,286	-	1,584,186
以公允价值计量且其变动计入其他综合收益的金融投资	-	34,245	66,006	341,997	81,907	988	7,082	532,225
其他金融资产	74,364	-	-	-	-	7,657	14,355	96,376
金融资产总额	656,532	1,444,153	1,968,020	2,419,620	2,007,423	135,090	369,292	9,000,130
负债								
向中央银行借款	-	37,130	201,493	-	-	-	-	238,623
同业及其他金融机构存入和拆入款项	523,188	381,407	196,138	8,914	612	-	-	1,110,259
以公允价值计量且其变动计入当期损益的金融负债	29,585	192	-	427	1,076	-	-	31,280
卖出回购金融资产款	-	157,467	17,070	-	-	-	-	174,537
吸收存款	2,122,296	1,079,938	589,597	786,823	6	-	-	4,578,660
已发行债务证券	-	263,560	719,460	277,221	153,747	-	-	1,413,988
租赁负债	-	793	2,152	5,576	634	-	-	9,155
其他金融负债	27,254	1,423	1,764	1,339	602	-	-	32,382
金融负债总额	2,702,323	1,921,910	1,727,674	1,080,300	156,677	-	-	7,588,884
净额	(2,045,791)	(477,757)	240,346	1,339,320	1,850,746	135,090	369,292	1,411,246
衍生金融工具								
-流入	-	134,074	103,023	50,719	67	-	-	287,883
-流出	-	133,046	101,232	50,093	137	-	-	284,508
衍生金融工具净额	-	1,028	1,791	626	(70)	-	-	3,375
信用承诺	621,503	324,264	571,643	50,419	2,912	-	-	1,570,741

4 金融工具的公允价值

(1) 公允价值层次

按照在公允价值计量中对计量整体具有重大意义的最低层次的输入值，公允价值层次可分为：

- 第一层次—相同资产或负债在活跃市场上未经调整的报价。这一层次包括上市的权益证券、债权工具和开放式基金投资。
- 第二层次—除第一层次输入值外相关资产或负债直接或间接可观察的输入值。这一层次包括大部分场外交易的衍生工具和债券。收益率曲线或对手方信用风险的输入值参数的来源是 Thomson Reuters、Bloomberg 和中国债券信息网。
- 第三层次—相关资产或负债的不可观察输入值。这一层次包括权益工具和具有重大非可观察组成部分的债权工具。

(2) 非以公允价值计量的金融工具

财务状况表中不以公允价值计量的金融资产和金融负债主要包括：存放中央银行款项、存放和拆放同业及其他金融机构款项、买入返售金融资产、发放贷款和垫款(以摊余成本计量)、以摊余成本计量的金融投资、向中央银行借款、同业及其他金融机构存入和拆入款项、卖出回购金融资产款、吸收存款、租赁负债和已发行债务证券。

下表列示了本集团在财务状况表日，未按公允价值列示的金融投资—以摊余成本计量的金融投资、已发行债务证券的账面价值以及相应的公允价值。

	2022年12月31日				
	账面价值	公允价值			合计
		第一层次	第二层次	第三层次	
金融资产：					
金融投资—以摊余成本计量的金融投资	1,196,691	-	807,715	398,823	1,206,538
金融负债：					
已发行债务证券	1,330,304	-	1,321,274	-	1,321,274
	2021年12月31日				
	账面价值	公允价值			合计
		第一层次	第二层次	第三层次	
金融资产：					
金融投资—以摊余成本计量的金融投资	1,306,188	-	885,585	438,125	1,323,710
金融负债：					
已发行债务证券	1,317,121	-	1,326,573	-	1,326,573

(i) 金融投资—以摊余成本计量的金融投资

以摊余成本计量的金融投资的公允价值以市场报价为基础，属于第一层次。如果以摊余成本计量的金融投资无法获得相关的市场信息，则使用现金流贴现模型来进行估价，属于第三层次。在适用的情况下，以摊余成本计量的金融投资参照中央国债登记结算有限责任公司、中证指数有限公司或彭博的估值结果来确定，属于第二层次。

(ii) 已发行债务证券

已发行债务证券的公允价值以市场上公开报价为基础。对无法获得市场报价的债券，其公允价值以与该债券的剩余期限匹配类似的实际收益率为基础的，以现金流量贴现法确定计算。

除上述金融资产和金融负债外，在财务状况表中非以公允价值计量的其他金融资产和金融负债采用未来现金流折现法确定其公允价值，由于这些金融工具期限较短，或其利率随市场利率浮动，其账面价值和公允价值无重大差异。

(3) 持续的以公允价值计量的资产和负债

本集团持续的以公允价值计量的资产和负债按上述三个层次列示如下：

	2022年12月31日			合计
	第一层次	第二层次	第三层次	
金融投资：				
以公允价值计量且其变动计 入当期损益的金融投资				
-基金投资	443,577	428	876	444,881
-债券投资	1,609	104,312	853	106,774
-资金信托及 资产管理计划	-	93,655	5,797	99,452
-券商收益凭证	-	20,348	-	20,348
-权益投资	3,844	-	15,296	19,140
-同业存单	-	5,296	-	5,296
-资产支持证券	-	4,683	-	4,683
-理财产品及结构性存款	-	717	1,133	1,850
-其他投资	-	-	6,560	6,560
以公允价值计量且其变动计 入其他综合收益的金融投资				
-债券投资	50,872	490,279	-	541,151
-同业存单	-	91,035	-	91,035
-资产支持证券	-	2,886	-	2,886
-抵债股权	202	-	2,498	2,700
-其他投资	-	-	5,170	5,170
发放贷款和垫款：				
以公允价值计量且其 变动计入其他综合收益				
-贴现	-	399,810	-	399,810
-贸易融资	-	68,727	-	68,727
以公允价值计量且其 变动计入当期损益				
-贸易融资	-	50,961	-	50,961
-贴现	-	9,262	-	9,262
衍生金融资产	-	42,829	-	42,829
金融资产合计	500,104	1,385,228	38,183	1,923,515
衍生金融负债	-	37,526	-	37,526
以公允价值计量且其变动计 入当期损益的金融负债				
-与贵金属相关的金融负 债	84,677	-	-	84,677
-合并结构化主体中其他 份额持有人权益	6,430	101	474	7,005
-与债券卖空相关的金融 负债	3,099	-	-	3,099
金融负债合计	94,206	37,627	474	132,307

	2021年12月31日			合计
	第一层次	第二层次	第三层次	
金融投资：				
以公允价值计量且其变动计入当期损益的金融投资				
-基金投资	392,112	615	2,077	394,804
-债券投资	744	63,378	265	64,387
-资金信托及资产管理计划	-	8,545	6,840	15,385
-券商收益凭证	-	13,437	-	13,437
-权益投资	4,673	-	11,023	15,696
-同业存单	-	9,012	-	9,012
-资产支持证券	-	6,519	-	6,519
-理财产品	-	327	-	327
-其他投资	-	-	6,467	6,467
以公允价值计量且其变动计入其他综合收益的金融投资				
-债券投资	44,831	402,238	-	447,069
-同业存单	-	11,726	-	11,726
-资产管理计划	-	9,198	2	9,200
-资产支持证券	-	5,134	-	5,134
-抵债股权	394	-	2,514	2,908
-其他投资	-	-	4,174	4,174
发放贷款和垫款：				
以公允价值计量且其变动计入其他综合收益				
-贴现	-	459,324	-	459,324
-贸易融资	-	24,868	-	24,868
以公允价值计量且其变动计入当期损益				
-贴现	-	26,595	-	26,595
-贸易融资	-	19,554	-	19,554
衍生金融资产	-	33,773	-	33,773
金融资产合计	442,754	1,094,243	33,362	1,570,359
衍生金融负债	-	29,528	-	29,528
以公允价值计量且其变动计入当期损益的金融负债				
-与贵金属相关的金融负债	18,570	291	-	18,861
-合并结构化主体中其他份额持有人权益	10,702	110	514	11,326
-与债券卖空相关的金融负债	1,093	-	-	1,093
金融负债合计	30,365	29,929	514	60,808

本集团以导致各层次之间转换的事项发生日为确认各层次之间转换的时点。本年无第一层次与第二层次间的转换。

(i) 第二层次的金融工具

没有在活跃市场买卖的金融工具（例如场外衍生工具）的公允价值利用估值技术确定。估值技术尽量利用可观察市场数据（如有），尽量少依赖主体的特定估计。如计算一金融工具的公允价值所需的所有重大输入为可观察数据，则该金融工具列入第二层次。如一项或多项重大输入并非根据可观察市场数据，则该金融工具列入第三层次。

本集团划分为第二层次的金融工具主要包括债券投资、外汇远期及掉期、利率掉期及外汇期权等。人民币债券的公允价值按照中央国债登记结算有限责任公司的估值结果确定，外币债券的公允价值按照彭博的估值结果确定。外汇远期及掉期、利率掉期、外汇期权等采用现金流折现法和布莱尔-斯科尔斯模型等方法对其进行估值。所有重大估值参数均采用可观察市场信息。

(ii) 第三层次的金融工具

本集团上述第三层次资产和负债变动如下：

	以公允价值计 量且其变动计 入当期损益的 <u>金融投资</u>	以公允价值计 量且其变动计 入其他综合收 益的 <u>金融投资</u>	以公允价值计 量且其变动计 入当期损益的 <u>金融负债</u>	<u>合计</u>
2022 年 1 月 1 日	26,672	6,690	(514)	32,848
购入	8,067	996	(747)	8,316
出售或结算	(4,466)	(2)	634	(3,834)
计入损益的利得或损失	242	-	153	395
计入其他综合收益的利得或 损失的变动	-	(16)	-	(16)
2022 年 12 月 31 日	<u>30,515</u>	<u>7,668</u>	<u>(474)</u>	<u>37,709</u>
2022 年 12 月 31 日仍持有的 金融工具计入 2022 年损益 的未实现利得或损失	<u>(303)</u>	<u>-</u>	<u>37</u>	<u>(266)</u>

	以公允价值计 量且其变动计 入当期损益的 <u>金融投资</u>	以公允价值计 量且其变动计 入其他综合收 益的 <u>金融投资</u>	以公允价值计 量且其变动计 入当期损益的 <u>金融负债</u>	<u>合计</u>
2021年1月1日	22,427	6,474	(1,479)	27,422
购入	10,077	1,212	(417)	10,872
出售或结算	(6,546)	(781)	1,013	(6,314)
计入损益的利得或损失	714	-	369	1,083
计入其他综合收益的 利得或损失的变动	-	(215)	-	(215)
2021年12月31日	<u>26,672</u>	<u>6,690</u>	<u>(514)</u>	<u>32,848</u>
2021年12月31日 仍持有的金融工具 计入截至2021年末 损益的未实现利得或 损失的变动	<u>1,344</u>	<u>-</u>	<u>172</u>	<u>1,516</u>

使用重要不可观察输入值的第三层次公允价值计量的相关信息如下：

	2022年 12月31日 <u>公允价值</u>	<u>估值技术</u>	<u>不可观察 输入值</u>
金融投资			
以公允价值计量且其变动计入 当期损益的金融投资			
-基金投资	876	参考最近交易	流动性折扣
-债券投资	853	收益法	贴现率
-资金信托及资产管理计划	5,797	收益法	贴现率
-权益投资	11,736	收益法	贴现率
-理财产品及结构性存款	3,560	参考最近交易	流动性折扣
-其他投资	1,133	参考最近交易	流动性折扣
	<u>6,560</u>	参考最近交易	流动性折扣
	<u>30,515</u>		
以公允价值计量且其变动计入 其他综合收益的金融投资			
-抵债股权	1,704	市场法	流动性折扣-市净率
	794	资产净值法	流动性折扣
-其他投资	956	市场法	流动性折扣-市净率
	4,093	资产净值法	流动性折扣
	121	收益法	贴现率
	<u>7,668</u>		
以公允价值计量且其变动计入 当期损益的金融负债			
-合并结构化主体中其他份额 持有人权益	474	注1	注1

	2021年 12月31日 公允价值	估值技术	不可观察 输入值
金融投资			
以公允价值计量且其变动计入 当期损益的金融投资			
- 基金投资	2,077	参考最近交易	流动性折扣
- 债券投资	265	收益法	贴现率
- 资金信托及资产管理计划	6,840	收益法	贴现率
- 权益投资	6,287	收益法	贴现率
	4,736	参考最近交易	流动性折扣
- 其他投资	6,467	参考最近交易	流动性折扣
	<u>26,672</u>		
以公允价值计量且其变动计入 其他综合收益的金融投资			
- 资产管理计划	2	收益法	贴现率
- 抵债股权	1,464	市场法	流动性折扣-市净率
	924	参考最近交易	流动性折扣
	126	市场法	流动性折扣-市盈率
- 其他投资	1,474	市场法	流动性折扣-市净率
	2,700	资产净值法	流动性折扣
	<u>6,690</u>		
以公允价值计量且其变动计入 当期损益的金融负债			
- 合并结构化主体中其他份额 持有人权益	514	注 1	注 1

注 1: 合并结构化主体中其他份额持有人权益的公允价值是基于结构化主体的净值计算的归属于结构化主体投资人的金额。

5 金融资产与金融负债的抵销

本集团部分金融资产与金融负债遵循可执行的净额结算安排或类似协议。本集团与其交易对手之间的该类协议通常允许在双方同意的情况下以净额结算。如果双方没有达成一致，则以总额结算。但在一方违约前提下，另一方可以选择以净额结算。根据企业会计准则的要求，本集团未对这部分金融资产与金融负债进行抵销。

截至 2022 年 12 月 31 日止，本集团上述遵循可执行的净额结算安排或类似协议的金融资产与金融负债的金额不重大。

6 资本管理

本集团资本管理的基本目标是：

- (1) 资本充足率持续满足监管要求，确保经营的合规性，并在此基础上实现资本总量和结构的优化。
- (2) 确保资本能充分抵御相应的风险，实现本集团经营的安全性，保持充足而合理的资本水平。
- (3) 建立以经济资本为核心的资本配置和管理体系，在集团层面优化资源配置和经营管理机制，实现资本集约化经营，最终实现股东价值最大化。

本集团对资本结构进行管理，并根据经济环境的变化和面临的风险特征，本集团可能将调整资本结构。本集团调整资本结构的方法通常包括调整股利分配、增加资本、发行合格一级资本工具及发行合格二级资本工具等。

我国商业银行应满足《商业银行资本管理办法（试行）》规定的资本充足率要求，核心一级资本充足率不得低于 7.50%，一级资本充足率不得低于 8.50%，资本充足率不得低于 10.50%。

此外，中国人民银行和银保监会已制定《系统重要性银行评估办法》及《系统重要性银行附加监管规定（试行）》，根据上述规定，系统重要性银行在满足最低资本要求、储备资本和逆周期资本要求基础上，还应满足一定的附加资本要求，由核心一级资本满足。系统重要性银行分为五组，第一组到第五组的银行分别适用 0.25%、0.5%、0.75%、1%和 1.5% 的附加资本要求。根据 2022 年 9 月发布的《中国人民银行、中国银行保险监督管理委员会发布 2022 年我国系统重要性银行名单》，本行入选系统重要性银行第二组，故本集团在考虑系统重要性银行附加资本要求后，将于 2023 年 1 月 1 日开始应当满足核心一级资本充足率最低为 8% 的要求。

	本集团	
	2022 年 12 月 31 日	2021 年 12 月 31 日
核心一级资本净额	568,299	548,486
一级资本净额	678,802	658,929
资本净额	843,761	817,715
风险加权资产总额	<u>6,182,036</u>	<u>5,835,947</u>
核心一级资本充足率	9.19%	9.40%
一级资本充足率	10.98%	11.29%
资本充足率	<u>13.65%</u>	<u>14.01%</u>

- (1) 本集团并表资本充足率的计算范围包括境内外分支机构及符合规定的金融机构类附属公司。
- (2) 本集团核心一级资本包括：普通股股本、可转换公司债券权益成份、资本公积可计入部分、盈余公积、一般风险准备、未分配利润、非控制性权益资本可计入核心一级资本部分。
- (3) 本集团核心一级资本监管扣除项目包括其他无形资产（不含土地使用权）扣减与之相关的递延税负债后的净额和商誉扣减与之相关的递延税负债后的净额。
- (4) 本集团其他一级资本包括优先股、无固定期限资本债以及非控制性权益资本可计入其他一级资本部分。
- (5) 本集团二级资本包括：二级资本工具及其溢价可计入金额、超额贷款损失准备，以及非控制性权益资本可计入二级资本部分。
- (6) 风险加权资产包括信用风险加权资产、市场风险加权资产和操作风险加权资产。本集团采用权重法计量信用风险加权资产，采用标准法计量市场风险加权资产，采用基本指标法计量操作风险加权资产。

九 已作质押资产

本集团部分金融资产被用做金融负债的质押物，相关资产的分析如下：

	2022年 12月31日	2021年 12月31日
金融投资	579,699	522,642
票据	105,024	44,167
贷款	648	547
合计	<u>685,371</u>	<u>567,356</u>

十 报告期后事项

1 利润分配方案

本行于2023年4月17日召开董事会，批准了2022年度利润分配的方案并上报年度股东大会审议批准。

2 投资企业股权处置

上投摩根基金管理有限公司由本行控股子公司上海信托和摩根资产管理（英国）有限公司（以下简称“摩根资产（英国）”）于2004年共同出资设立，上海信托持股51%、摩根资产（英国）持股49%。

根据国有资产管理规定，2019年7月上海信托在上海联合产权交易所公开挂牌转让上投摩根2%股权，后由摩根资产以不低于评估价的人民币2.41亿元挂牌价格摘牌；2020年8月上海信托在上海联合产权交易所公开挂牌转让上投摩根49%股权，后由摩根资产以不低于评估价的人民币70亿元挂牌价格摘牌。

于2023年1月19日，中国证监会发布《关于核准上投摩根基金管理有限公司变更股东、实际控制人的批复》（证监许可【2023】151号），核准摩根资产成为上投摩根主要股东；于报告日，上投摩根股权转让交割已完成。

十一 比较数据

为与本年度财务报表列报方式保持一致，若干比较数据已经过重分类。

Shanghai Pudong Development Bank Co., Ltd.

Financial Statements and Auditor's Report
For the year ended 31 December 2021

English Translation of the Financial Statements

IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS
ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

Independent Auditor's Report
To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

KPMG Huazhen Tongzi NO. 2200040

Opinion

We have audited the financial statements of Shanghai Pudong Development Bank Co., Ltd. ("the Bank") and its subsidiaries ("the Group") set out on pages 1 to 140, which comprise the consolidated and the Bank's statement of financial position as at 31 December 2021, the consolidated and the Bank's statement of profit or loss and other comprehensive income, the consolidated and the Bank's statement of changes in equity and the consolidated and the Bank's statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the consolidated and the Bank's financial positions at 31 December 2021 and of its consolidated and the Bank's financial performance and its consolidated and the Bank's cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the IASB. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements regarding audit of financial statements in China, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Independent Auditor's Report

To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.

(incorporated in the People's Republic of China with limited liability)

KPMG Huazhen Tongzi NO. 2200040

Key audit matters (continued)

<p>Measurement of expected credit losses (“ECL”) for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments</p>	
<p>Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.</p>	
<p>The Key Audit Matter</p>	<p>How the matter was addressed in our audit</p>
<p>Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments involves significant management judgments.</p> <p>The Group established internal controls for the ECL measurement.</p>	<p>Our audit procedures to assess ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of the key internal controls over financial reporting related to ECL measurement for loans and advances to customers, financial investment at amortized cost, financial guarantees and loan commitments: <ul style="list-style-type: none"> - Understanding and evaluating the design and operating effectiveness of the key internal controls of the financial reporting process, including credit approval, recording, monitoring, periodic re-evaluation of credit grading, and the accrual of loss allowance; in particular, we assessed the design and operating effectiveness of the key internal controls over financial reporting related to the classification of loans by credit quality across all stages, financial investment at amortized cost, credit quality of financial guarantees and loan commitments; - Understanding and evaluating the design and operating effectiveness of information system controls, including: general information technology control, completeness of key internal historical data, inter-system data transmission, mapping of parameters of ECL model, and system calculation logic of loss allowance for ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments, based on the works of our Information Technology Risk Management (“IRM”) Specialists and Financial Risk Management (“FRM”) Specialists;

Key audit matters (continued)

Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments (continued)	
Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group assesses whether the credit risks of loans and advances to customers, financial investments at amortized cost and financial guarantees and loan commitments have increased significantly since their initial recognition, and applies a three – stage impairment model to measure their ECL. For loans and advances to customers, financial investments at amortized cost and financial guarantees and loan commitments, management assesses loss allowance using the risk parameter modelling approach that incorporates key parameters, including probability of default, loss given default, exposure at default and discount rates.</p>	<ul style="list-style-type: none"> • Evaluating the reliability of ECL models and parameters used, including prudently evaluating probability of default, loss given default, exposure at default, discount rate, forwar adjustment and other adjustment factors, and evaluating the reasonableness of key management judgments involved, based on the work of FRM Specialists including whether the macro-economy condition under the impact of COVID-19 has been taken into account or not; • Evaluating the completeness and accuracy of key data used by the ECL models. For key internal data related to the original business files, we compared the respective amount of loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments used by the management to evaluate the loss allowances with the general ledger amounts, in order to assess the completeness of lists. Select samples and compare the information of the loans and advances to customers and financial investment at amortized cost, financial guarantees and loan commitments with relevant agreements and other relevant documents to assess the accuracy of the lists. For key external data, we compared it with public information to check its accuracy; • Evaluating key parameters involving subjective judgments by seeking evidence from external sources and comparing it with internal records including historical loss scenarios and security types. As part of these procedures, we inquired management about the reasons for modifications of key estimates and parameters input, and assessed the consistency of judgement used by management;

Key audit matters (continued)

Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments (continued)	
Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>The measurement models of expected credit losses involves significant management judgments and assumptions, primarily including the following:</p> <p>(4) Division of business operations sharing similar credit risk characteristics into the same group, selection of appropriate models and determination of relevant key parameters;</p> <p>(5) Criteria for determining a significant increase in credit risk, default and credit impairments;</p> <p>(6) Application of economic indicators for prospective measurement, economic scenarios and their respective weightings.</p> <p>The economic impacts of COVID-19 have increased the estimation uncertainties of the assumption related to accounting estimates.</p>	<ul style="list-style-type: none"> • Comparing the predictive economic indicators used by the management to measure the ECL in the previous year with the actual situation of the current year to consider whether there are indicators of management bias; • For key internal data which was generated by the system calculation, we selected samples and compared the input data used in the system with the original business files to evaluate the accuracy of the data input. In addition, based on the work of IRM Specialists, we selected samples and tested the logic of preparing overdue information of loans and advances to customers; • Selecting samples to assess the reasonableness of management judgement on whether the credit risk has increased significantly since initial recognition and whether credit impairment has occurred. We analysed the loan portfolio by industry sector to select samples in industries sensitive to the current business cycle and regulatory policies. We also focused on loans with perceived higher risk and selected samples from non-performing loans, overdue but performing loans and borrowers with warning signs, adverse press coverage or split ratings. On the basis of sample selection, we reviewed the business documents, checked the overdue information, inquired customer managers about the operation conditions of borrowers, checked the financial information of the borrower and searched for market information about the borrower's business and operation.

Independent Auditor’s Report
To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.
(incorporated in the People’s Republic of China with limited liability)

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Key audit matters (continued)

Measurement of ECL for loans and advances to customers, financial investments at amortized cost, financial guarantees and loan commitments (continued)	
Refer to Notes II.4(8)(vi), III.13, III.14(b), III.27, VIII.1(1), VIII.1(3), VIII.1(4) and VIII.1(5) to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
Measurement of ECL for loans and advances to customers, financial investment at amortized cost, financial guarantees and loan commitments is subject to inherent uncertainty and involves management judgments, and has an important influence on operation conditions and capital positions of the Group. In view of these reasons, we identified ECL measurement as a key audit matter.	<ul style="list-style-type: none"> • Performing credit reviews for the selected credit impaired loans and advances to customers and financial investment at amortized cost by assessing the forecast of recoverable cash flows through inquiry, applying professional judgment and performing independent research. We also evaluated the timing and realisation method of collaterals and considered other sources of repayment asserted by the management. We Assessed the consistency of the application of key assumptions made by the management and compared the assumptions with our data sources; • Selecting samples and reviewing the calculation of ECL to assess the application of ECL model by the Group; • According to the relevant accounting standards, evaluate the reasonableness of the information disclosure of financial statements in terms of loans and advances to customers, financial investments measured at amortised cost, financial guarantee contracts and loan commitments.

Key audit matters (continued)

Consolidation of structured entities	
Refer to Notes II.4(1) and III.37 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.</p> <p>The Group may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity, through issuing a wealth management product, an asset-backed security, a trust plan, an asset management plan or a securities investment fund.</p>	<p>Our audit procedures to assess the recognition of interests in and consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> • Making enquiries of management and inspecting documents relating to the judgment process over whether a structured entity is consolidated or not to assess whether the Group has a robust process in this regard; • Selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected: <ul style="list-style-type: none"> - Inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity; - Inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity;

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Key audit matters (continued)

Consolidation of structured entities (continued)	
Refer to Notes II.4(1) and III.37 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>In determining whether the Group should retain any partial interests in a structured entity or should consolidate a structured entity, management is required to consider the risks and rewards retained, the power the Group is able to exercise over the activities of the entity and its ability to influence the Group’s own returns from the entity. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.</p> <p>We identified the recognition of interests in and consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and nature of each entity.</p>	<ul style="list-style-type: none"> • Selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected (continued): <ul style="list-style-type: none"> - Evaluating management’s analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group’s economic interests in the structured entity, to assess management’s judgement over the Group’s ability to influence its own returns from the structured entity; - Assessing management’s judgement over whether the structured entity should be consolidated or not; • Evaluating the disclosures relating to structured entities in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

Key audit matters (continued)

Assessment of the fair value of financial instruments	
Refer to Notes II.4(8), II.4(22) and VIII.4 to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
<p>Financial instruments carried at fair value account for a significant part of the Group's assets and liabilities. The effect of fair value adjustments of financial instruments may impact either the profit or loss or other comprehensive income.</p> <p>The valuation of the Group's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation techniques for which use quoted market prices and observable inputs, respectively. Where such observable data is not readily available, as in the case of level 3 financial instruments, then estimates need to be developed which can involve significant management judgement.</p> <p>The Group has developed its own models to value certain level 2 and level 3 financial instruments, which also involve significant management judgement.</p> <p>We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the degree of judgement exercised by management in determining the inputs used in the valuation models.</p>	<p>Our audit procedures to assess the fair value of financial instruments included the following:</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification, front office and back office reconciliations and model approval for financial instruments; • Assessing the level 1 fair values, on a sample basis, by comparing the fair values applied by the Group with publicly available market data; • Engaging our Financial Risk Management specialists to assist us in performing independent valuations, on a sample basis, of level 2 and level 3 financial instruments and comparing our valuations with the Group's valuations. Our procedures included comparing the valuation model of the Group with the industry-wide accepted valuation methodology, developing parallel models, obtaining inputs independently and verifying the inputs; • Assessing the appropriate application of fair value adjustment that form an integral part of fair values, inquiring of management about any changes in the fair value adjustment methodologies and assessing the appropriateness of the inputs applied; and • Assessing whether the disclosures in the consolidated financial statements appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

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Other Information

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

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

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

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

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by IASB, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report

To the Shareholders of Shanghai Pudong Development Bank Co., Ltd.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report
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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shi Hai Yun.

KPMG Huazhen LLP

Beijing, the People's Republic of China
April 26, 2022

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Statement of Profit or Loss
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Interest income		300,693	294,985	295,132	290,103
Interest expense		(164,735)	(156,404)	(161,564)	(153,741)
Net interest income	III.1	135,958	138,581	133,568	136,362
Fee and commission income		39,847	44,257	35,488	40,158
Fee and commission expense		(10,713)	(10,311)	(10,778)	(10,409)
Net fee and commission income	III.2	29,134	33,946	24,710	29,749
Net trading profit or loss	III.3	20,115	17,620	19,125	15,051
Net gains or losses arising from financial investments	III.4	2,276	3,219	2,332	3,208
Other net operating income		3,417	3,055	586	729
Operating expenses	III.5	(53,708)	(50,425)	(48,830)	(46,097)
Impairment losses	III.6	(78,344)	(79,553)	(77,188)	(77,331)
Share of profits from associates and joint ventures		223	146	190	130
Profit before income tax		59,071	66,589	54,493	61,801
Income tax expense	III.7	(5,305)	(7,665)	(4,184)	(6,680)
Net profit		53,766	58,924	50,309	55,121
Net profit attributable to:					
Shareholders of the Bank		53,003	58,261	50,309	55,121
Non-controlling interests		763	663	-	-
Earnings per share attributable to the shareholders of the Bank:					
Basic earnings per share (expressed in RMB)	III.8	1.62	1.88		
Diluted earnings per share (expressed in RMB)	III.8	1.50	1.73		

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Statement of Comprehensive Income
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		2021	2020	2021	2020
Net profit		53,766	58,924	50,309	55,121
Other comprehensive income	III.34				
<i>Items that may be reclassified to profit or loss</i>					
Changes in fair value of other debt investments		1	-	1	-
Changes in fair value of debt investments at fair value through other comprehensive income		(437)	(3,529)	(102)	(3,401)
Credit impairment allowance of debt investments at fair value through other comprehensive income		(673)	755	(439)	484
Cash flow hedge reserve		29	(4)	5	2
Exchange differences from the translations of foreign operations		(101)	(184)	7	(61)
<i>Item that will not be reclassified to profit or loss</i>					
Changes in fair value of equity investments at fair value through other comprehensive income		28	(345)	28	(345)
Other comprehensive income, net of tax		(1,153)	(3,307)	(500)	(3,321)
Total comprehensive income		52,613	55,617	49,809	51,800
Total comprehensive income attributable to:					
Shareholder of the Bank		51,848	54,970	49,809	51,800
Non-controlling interests		765	647	-	-

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Financial position
as at 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Assets					
Cash and deposits with central bank	III.9	420,996	489,088	416,110	484,262
Deposits and placements with banks and other financial institutions	III.10	433,781	385,927	425,421	382,406
Precious metals		13,151	44,969	13,151	44,969
Derivative financial assets	III.11	33,773	63,589	33,756	63,589
Financial assets purchased under resale agreements	III.12	117	36,526	101	36,526
Loans and advances to customers	III.13	4,690,954	4,430,228	4,594,234	4,339,333
Financial investments:	III.14				
-Financial investments at fair value through profit or loss		526,034	549,149	487,998	514,468
-Financial investments at amortized cost		1,306,188	1,169,777	1,304,324	1,167,536
-Financial investments at fair value through other comprehensive income		486,701	583,621	482,376	577,343
Investments in associates and joint ventures	III.15	2,819	2,401	2,513	2,127
Investments in controlled subsidiaries		-	-	24,307	24,307
Fixed assets	III.16	38,708	32,364	18,308	16,250
Right-of-use assets	III.17	8,560	8,446	8,118	8,005
Intangible assets	III.18	10,538	10,523	8,239	8,234
Goodwill	III.19	6,981	6,981	-	-
Deferred income tax assets	III.20	58,962	52,358	57,542	51,049
Other assets	III.21	98,494	92,210	92,763	85,388
Total assets		8,136,757	7,958,157	7,969,261	7,805,792

The notes on pages 13 to 140 form an intergral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Financial position (continued)
as at 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Liabilities					
Borrowing from central bank		236,317	274,346	235,223	272,964
Deposits and placements from banks and other financial institutions	III.22	1,106,775	1,365,572	1,035,278	1,310,056
Financial liabilities at fair value through profit or loss	III.23	31,280	16,057	19,954	6,067
Derivative financial liabilities	III.11	29,528	61,146	29,507	61,137
Financial assets sold under repurchase agreements	III.24	174,219	232,346	170,038	225,425
Deposits from customers	III.25	4,463,608	4,122,407	4,431,975	4,090,341
Income tax payable		25,170	23,804	24,703	23,153
Debt securities issued	III.26	1,317,121	1,140,653	1,303,891	1,127,379
Deferred income tax liabilities	III.20	638	689	-	-
Lease liabilities	III.17	8,451	8,544	7,993	8,088
Provisions	III.27	6,275	5,280	6,272	5,276
Other liabilities	III.28	59,157	62,097	50,076	51,923
Total liabilities		7,458,539	7,312,941	7,314,910	7,181,809

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Financial position (continued)
as at 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Equity					
Share capital	III.29	29,352	29,352	29,352	29,352
Other equity instruments	III.30	112,691	112,691	112,691	112,691
Capital reserves	III.31	81,762	81,761	81,712	81,711
Surplus reserves	III.32	159,292	142,739	159,292	142,739
General risk reserve	III.33	90,993	79,640	89,000	78,000
Other reserves	III.34	2,821	3,976	2,849	3,349
Retained earnings	III.35	193,096	187,441	179,455	176,141
Equity attributable to the shareholders of the Bank		670,007	637,600	654,351	623,983
Non-controlling interests		8,211	7,616	-	-
Total equity		<u>678,218</u>	<u>645,216</u>	<u>654,351</u>	<u>623,983</u>
Total liabilities and equity		<u>8,136,757</u>	<u>7,958,157</u>	<u>7,969,261</u>	<u>7,805,792</u>

These financial statements were approved for issue by the Board of Directors of the Bank on April 26, 2022.

Chairman of the board of the directors: Zheng Yang

President:
Pan Weidong

Chief Financial Officer:
Wang Xinhao

Head of the finance and accounting department:
Li Lianquan

The notes on pages 13 to 140 form an intergral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Changes in Equity
as at 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	<u>Equity attributable to the shareholders of the Bank</u>							<u>Subtotal</u>	<u>Non-controlling interests</u>	<u>Total</u>
	<u>Ordinary Shares</u>	<u>Other equity instruments</u>	<u>Capital reserves</u>	<u>Surplus reserves</u>	<u>General risk reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>			
Balance at 1 January 2021	29,352	112,691	81,761	142,739	79,640	3,976	187,441	637,600	7,616	645,216
Net profit	-	-	-	-	-	-	53,003	53,003	763	53,766
Other comprehensive income	-	-	-	-	-	(1,155)	-	(1,155)	2	(1,153)
Total comprehensive income	-	-	-	-	-	(1,155)	53,003	51,848	765	52,613
Equity increase due to issuance of convertible bonds	-	-	1	-	-	-	-	1	-	1
Appropriation to surplus reserves	-	-	-	16,553	-	-	(16,553)	-	-	-
Appropriation to general risk reserves	-	-	-	-	11,353	-	(11,353)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(14,089)	(14,089)	-	(14,089)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
Interests payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(170)	(170)
Balance at 31 December 2021	<u>29,352</u>	<u>112,691</u>	<u>81,762</u>	<u>159,292</u>	<u>90,993</u>	<u>2,821</u>	<u>193,096</u>	<u>670,007</u>	<u>8,211</u>	<u>678,218</u>

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's statement of Changes in Equity (continued)
as at 31 December 2020
(Expressed in millions of RMB unless otherwise stated)

	<u>Equity attributable to the shareholders of the Bank</u>							<u>Subtotal</u>	<u>Non-controlling interests</u>	<u>Total</u>
	<u>Ordinary Shares</u>	<u>Other equity instruments</u>	<u>Capital reserves</u>	<u>Surplus reserves</u>	<u>General risk reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>			
Balance at 1 January 2020	29,352	62,698	81,760	125,805	76,249	7,267	170,197	553,328	7,191	560,519
Net profit	-	-	-	-	-	-	58,261	58,261	663	58,924
Other comprehensive income	-	-	-	-	-	(3,291)	-	(3,291)	(16)	(3,307)
Total comprehensive income	-	-	-	-	-	(3,291)	58,261	54,970	647	55,617
Issuance of capital bonds with unfixed terms	-	49,993	-	-	-	-	-	49,993	-	49,993
Equity increase due to issuance of convertible bonds	-	-	1	-	-	-	-	1	-	1
Non-controlling interests change due to subsidiaries' capital increase	-	-	-	-	-	-	-	-	-	-
Appropriation to surplus reserves	-	-	-	16,934	-	-	(16,934)	-	-	-
Appropriation to general risk reserves	-	-	-	-	3,391	-	(3,391)	-	-	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(17,611)	(17,611)	-	(17,611)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,662)	(1,662)	-	(1,662)
Interests payment of perpetual bond	-	-	-	-	-	-	(1,419)	(1,419)	-	(1,419)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(222)	(222)
Balance at 31 December 2020	<u>29,352</u>	<u>112,691</u>	<u>81,761</u>	<u>142,739</u>	<u>79,640</u>	<u>3,976</u>	<u>187,441</u>	<u>637,600</u>	<u>7,616</u>	<u>645,216</u>

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
The Bank's statement of Changes in Equity (continued)
as at 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	<u>Share capital</u>	<u>Other equity instruments</u>	<u>Capital reserves</u>	<u>Surplus reserves</u>	<u>General risk reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2021	29,352	112,691	81,711	142,739	78,000	3,349	176,141	623,983
Net profit	-	-	-	-	-	-	50,309	50,309
Other comprehensive income	-	-	-	-	-	(500)	-	(500)
Total comprehensive income	-	-	-	-	-	(500)	50,309	49,809
Equity increase due to issuance of convertible bonds	-	-	1	-	-	-	-	1
Appropriations to surplus reserves	-	-	-	16,553	-	-	(16,553)	-
Appropriations to general risk reserve	-	-	-	-	11,000	-	(11,000)	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(14,089)	(14,089)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,559)	(1,559)
Interests payment of perpetual bond	-	-	-	-	-	-	(3,794)	(3,794)
Balance at 31 December 2021	29,352	112,691	81,712	159,292	89,000	2,849	179,455	654,351

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
The Bank's statement of Changes in Equity (continued)
as at 31 December 2020
(Expressed in millions of RMB unless otherwise stated)

	<u>Share capital</u>	<u>Other equity instruments</u>	<u>Capital reserves</u>	<u>Surplus reserves</u>	<u>General risk reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2020	29,352	62,698	81,710	125,805	74,900	6,670	161,746	542,881
Net profit	-	-	-	-	-	-	55,121	55,121
Other comprehensive income	-	-	-	-	-	(3,321)	-	(3,321)
Total comprehensive income	-	-	-	-	-	(3,321)	55,121	51,800
Issuance of capital bonds with unfixed terms	-	49,993	-	-	-	-	-	49,993
Equity increase due to issuance of convertible bonds	-	-	1	-	-	-	-	1
Appropriations to surplus reserves	-	-	-	16,934	-	-	(16,934)	-
Appropriations to general risk reserve	-	-	-	-	3,100	-	(3,100)	-
Cash dividends paid to ordinary shareholders	-	-	-	-	-	-	(17,611)	(17,611)
Cash dividends paid to preference shareholders	-	-	-	-	-	-	(1,662)	(1,662)
Interests payment of perpetual bond	-	-	-	-	-	-	(1,419)	(1,419)
Balance at 31 December 2020	<u>29,352</u>	<u>112,691</u>	<u>81,711</u>	<u>142,739</u>	<u>78,000</u>	<u>3,349</u>	<u>176,141</u>	<u>623,983</u>

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Cash Flow Statements
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	The Group		The Bank	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax	59,071	66,589	54,493	61,801
Adjustment for:				
Depreciation and amortization	7,261	6,736	6,004	5,541
Interest expense on lease liability	316	317	300	298
Assets impairment losses	78,344	79,553	77,188	77,331
Interest expense from debt securities issued	38,664	32,375	38,163	31,851
Interest income from financial investments	(64,623)	(61,795)	(64,144)	(61,321)
Net profit or loss on disposal of fixed assets	(26)	8	(26)	8
Share of profits from associates and joint ventures	(223)	(146)	(190)	(130)
Unrealized profit or loss on derivative financial instruments	(1,638)	(5,079)	(1,638)	(5,079)
Net profit or loss arising from financial investments	(2,276)	(3,219)	(2,332)	(3,208)
Net trading profit or loss	(9,865)	(8,386)	(9,250)	(6,934)
Foreign exchange gain or loss arising from investing and financing activities	(2)	13	(1)	12
Changes in operating assets:				
Statutory reserves with central bank	(704)	25,164	(736)	24,772
Deposits and placements with banks and other financial institutions	(43,360)	(66,608)	(41,022)	(64,018)
Financial assets held for trading	(5,512)	(22,022)	(600)	(18,485)
Financial assets purchased under resale agreements	(57)	832	(58)	832
Loans and advances to customers	(324,198)	(571,450)	(318,587)	(553,977)
Other operating assets	11,638	(29,797)	14,053	(26,267)

The notes on pages 13 to 140 form an intergral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Cash Flow Statements (continued)
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	The Group		The Bank	
	2021	2020	2021	2020
Cash flows from operating activities (continued)				
Changes in operating liabilities:				
Borrowing from central bank	(37,284)	40,593	(36,997)	39,700
Deposits and placements from banks and other financial institutions	(257,708)	201,968	(273,634)	183,386
Financial assets sold under repurchase	(58,097)	4,810	(55,357)	(2,111)
Deposits from customers	326,572	448,631	327,094	444,637
Other operating liabilities	35,845	3,194	35,034	430
Cash (used in)/generated from operating activities before income tax payment	(247,862)	142,281	(252,243)	129,069
Income tax paid	(9,330)	(12,613)	(8,802)	(11,378)
Net cash (used in)/generated from operating activities	(257,192)	129,668	(261,045)	117,691
Cash flows from investing activities				
Proceeds from disposal and redemption of investments	1,556,457	1,926,503	1,552,560	1,887,873
Investment income received	73,018	85,243	72,096	84,681
Proceeds from disposal of fixed assets	425	309	130	242
Purchase of fixed assets, intangible assets and other long-term assets	(11,285)	(5,792)	(5,595)	(4,510)
Purchase of investment	(1,575,875)	(2,147,940)	(1,575,192)	(2,096,373)
Net cash generated from /(used in) investing activities	42,740	(141,677)	43,999	(128,087)

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Consolidated and the Bank's Cash Flow Statements (continued)
For the year ended 31 December 2021
(Expressed in millions of RMB unless otherwise stated)

	The Group		The Bank	
	2021	2020	2021	2020
Cash flows from financing activities				
Proceeds from issuance of bonds and interbank deposits	1,346,368	1,366,158	1,341,374	1,362,056
Repayment of bonds and interbank deposits issued	(1,170,787)	(1,179,103)	(1,165,786)	(1,176,093)
Cash paid for dividends, profit and interest of bond issued	(57,392)	(52,921)	(56,684)	(52,175)
Proceeds from other financing activities	(3,324)	(3,283)	(3,191)	(3,419)
Net cash generated from financing activities	114,865	130,851	115,713	130,369
Effect of exchange rate changes on cash and cash equivalents	(2,905)	(5,308)	(3,730)	(5,195)
Net (decrease)/increase in cash and cash equivalents	(102,492)	113,534	(105,063)	114,778
Cash and cash equivalents at the beginning of the year	318,618	205,084	312,615	197,837
Cash and cash equivalents at the end of the year	216,126	318,618	207,552	312,615
Cash flows from operating activities include:				
Interest received	248,518	247,891	241,904	242,799
Interest paid	(113,391)	(111,896)	(110,780)	(110,067)
Composition of cash and cash equivalents:				
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash	5,470	5,356	5,338	5,214
Surplus reserves with central bank	73,454	143,283	70,405	140,336
Deposits and placements with banks and other financial institutions with original maturities no more than three months	137,167	133,484	131,791	130,570
Financial assets purchased under resale agreements with original maturities no more than three months	35	36,495	18	36,495
Total	216,126	318,618	207,552	312,615

The notes on pages 13 to 140 form an integral part of these financial statements.

Shanghai Pudong Development Bank Co., Ltd.
Notes to the financial statements
(Expressed in millions of RMB unless otherwise stated)

I General Information

Shanghai Pudong Development Bank Co., Ltd. (the “Bank”) is a joint-stock commercial bank incorporated in Shanghai, the People’s Republic of China (“the PRC”) on 28 August 1992 in accordance with the approval from the People’s Bank of China (“the PBOC” or “Central Bank”) (Yin Fu [1992] No.350). The Address of the head office is 12 First East Zhongshan Road, Shanghai. The Bank obtained its business licence from Shanghai Municipal Administration of Industry and Commerce on 19 October 1992 and commenced its business on 9 January 1993. On 10 November 1999, the Bank’s share capital denominated in RMB were listed and traded on the Shanghai Stock Exchange.

The unified social credit code of the Bank is 9131000013221158XC, and the financial service certificate No. of the Bank is B0015H131000001.

The Bank and its subsidiaries (collectively referred to as “the Group”) are mainly engaged in financial businesses. The scope of business mainly includes commercial banking services, financial leasing businesses and trust services approved by the PBOC and the China Banking and Insurance Regulatory Commission (the “CBIRC”), investment banking and fund management business defined by relevant licenses issued by Securities & Futures Commission of Hong Kong. The Bank’s principal regulator is the CBIRC. The Bank’s overseas branches and subsidiaries are subject to the supervision by local regulators.

The major subsidiaries are consolidated in the Bank’s financial statements are disclosure in Note III. 38(1).

II Basis of preparation and accounting policies

1. Basis of preparation

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

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and Interpretations promulgated by the International Accounting Standards Board (“IASB”), on the basis of going concern.

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets and financial liabilities measured at fair value through profit or loss (“FVTPL”) and financial assets measured at fair value through other comprehensive income (“FVOCI”), as further explained in the respective accounting policies below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note II. 4(30).

2. Changes in significant accounting policies

The IASB has issued the following amendments to IFRSs (including International Accounting Standards (“IASs”), and its amendments) that are effective in 2021 and relevant to the Group’s operation.

- *IFRS 9 - Financial Instruments*,
- *IAS 39 - Financial Instruments: Recognition and measurement*,
- *IFRS 7 - Financial Instruments: Disclosures: Interest Rate Benchmark Reform*,
- *IFRS 14 - Regulatory Deferral Accounts*
- *IFRS 16 – Leasing (Revised) Interest rate benchmark reform - Phase 2*

The above new or amended IFRSs that are effective in 2021 has been initially adopted in the financial report. The initial adoption of the above amendments did not have any material impact on the financial position and financial performance of the Group.

3. Impact of issued but not yet effective International Financial Reporting Standards

The Group has not adopted the following new and revised IFRSs and IASs issued but not yet effective in the financial statements.

<p>Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 14 and IFRS 16, ⁽¹⁾ Amendments to IFRS 3⁽¹⁾ Amendments to IAS 16⁽¹⁾</p>	<p>Interest Rate Benchmark Reform-Phase 2 Reference to the Conceptual Framework Property, Plant and Equipment: Proceeds before Intended Use</p>
<p>Amendments to IAS 37⁽¹⁾</p>	<p>Onerous Contracts - Cost of Fulfilling a Contract</p>
<p>Amendments to IFRS 1</p>	<p>Annual Improvements to IFRSs 2018-2020 Cycle⁽²⁾</p>
<p>Amendments to IFRS 9 Amendments to IFRS 16 and IFRS 41 Amendments to IFRS 17⁽²⁾ Amendments to IAS 1⁽²⁾</p>	<p>Insurance Contracts and amendments Classification of liabilities as current or Non-current</p>
<p>Amendments to IAS 1⁽²⁾ and IFRS 2 Amendments to IFRS 8⁽²⁾</p>	<p>Disclosure of accounting policies Definition of accounting</p>
<p>estimate Amendments to IFRS 12⁽²⁾ assets and</p>	<p>Deferred tax related to</p>
<p>Amendments to IFRS 10 and IAS 28⁽⁴⁾</p>	<p>liabilities arising from single transaction Sale or contribution of assets between an investor and its associate or joint venture</p>

(1) Effective for accounting periods beginning on or after 1 January 2022.

(2) Effective for accounting periods beginning on or after 1 January 2023.

(3) Effective date to be determined.

The Group is in the process of making an assessment of what the impact of these amendments and improvements is expected to have on the financial position and financial performance of the Group.

4. Summary of significant accounting policies

(1) Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity if it is exposed, or has rights, to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an entity.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and any unrealised profit or loss arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less impairment losses (see Note II. 4(20)).

(2) Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to a parent.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

(3) Associates and joint ventures

An associate is an entity in which the Group or Bank has significant influence.

A joint venture is an arrangement whereby the Group or Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

The Group's investments in associates or joint ventures are accounted for under the equity method of accounting. Under the equity method, an investment in an associate or joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate or joint venture, less any impairment losses. The consolidated statement of profit or loss reflects the share of the results of operations of the associate or joint venture. Where there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of

changes in equity. Under the equity method, unrealised profits and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures.

In the Bank's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see Note II.4(20)).

(4) Functional currency

The Group's functional currency is Renminbi and these financial statements are presented in Renminbi. Items included in the financial statements of each of the Group's operations overseas are measured using the currency of the primary economic environment in which the entity operates. Their financial statements have been translated based on the accounting policy set out in Note II.4(5).

(5) Foreign currency translation

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates or rates that approximate the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. For monetary items denominated in foreign currency and classified as financial assets measured at fair value and whose changes are included in other comprehensive income, the foreign currency translation difference is decomposed into the translation difference caused by the change of amortized cost and the translation difference caused by the change of other book amounts of these items. The translation difference arising from the change of amortized cost is included in the current profit and loss, and the translation difference arising from the change of other carrying amount is included in other comprehensive income. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets.

Non-monetary items that are measured at historical cost in a foreign currency are still translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The exchange differences are recognised in profit or loss or in other comprehensive income, depending on the nature of non-monetary items.

As at the end of the reporting period, the assets and liabilities of foreign operations are translated into the presentation currency of the Bank at the exchange rates ruling at the end of the reporting period. All items within equity except for retained profits are translated at the exchange rates ruling at the dates of the initial transactions. Income and expenses in the statement of profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the above translation are taken to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(6) Criteria for determining cash and cash equivalents

Cash and cash equivalents refer to cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(7) Precious metals

Precious metals comprise gold, silver and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in the statement of profit or loss.

(8) Financial instruments

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

(i) *Recognition and initial measurement of financial assets and financial liabilities*

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

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

(ii) *Classification and subsequent measurement of financial assets*

(a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

(b) Subsequent measurement of financial assets

- Financial assets measured at FVTPL

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

- Financial assets measured at amortised cost

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

- Debt investments measured at FVOCI

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

Equity investments measured at FVOCI

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

(iii) *Classification and subsequent measurement of financial liabilities*

- Financial liabilities at FVTPL

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

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless:

- The financial liability is part of a hedging relationship;

The financial liability is a financial liability designated at fair value through profit or loss, and changes in fair value arising from changes in the Bank's credit risks are included in other comprehensive income.

- Other financial liabilities

Other financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities, financial guarantee contracts and loan commitments arising from transfers of financial assets that do not qualify for the derecognition conditions or continue to be involved in the transferred financial assets

(iv) *Offsetting*

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

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

(v) *Derecognition of financial assets and financial liabilities*

Financial asset is derecognised when one of the following conditions is met:

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

The financial assets have been transferred. If the group neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, and retains the control over the financial assets, the relevant financial assets shall be recognized according to the degree of continuous involvement in the transferred financial assets, and the corresponding liabilities shall be recognized.

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

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

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

(vi) *Impairment of financial assets*

The Group recognises loss allowances for expected credit loss (“ECL”) on:

- Financial assets measured at amortised cost;
- Contract assets;
- Debt instruments measured at FVOCI;
- Loan commitments and financial guarantee contracts; and
- Lease receivables.

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

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses for financial instruments with a risk of default. Credit losses are measured as the present value of all cash shortfalls which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

The Group’s method of measuring ECL of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

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

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

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

Refer to Note VIII.1(3) for more detailed explanations of measuring ECL.

Presentation of allowance for ECL

ECL are remeasured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for financial instruments measured at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account; for debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income. For loan commitments and financial guarantee contracts that are not measured at fair value and whose changes are included in current profits and losses, the Group recognizes loss reserves in estimated liabilities (Refer to Note III 27).

Write-off

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

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

(vii) *Modification of financial asset contracts*

In some cases (such as renegotiating loans), the Group may renegotiate or otherwise modify the financial assets contracts. The Group would assess or renegotiate whether or not the new contractual terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset under the revised terms.

If the modified contract terms do not change substantially, but lead to changes in the contract cash flow, when assessing whether the credit risk of relevant financial instruments has increased significantly, the group shall recalculate the book balance of the financial assets and record the relevant gains or losses into the current profits and losses. The recalculated book balance of the financial asset shall be determined according to the present value of the modified or renegotiated contract cash flow discounted at the original effective interest rate of the financial asset (or the purchased or originated financial asset with credit impairment shall be discounted at the effective interest rate adjusted by credit). For all costs or expenses incurred in modifying or renegotiating the contract, the group adjusts the book value of the modified financial asset and amortizes it within the remaining period of the modified financial asset. When assessing whether the credit risk of relevant financial instruments has increased significantly, the group compares the risk of default on the balance sheet date based on the changed contract terms with the risk of default on the initial recognition based on the original contract terms.

(viii) *Equity instrument*

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

(9) Financial guarantee contracts and loan commitments

Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

The financial guarantee contract shall be initially recognized at fair value on the date of providing the guarantee. After initial recognition, the relevant income of the financial guarantee contract shall be amortized and included in the current profit and loss in accordance with the accounting policies described in Note II. 4(25). Financial guarantee liabilities are subsequently measured according to the higher of the amount of loss reserves determined according to the impairment principle of financial instruments (Refer to Note II, 4(8)) and the balance of its initially recognized amount after deducting the accumulated amortization of the income related to the financial guarantee contract.

Loan commitments

Loan commitment refers to the definite commitment to provide credit according to the pre-defined terms and conditions.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

The Group's expected credit losses of financial guarantees and loan commitments are presented as "provisions".

(10) Derivatives and hedge accounting

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments with positive fair value are recognized as an asset, and those with negative fair value are recognized as a liability.

If the main contract included in the hybrid contract is an asset within the scope of financial instrument standards, the embedded derivative will no longer be separated from the main contract of financial assets, but the relevant provisions on the classification of financial assets will be applied to the hybrid financial instruments as a whole. If the main contract included in the hybrid contract is not an asset within the scope of the financial instrument standard, when some embedded derivative financial instruments are not closely related to the economic characteristics and risks of their main contract, the separate instrument with the same terms as the embedded derivative meets the definition of derivative financial instrument, and the hybrid instrument is not measured at fair value and its changes are included in the current profit and loss, Then the embedded derivative financial instrument shall be separated from the hybrid contract and treated as an independent derivative financial instrument. These embedded derivative financial

instruments are measured at fair value, and the changes in fair value are included in the current profit and loss.

If the profits and losses derived from the changes in the fair value of derivative financial instruments do not meet the requirements of hedge accounting, they shall be directly included in the current profits and losses.

Hedge accounting

Hedge accounting is a method which recognises in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. The Group's hedged items include fixed-rate borrowings that expose the Group to the risk of changes in fair value, floating rate borrowings that expose the Group to the risk of variability in cash flows, a firm commitment that is settled with a fixed amount of foreign currency and that exposes the Group to foreign currency risk.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item. For a hedge of foreign currency risk, the foreign currency risk component of a non-derivative financial asset or non-derivative financial liability may also be designated as a hedging instrument provided that it is not an investment in an equity instrument for which an entity has elected to present changes in the fair value in other comprehensive income.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining a hedge ratio that complies with the hedge effectiveness requirements.

The Group discontinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedging instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

(i) Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

- the cumulative gain or loss on the hedging instrument from inception of the hedge;
- the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognised in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be ineffectiveness is recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it in the initial cost or other carrying amount of the asset or liability.

For cash flow hedges other than those covered above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognised in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount will remain in the cash flow hedge reserve, and be accounted for in accordance with the above policy.
- If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(ii) Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a portion of such an asset, liability or firm commitment.

The gain or loss from remeasuring the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognised hedged item not measured at fair value and is recognised in profit or loss.

Any adjustment to the carrying amount of a hedged item is amortised to profit or loss if the hedged item is a financial instrument (or a component thereof) measured at amortised cost. The amortisation is based on a recalculated effective interest rate at the date that amortisation begins.

(iii) Hedges of a net investment in a foreign operation

A hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk associated with a net investment in a foreign operation. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When disposing a foreign operation, in whole or in part, the aforesaid gain or loss on the hedging instrument will be transferred from equity to profit or loss as a reclassification adjustment. The portion of the gain or loss on the hedging instrument that is determined to be ineffective is recognised in profit or loss.

(11) Convertible instruments

Convertible instruments containing an equity component

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

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

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition at fair value through profit or loss. The equity component is not re-measured.

If the convertible instrument is converted, the liability component, together with the equity component, is transferred to equity. If the convertible instrument is redeemed, the consideration paid for the redemption, together with the transaction costs that relate to the redemption, are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is the same as that used for issuance. After allocating the consideration and transaction costs, the difference between the allocated and carrying amounts is charged to profit and loss if it relates to the liability component or is directly recognised in equity if it relates to the equity component.

Other convertible instruments not containing an equity component

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and any excess of proceeds over the derivative component is recognised as the liability component.

The derivative component is subsequently measured at fair value, and gains or losses from the changes in the fair value are recognised in profit or loss. The liability component is subsequently carried at amortised cost using the effective interest method.

On conversion, the carrying amounts of the derivative and liability components are transferred to equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

(12) Preference shares and capital bonds with unfixed terms

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

Preference shares and Perpetual bond issued containing both equity and liability components are accounted for using the accounting policy for convertible instruments containing an equity component. Preference shares and Perpetual bond issued not containing an equity component are accounted for using the accounting policy for other convertible instruments not containing an equity component.

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

(13) Financial assets purchased under resale agreements and Financial assets sold under repurchase agreements

The financial assets purchased under resale agreements refers to the funds raised by the group to buy financial assets first and then resell them at a fixed price according to the resale agreement. The financial assets sold under repurchase agreements refer to the funds incorporated into the group's financial assets sold first according to the repurchase agreement and then repurchased at a fixed price.

The financial assets purchased under resale agreements and financial assets sold under repurchase agreements shall be recorded according to the actual payment or receipt at the time of business and reflected in the balance sheet. The purchased target assets purchased for resale are not recognized and recorded off balance sheet; The underlying assets sold and repurchased are still reflected in the balance sheet.

The bid ask price difference of buy for resale and sell for repurchase business is amortized by the effective interest method during the relevant transaction period and recognized as interest income and interest expense respectively.

(14) Fixed assets

Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in supply of services, for rental or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.4(15).

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

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

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Depreciation of fixed assets

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

<u>Class</u>	<u>Estimate useful life</u>	<u>Residual value rate</u>	<u>Depreciation rate</u>
Plant and buildings	30 years	3 - 5%	3.17 - 3.23%
Motor vehicles	5 years	3 - 5%	19.00 - 19.40%
Electronic computers and other equipments	3 - 5 years	3 - 5%	19.00 - 32.33%
Plane and ship equipments	20 years	5%	4.75%

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

For the impairment of the fixed assets, refer to Note II.4(20).

Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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

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

(15) Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs, and any other costs directly attributable to bringing the asset to working condition for its intended use. A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress. Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note II.4(20)).

(16) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note II.4(20)). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

- Land use right is amortized since the month of acquisition using straight-line method within its statutory useful life. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.
- Software is amortized since month of acquisition using straight-line method over its beneficial life
- Brand and franchise right are intangible assets with no expected useful lives, which are not subject to amortization.

The Group reviews the useful life and amortization method of a finite useful life intangible assets at the end of each year and adjusts it if necessary.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

(17) Long-term deferred expenses

Long-term deferred expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term deferred expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

(18) Repossessed assets

Repossessed assets refer to the physical assets or property rights of the group that are compensated to the debtor, guarantor or a third party by exercising creditor's rights or security interests according to law.

For the transferred financial asset of repossessed assets, the group initially measures them at their fair value, and classifies and subsequently measures them in accordance with the accounting policies described in Note II. 4(8).

For the transferred non-financial asset debt paying assets, the group makes initial measurement according to the fair value of the abandoned creditor's rights and other costs such as taxes directly attributable to the assets, and makes subsequent measurement according to the lower of the book value of the debt paying assets and the recoverable amount. Refer to Note II. 4(20) for the impairment test method and the impairment provision method.

(19) Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control. The Group's goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note II.4(20)). On disposal of an asset group or a set of asset groups, goodwill shall be transferred out and included in the calculation of the profit or loss on disposal.

(20) Impairment of assets other than inventories and financial assets

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

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- long-term equity investments
- goodwill
- long-term deferred expenses
- non-financial-asset-linked repossessed assets, etc

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill and intangible assets with indefinite useful lives at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

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

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

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the

asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

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

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

(21) Provisions

Contingent liabilities refer to the potential obligations formed by past transactions or events, and their existence must be confirmed by the occurrence or non occurrence of future uncertain events; Or the current obligation formed by past transactions or events, the performance of the obligation is not likely to lead to the outflow of economic benefits from the group or the amount affected by the obligation cannot be measured reliably. The Group does not recognize these obligations and only discloses contingent liabilities in Note IX, commitments and contingencies to the financial statements.

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

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

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

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

(22) Fair value measurement

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

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

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

(23) Dividend distribution

Dividends are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders in general meetings and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. Dividend for the year that is approved after the end of the reporting period is disclosed as an event after the reporting period.

(24) Fiduciary activities

The Group acts as the manager, trustee or agent of customers in the entrusted business. The balance sheet of the group does not include the assets held by the Group due to entrusted business and the commitment to return such assets to customers. The risks and benefits of such assets are borne by customers.

The Group signed an entrusted loan agreement with the customer, and the customer provided funds to the group (hereinafter referred to as "entrusted loan funds"), and the Group issued loans to third parties (hereinafter referred to as "entrusted loans") according to the customer's instructions. As the Group does not bear the risks and rewards of entrusted loans and related entrusted loan funds, entrusted loans and entrusted loan funds are recorded as off balance sheet items according to their principal, and no impairment provision is made for these entrusted loans.

(25) Revenue recognition

Interest income

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

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

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

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income is recognised when its performance obligation in contracts is satisfied. The income is recognized at the time point or period when the customer obtains the control right of relevant services.

The Group recognises income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The customer controls the service provided by the Group in the course of performance;
- The Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

Dividend income

Dividend income from equity instruments is recognized in the current profit and loss when the group's right to receive dividends is established.

Net trading income

Net trading income includes gains and losses arising from holding financial assets and liabilities measured at fair value through profit or loss, holding derivative financial instruments, trading precious metals and bulk commodities, etc.

(26) Employee benefits

Short-term employee benefits

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

Post-employment benefits

Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of the assets or charged to profit or loss as the related services are rendered by the employees.

In addition, employees in Mainland China also participate in a defined contribution retirement benefit plan established by the Group (the "Annuity Plan"). The Group and its employees are required to contribute a certain percentage of the employees' previous year basic salaries to the Annuity Plan. The contribution is charged to profit or loss when it is incurred. The Group pays a fixed contribution into the Annuity Plan and has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits.

Termination benefits

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

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

Other long-term employee benefits

According to the actual payment of employees' salaries or services during the accounting period, the amount accrued or paid by employees shall be recognized as the current profit and loss.

(27) Income tax

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

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- (i) Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses;
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (i) Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses;
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and reflect the corresponding tax effect.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

Deferred tax assets and liabilities are shown in net offset amounts at the end of the reporting period when both of the following conditions are met:

- that taxpayer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities;
- deferred tax assets and liabilities are related to the income tax levied by the same tax administration department on the same taxpayer or to different taxpayer, but within the period of the reversal of each deferred tax asset and liability of importance in the future, the involved taxpayer intends to settle the current income tax assets and liabilities on a net basis or acquire assets and pay off liabilities at the same time.

(28) Leases

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

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

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

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

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

1) As a lessee

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

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.21.

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

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

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

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

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

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

2) As a lessor

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

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

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

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.8. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

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

(29) Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

(30) Significant accounting estimates and judgements

In preparing the financial statements, the management of the Group is required to apply estimates and assumptions which affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses. The reality may differ from these estimates. The Group's management continuously evaluates the judgment of the key assumptions and uncertainties involved in the estimates, and the impact of changes in accounting estimates is recognized in the current and future periods of the changes.

In the process of implementing the Group's accounting policies, the management will make judgments and assumptions on the impact of future uncertainties on the financial statements. On the balance sheet date, the management makes the following judgments and main assumptions on major future uncertainties, which may lead to significant adjustments to the book value of assets and liabilities in the next accounting period.

Measurement of ECL

For debt instrument investments measured at amortized cost and at fair value with changes included in other comprehensive income, as well as loan commitments and financial guarantee contracts, complex models and a large number of assumptions are used in the measurement of expected credit losses. These models and assumptions relate to future macroeconomic conditions and customer credit behavior (for example, the possibility of customer default and corresponding losses). Note XIII. 1 specify the parameters, assumptions and estimation techniques used in the measurement of expected credit loss.

Goodwill impairment

The Group tests whether goodwill is impaired at least annually, and impairment test is also required when there are signs that goodwill may be impaired. During the impairment test, it is necessary to allocate goodwill to the corresponding asset group or combination of asset groups, predict the future cash flow generated by the asset group or combination of asset groups, and select an appropriate discount rate to determine the present value of future cash flow.

Income tax

The Group needs to make judgments on the future tax treatment of certain transactions to confirm income tax. In accordance with relevant tax laws and regulations, the group carefully judges the income tax impact corresponding to the transaction and accrues income tax accordingly. Deferred income tax assets can only be recognized when it is possible to have future taxable profits and can be used to offset relevant temporary differences. In this regard, it is necessary to make a significant judgment on the tax treatment of some transactions and make a significant estimation on whether there are enough future taxable profits to offset the possibility of deferred income tax assets.

Fair value of financial instruments

For financial instruments that lack an active market, the Group uses valuation methods to determine their fair value. The valuation method includes referring to the transaction price determined during the fair transaction between economic entities with complete information and willingness to buy and sell in the market, referring to the fair value of another similar financial instrument in the market, or estimating by using discounted cash flow analysis and option pricing model. The valuation method makes maximum use of observable market information. However, when observable market information is unavailable, the management will estimate the significant unobservable information included in the valuation method.

Judgment on whether the structured entities has control

The Group manages or invests in multiple financial products, trust plans, fund investments, asset management plans and asset-backed securities. When judging whether to control such structured entities, the Group determines whether it exercises its decision-making power as the main responsible person or agent, and evaluates its overall economic benefits to such structured entities (including the income generated by direct holding and expected management fees) and the scope of decision-making power to such structured entities. When the other party has the decision-making power, it is also necessary to determine whether the other party exercises the decision-making power as its agent.

For financial products, trust plans, fund investments and asset-backed securities in which the group has interests or is the initiator but is not included in the scope of the consolidated financial statements, see Note III(37).

III NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

1 Net interest income

	The Group		The Bank	
	2021	2020	2021	2020
Interest income				
Loans and advances to customers				
-Corporate loans	91,588	92,637	87,618	89,180
-Retail loans	112,530	113,497	111,599	112,607
-Discounted bills	14,428	9,853	14,428	9,852
Financial investments				
-at amortized cost	46,765	41,763	46,732	41,630
-at fair value through other comprehensive income	17,858	20,642	17,412	20,301
Deposits from and placements with banks and other financial institutions	9,520	9,407	9,372	9,382
Deposits with central bank	5,734	5,871	5,701	5,836
Financial assets purchased under resale agreements	2,270	1,315	2,270	1,315
Subtotal	<u>300,693</u>	<u>294,985</u>	<u>295,132</u>	<u>290,103</u>
Interest expense				
Deposits from customers	(84,867)	(82,713)	(84,028)	(81,953)
Debt securities issued	(38,664)	(32,861)	(38,163)	(32,356)
Deposits to and placements from banks and other financial institutions	(29,771)	(27,919)	(27,964)	(26,541)
Borrowing from central bank	(7,500)	(8,009)	(7,476)	(7,989)
Financial assets sold under repurchase agreements	(3,933)	(4,902)	(3,933)	(4,902)
Subtotal	<u>(164,735)</u>	<u>(156,404)</u>	<u>(161,564)</u>	<u>(153,741)</u>
Net interest income	<u>135,958</u>	<u>138,581</u>	<u>133,568</u>	<u>136,362</u>

2 Net fee and commission income

	The Group		The Bank	
	2021	2020	2021	2020
Fee and commission income				
Custodian and other fiduciary activities commissions	13,657	15,415	9,761	11,822
Fees from bank cards	12,863	14,528	12,862	14,527
Agency commissions	4,799	5,078	4,798	5,078
Fees from investment banking activities	3,694	4,457	3,501	4,358
Credit commitment fees	2,300	2,223	2,298	2,221
Settlement and clearing fees	971	883	971	883
Others	1,563	1,673	1,297	1,269
Subtotal	39,847	44,257	35,488	40,158
Fee and commission expense	(10,713)	(10,311)	(10,778)	(10,409)
Net fee and commission income	29,134	33,946	24,710	29,749

3 Net trading gains and losses

	The Group		The Bank	
	2021	2020	2021	2020
Financial investments measured at FVTPL	15,052	14,876	14,065	12,267
Non-foreign exchange derivative financial instruments	2,789	3,011	2,789	3,011
Precious metals	1,749	(845)	1,749	(845)
Exchange gains and losses	813	(215)	810	(175)
Hedged bonds	(491)	267	(491)	267
Others	203	526	203	526
Total	20,115	17,620	19,125	15,051

4 Net gains and losses arising from financial investments

	The Group		The Bank	
	2021	2020	2021	2020
Financial investments measured at FVOCI	1,214	2,741	1,143	2,487
Financial investments at amortized cost	1,010	433	1,010	433
Dividend income	52	45	179	288
Total	2,276	3,219	2,332	3,208

5 Operating expenses

	The Group		The Bank	
	2021	2020	2021	2020
Staff costs				
- Short-term employee benefits	23,292	23,266	21,383	21,532
- Post-employment benefits	2,503	1,768	2,393	1,733
- Other long-term employee benefits	2,605	2,475	2,297	2,349
Subtotal	28,400	27,509	26,073	25,614
Depreciation and amortization	6,226	5,925	6,004	5,541
Business tax and surcharges	2,004	2,117	1,922	2,034
Others	17,078	14,874	14,831	12,908
Total	53,708	50,425	48,830	46,097

6 Impairment losses

	The Group		The Bank	
	2021	2020	2021	2020
Loans and advances to customers	64,542	75,022	63,444	73,524
Others	13,802	4,531	13,744	3,807
Total	78,344	79,553	77,188	77,331

7 Income tax expense

	The Group		The Bank	
	2021	2020	2021	2020
Current income tax expense	11,694	13,177	10,506	11,880
Deferred income tax expense	(6,389)	(5,512)	(6,322)	(5,200)
Total	5,305	7,665	4,184	6,680

Reconciliations between the Group's income tax expenses calculated using the statutory tax rate and actual income tax expense are as follows:

	The Group		The Bank	
	2021	2020	2021	2020
Profit before income tax	59,071	66,589	54,493	61,801
Tax calculated at statutory tax rate of the PRC	14,768	16,647	13,623	15,449
Tax effect from other various tax rates adopted by subsidiaries	(43)	(126)	-	-
Tax effect of non-deductible expenses	377	497	319	348
Tax effect of non-taxable income	(9,716)	(9,486)	(9,691)	(9,251)
Other income tax adjustments	(81)	133	(67)	134
Income tax expense	5,305	7,665	4,184	6,680

8 Earnings per share

(1) Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing net profit for the year attributable to the holders of the Bank's share capital by the weighted average number of share capital outstanding during the year. The conversion feature of preference shares is considered to fall within the category of contingently issuable share capital. As at 31 December 2021, the triggering events of share conversion did not occur. Therefore, the conversion feature of preference shares has no effect on the calculation of basic and diluted earnings per share in the current period.

The Group

	2021	2020
Profit for the year attributable to shareholders of the Bank	53,003	58,261
Less: Profit for the year attributable to preference shareholders of the Bank	(1,559)	(1,662)
Payment of interests of non-fixed term capital bonds	(3,794)	(1,419)
Profit for the year attributable to the holders of the Bank's share capital	47,650	55,180
Weighted average number of outstanding share capital (million)	29,352	29,352
Basic EPS (RMB)	1.62	1.88

The Bank declared cash dividends of RMB 1,559 million for preference share and interests payment of RMB 3,794 million for Perpetual bond in this year. For the purpose of calculating basic EPS, dividends on preference shares declared and interests of Perpetual bond in respect of the year have been deducted from the net profit attributable to ordinary shareholders of the Bank.

(2) Diluted earnings per share

The diluted earnings per share is calculated on the assumption that the RMB 50 billion convertible corporate bonds publicly issued by the Bank in 2019 deemed to have all been converted to ordinary shares upon issuance and by dividing, after adjustments for the interest expenses of the convertible corporate bonds for the year the net profit of the year attributable to ordinary shareholders of the Bank by the adjusted weighted average number of ordinary shares outstanding during the year.

The Group

	2021	2020
Net profit for the current year attributable to shareholders of the Bank	47,650	55,180
Add: Interest expenses of convertible corporate bonds in the current year (after tax)	1,429	1,377
Net profit for the current year attributable to ordinary shareholders of the Bank	49,079	56,557
Weighted average number of outstanding ordinary shares (million)	29,352	29,352
Add: Assume that convertible corporate bonds are entirely converted to weighted average number of ordinary shares from the beginning of the period to the conversion date (million)	3,460	3,322
Weighted average number of outstanding ordinary shares of the year for calculating diluted earnings per share (million)	32,812	32,674
Diluted earnings per share (RMB)	1.50	1.73

9 Cash and deposits with central bank

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash		5,470	5,356	5,338	5,214
Statutory reserves with central bank	(1)	339,973	339,269	338,268	337,532
Surplus reserves with central bank	(2)	73,454	143,283	70,405	140,336
Fiscal deposits with central bank		1,939	1,011	1,939	1,011
Accrued interest		160	169	160	169
Total		420,996	489,088	416,110	484,262

(1) The Group is required to place statutory reserves with the PBOC and overseas central banks, including RMB and foreign currency deposit reserves and foreign exchange risk reserves for forward foreign exchange sales businesses, which are not allowed to be used in the Group's daily operations.

(2) The surplus reserves refer to money deposited by the Group with the PBOC and overseas central banks for the purpose of funds liquidation.

10 Deposits and placements with banks and other financial institutions

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deposits with domestic banks	71,746	77,684	62,787	69,529
Deposits with overseas banks	53,693	71,458	52,517	71,289
Deposits with domestic non-bank financial institutions	255	2,460	68	2,457
Placements with domestic banks	24,726	12,558	24,726	12,558
Placements with overseas banks	70,276	45,393	70,276	45,393
Placements with domestic non-bank financial institutions	201,157	159,967	201,637	161,132
Placements with overseas non-bank financial institutions	8,188	14,406	9,718	18,056
Accrued interest	4,062	2,413	3,985	2,378
Less: impairment allowance	(322)	(412)	(293)	(386)
Total	433,781	385,927	425,421	382,406

11 Derivative financial instruments

The Group

	31 December 2021		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	4,099,578	17,147	(15,789)
Exchange rate derivatives	1,578,860	13,844	(12,669)
Precious metal derivatives	195,711	2,656	(1,014)
Commodity and other derivatives	13,320	126	(56)
Total		33,773	(29,528)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	9,251	42	(126)
- Currency swap contracts	361	-	(8)
Cash flow hedges			
- Interest rate swap contracts	1,649	17	-
- Currency swap contracts	3,554	5	(25)
Total		64	(159)
31 December 2020			
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	5,399,464	18,260	(18,103)
Exchange rate derivatives	1,973,523	39,470	(39,109)
Precious metal derivatives	210,325	5,122	(3,632)
Commodity and other derivatives	14,717	737	(302)
Total		63,589	(61,146)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	24,283	56	(527)
- Currency swap contracts	693	-	(5)
Cash flow hedges			
- Interest rate swap contracts	663	-	(9)
- Currency swap contracts	389	-	(47)
Total		56	(588)

The Bank

	31 December 2021		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	4,097,929	17,130	(15,789)
Exchange rate derivatives	1,578,023	13,844	(12,648)
Precious metal derivatives	195,711	2,656	(1,014)
Commodity and other derivatives	13,320	126	(56)
Total		33,756	(29,507)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	9,251	42	(126)
- Currency swap contracts	361	-	(8)
Cash flow hedges			
- Currency swap contracts	2,717	5	(4)
Total		47	(138)
	31 December 2020		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	5,398,801	18,260	(18,094)
Exchange rate derivatives	1,973,523	39,470	(39,109)
Precious metal derivatives	210,325	5,122	(3,632)
Commodity and other derivatives	14,717	737	(302)
Total		63,589	(61,137)
Derivatives designated as hedging instruments:			
Fair value hedges			
- Interest rate swap contracts	24,283	56	(527)
- Currency swap contracts	693	-	(5)
Cash flow hedges			
- Currency swap contracts	389	-	(47)
Total		56	(579)

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

12 Financial assets purchased under resale agreements

The Group and the Bank

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Bonds	117	36,520	101	36,520
Accrued interest	-	7	-	7
Less: impairment allowance	-	(1)	-	(1)
Total	<u>117</u>	<u>36,526</u>	<u>101</u>	<u>36,526</u>

13 Loans and advances to customers

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Loans and advances to Customers measured at				
- amortized cost (a)	4,255,699	4,093,185	4,153,741	3,998,067
- FVOCI (b)	484,192	422,508	484,192	422,508
- FVTPL (c)	46,149	18,280	46,149	18,280
Subtotal	<u>4,786,040</u>	<u>4,533,973</u>	<u>4,684,082</u>	<u>4,438,855</u>
Accrued interest	15,257	15,576	14,664	14,851
Impairment allowances				
-Loans and advances to customers measured at amortized cost	(110,087)	(119,116)	(104,256)	(114,168)
- Accrued interest of loans and advances to customers measured at amortized cost	(256)	(205)	(256)	(205)
Subtotal	<u>(110,343)</u>	<u>(119,321)</u>	<u>(104,512)</u>	<u>(114,373)</u>
Net loans and advances to customers	<u>4,690,954</u>	<u>4,430,228</u>	<u>4,594,234</u>	<u>4,339,333</u>

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(a) Loans and advances to customers measured at amortized cost				
Corporates loans				
Commercial Loans	2,261,151	2,248,168	2,175,189	2,168,559
Trade finance	102,155	49,048	102,155	49,048
Discounted bills	1,773	3,691	1,768	3,666
Retail loans				
Mortgage loans	905,974	849,193	898,953	841,967
Credit card and overdraft	416,142	372,117	416,142	372,117
Business loans	392,104	325,782	387,147	321,078
Consumer loans and others	176,400	245,186	172,387	241,632
Subtotal	<u>4,255,699</u>	<u>4,093,185</u>	<u>4,153,741</u>	<u>3,998,067</u>
(b) Loans and advances to customers measured at FVOCI				
Corporates loans				
Trade finance	24,868	5,627	24,868	5,627
Discounted bills	459,324	416,881	459,324	416,881
Subtotal	<u>484,192</u>	<u>422,508</u>	<u>484,192</u>	<u>422,508</u>
(c) Loans and advances to customers measured at FVTPL				
Corporates loans				
Trade finance	19,554	2,944	19,554	2,944
Discounted bills	26,595	15,336	26,595	15,336
Subtotal	<u>46,149</u>	<u>18,280</u>	<u>46,149</u>	<u>18,280</u>
Total loans and advances to customers	<u>4,786,040</u>	<u>4,533,973</u>	<u>4,684,082</u>	<u>4,438,855</u>

13.1 Loans and advances to customers analysed by industry

The Group

	31 December 2021		31 December 2020	
	Amount	Rate (%)	Amount	Rate (%)
Corporate loans				
Manufacturing	433,936	9.07	392,385	8.65
Lease and commercial service	421,641	8.81	361,907	7.98
Real estate	331,015	6.92	346,486	7.64
Transportation, warehouse and postal services	185,778	3.88	157,478	3.47
Water conservancy, environment and public facilities management	180,796	3.78	173,871	3.84
Wholesale and retail	177,773	3.71	207,798	4.58
Construction	165,645	3.46	160,798	3.55
Electricity, heat, gas, water production and supply	146,184	3.05	116,544	2.57
Financial services	108,267	2.26	104,093	2.30
Mining	78,343	1.64	95,167	2.10
Information transmission, software and IT services	63,203	1.32	58,820	1.30
Research and technology services	37,850	0.79	30,262	0.67
Culture, sports and entertainment	17,770	0.37	20,221	0.45
Agriculture, forestry, farming and fishery	17,243	0.36	20,172	0.44
Healthcare and social welfare	15,819	0.33	19,417	0.43
Education	14,668	0.31	15,480	0.34
Hotels and catering services	7,707	0.16	8,285	0.18
Residential services, repairs and other services	3,217	0.07	2,357	0.05
Public administration, social assurance and social organization	710	0.01	2,223	0.05
Others	163	0.01	12,023	0.27
Subtotal	2,407,728	50.31	2,305,787	50.86
Discounted bills	487,692	10.19	435,908	9.61
Retail loans	1,890,620	39.50	1,792,278	39.53
Total	4,786,040	100.00	4,533,973	100.00

The Bank

	31 December 2021		31 December 2020	
	Amount	(%)	Amount	(%)
Corporate loans				
Manufacturing	426,249	9.10	383,212	8.63
Lease and commercial service	420,635	8.98	362,067	8.16
Real estate	330,994	7.07	346,461	7.81
Wholesale and retail	175,868	3.75	180,701	4.07
Water, environment and public facilities management	175,158	3.74	164,966	3.72
Construction	161,763	3.45	158,654	3.57
Transportation, warehouse and postal services	154,032	3.29	157,326	3.54
Electricity, heat, gas, water production and supply	120,657	2.58	95,037	2.14
Financial services	110,242	2.35	104,009	2.34
Mining	73,050	1.56	90,633	2.04
Information transmission, software and IT services	62,391	1.33	57,581	1.30
Research and technology services	37,754	0.81	30,099	0.68
Culture, sports and entertainment	17,107	0.37	19,475	0.44
Healthcare and social welfare	15,636	0.33	16,971	0.38
Education	14,522	0.31	19,111	0.43
Agriculture, forestry, farming and fishery	14,162	0.30	15,332	0.35
Hotels and catering services	7,527	0.16	8,085	0.18
Residential services, repairs and other services	3,146	0.07	2,212	0.05
Public administration, social assurance and social organization	710	0.02	2,223	0.05
Others	163	0.01	12,023	0.27
Subtotal	2,321,766	49.58	2,226,178	50.15
Discounted bills	487,687	10.41	435,883	9.82
Retail loans	1,874,629	40.01	1,776,794	40.03
Total	4,684,082	100.00	4,438,855	100.00

13.2 Loans and advances to customers analysed by collateral type

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Unsecured loans	2,012,057	1,818,279	1,970,107	1,786,811
Guaranteed loans	779,176	776,427	743,976	740,152
Collateralized loans	1,740,296	1,668,955	1,724,164	1,652,088
Pledged loans	254,511	270,312	245,835	259,804
Total	4,786,040	4,533,973	4,684,082	4,438,855

13.3 Overdue loans and advances to customers

The Group

	31 December 2021				
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	10,968	12,500	3,919	1,165	28,552
Guaranteed loans	7,967	15,248	7,302	1,592	32,109
Collateralized loans	10,478	11,770	9,667	1,710	33,625
Pledged loans	906	2,972	1,184	132	5,194
Total	30,319	42,490	22,072	4,599	99,480

	31 December 2020				
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	8,899	13,728	4,953	857	28,437
Guaranteed loans	9,828	10,487	7,630	1,605	29,550
Collateralized loans	10,646	10,226	9,447	1,389	31,708
Pledged loans	1,544	3,233	2,325	97	7,199
Total	30,917	37,674	24,355	3,948	96,894

The Bank

31 December 2021					
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	10,836	12,209	3,346	967	27,358
Guaranteed loans	7,709	14,938	6,896	1,555	31,098
Collateralized loans	10,407	11,698	9,581	1,698	33,384
Pledged loans	901	2,970	1,073	132	5,076
Total	29,853	41,815	20,896	4,352	96,916

31 December 2020					
	Past due up to 90 days (including 90 days)	Past due 90 days to 1 year (including 1 year)	Past due 1 year to 3 years (including 3 years)	Past due over 3 years	Total
Unsecured loans	8,879	13,559	4,139	856	27,433
Guaranteed loans	9,484	10,061	7,517	1,552	28,614
Collateralized loans	10,475	10,142	9,385	1,382	31,384
Pledged loans	1,435	3,230	2,325	97	7,087
Total	30,273	36,992	23,366	3,887	94,518

The Group and the Bank classify the total loans with principal or interest overdue 1 day above (including 1 day) as overdue loans.

13.4 Movements of ECL allowance

(a) Movements of ECL allowance of loans and advances to customers at amortized cost

The Group

	Note	Stage 1 12-month ECL	Stage 2 Life-time ECL	Stage 3 Life-time ECL	Total
Balance at 1 January 2021		31,044	22,831	65,241	119,116
Transfers during the year:					
- Transfer to stage 1		1,155	(1,026)	(129)	-
- Transfer to stage 2		(1,163)	2,506	(1,343)	-
- Transfer to stage 3		(1,078)	(10,558)	11,636	-
Net increase during the year	(1)	3,186	1,015	60,573	64,774
Written-offs and disposals during the year		-	-	(81,102)	(81,102)
Recovery of loans and advances written off in previous years		-	-	8,149	8,149
Others		(63)	(5)	(782)	(850)
Balance at 31 December 2021		33,081	14,763	62,243	110,087

	Note	Stage 1 12-month ECL	Stage 2 Life-time ECL	Stage 3 Life-time ECL	Total
Balance at 1 January 2020		29,904	19,446	60,709	110,059
Transfers during the year:					
- Transfer to stage 1		1,850	(1,606)	(244)	-
- Transfer to stage 2		(1,300)	2,365	(1,065)	-
- Transfer to stage 3		(1,742)	(7,668)	9,410	-
Net increase during the year	(1)	2,344	10,294	62,065	74,703
Written-offs and disposals during the year		-	-	(70,044)	(70,044)
Recovery of loans and advances written off in previous years		-	-	5,648	5,648
Others		(12)	-	(1,238)	(1,250)
Balance at 31 December 2020		31,044	22,831	65,241	119,116

The Bank

	Note	Stage 1 12-month ECL	Stage 2 Life-time ECL	Stage 3 Life-time ECL	Total
Balance at 1 January 2021		29,320	21,527	63,321	114,168
Transfers during the year:					
- Transfer to stage 1		1,149	(1,024)	(125)	-
- Transfer to stage 2		(1,106)	2,444	(1,338)	-
- Transfer to stage 3		(1,024)	(10,095)	11,119	-
Net increase during the year	(1)	2,336	1,262	60,078	63,676
Written-offs and disposals during the year		-	-	(80,917)	(80,917)
Recovery of loans and advances written off in previous years		-	-	8,124	8,124
Others		(16)	(2)	(777)	(795)
Balance at 31 December 2021		30,659	14,112	59,485	104,256

	Note	Stage 1 12-month ECL	Stage 2 Life-time ECL	Stage 3 Life-time ECL	Total
Balance at 1 January 2020		28,530	18,998	58,629	106,157
Transfers during the year:					
- Transfer to stage 1		1,793	(1,593)	(200)	-
- Transfer to stage 2		(1,196)	2,245	(1,049)	-
- Transfer to stage 3		(1,678)	(7,624)	9,302	-
Net increase during the year	(1)	1,883	9,501	61,821	73,205
Written-offs and disposals during the year		-	-	(69,574)	(69,574)
Recovery of loans and advances written off in previous years		-	-	5,600	5,600
Others		(12)	-	(1,208)	(1,220)
Balance at 31 December 2020		29,320	21,527	63,321	114,168

- (1) This item includes changes of PD, EAD, LGD due to routine updates to model parameters, and the impact of stage changes on the measurement of ECL.
- (2) Financial instruments whose credit risks haven't significantly increased since the initial recognition are classified into stage 1, then they will be transferred into stage 2 if their credit risks have significantly increased since the initial recognition with no objective evidence for impairment, and will be further transferred into stage 3 where there is objective impairment evidence on the balance sheet date. Refer to Note VIII. 1(3) for ECL measurement.

(b) Movements of ECL allowance of loans and advances to customers at fair value through other comprehensive income

The Group and the Bank

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2021	529	4	218	751
Transfers during the year:				
- to stage 1	1	(1)	-	-
- to stage 2	(8)	8	-	-
- to stage 3	-	-	-	-
Net decrease during the year	(197)	(7)	(28)	(232)
Balance at 31 December 2021	<u>325</u>	<u>4</u>	<u>190</u>	<u>519</u>
	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2020	288	8	136	432
Transfers during the year:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Net increase/(decrease) during the year	241	(4)	82	319
Balance at 31 December 2020	<u>529</u>	<u>4</u>	<u>218</u>	<u>751</u>

14 Financial Investments

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Financial investment measured at FVTPL	(a)	526,034	549,149	487,998	514,468
Financial investments measured at amortized cost	(b)	1,306,188	1,169,777	1,304,324	1,167,536
Financial investments measured at FVOCI	(c)	486,701	583,621	482,376	577,343
Financial investments, net		<u>2,318,923</u>	<u>2,302,547</u>	<u>2,274,698</u>	<u>2,259,347</u>

(a) Financial investments measured at FVTPL:

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Fund investments		398,733	428,552	375,268	407,181
Government bonds		34,146	42,040	34,146	41,705
Trust and asset management plans	(1)	18,958	20,294	13,630	13,351
Corporate bonds		16,216	42,040	14,989	41,705
Beneficiary certificates of securities companies		13,437	18,651	13,437	18,651
Bonds issued by financial institutions		12,236	10,412	10,581	9,158
Deposit certificates issued by other financial institutions		9,012	2,988	9,012	2,988
Equity investment		8,194	5,104	2,300	532
Assets backed securities ("ABS")		6,519	562	6,409	463
Bonds issued by policy banks		1,789	3,407	1,789	3,407
Wealth management products managed by other banks		327	72	-	-
Other investment	(2)	6,467	5,971	6,437	5,937
Total		<u>526,034</u>	<u>549,149</u>	<u>487,998</u>	<u>514,468</u>

(1) Trust and asset management plans are managed and operated by the third-party trust plan trustee or asset manager, and are ultimately invested in bonds, ABS, equity investments with third-party repurchase arrangement, etc.

(2) Other investments mainly include the long-term employee benefits payable to Changjiang Pension Insurance Co., Ltd. for investment entrusted by the Group.

(b) Financial Investments measured at amortized cost

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Government bonds	567,605	558,397	567,605	558,397
Trust and asset management plans				
- Loans	253,657	139,798	252,640	138,979
- ABS	195,477	180,867	195,227	180,233
- Bill assets	695	44,841	695	44,841
- Others	2,543	7,354	2,543	7,354
Bonds issued by policy banks	200,520	194,122	200,520	194,122
Bonds issued by financial institutions	73,240	24,158	73,240	24,158
Corporate bonds	12,475	6,883	12,475	6,752
Deposit certificates issued by other financial institutions	1,137	833	1,137	833
Beneficiary certificates of securities companies	850	8,130	850	8,130
ABS	138	300	138	300
Other debt instrument	100	-	-	-
Subtotal	<u>1,308,437</u>	<u>1,165,683</u>	<u>1,307,070</u>	<u>1,164,099</u>
Accrued interest	<u>17,527</u>	<u>16,041</u>	<u>17,467</u>	<u>15,999</u>
Impairment allowance				
-Principal of financial Investments	(19,743)	(11,899)	(20,200)	(12,535)
-Accrued interest of financial Investments	(33)	(48)	(13)	(27)
Subtotal of impairment allowance	<u>(19,776)</u>	<u>(11,947)</u>	<u>(20,213)</u>	<u>(12,562)</u>
Financial Investments at amortized cost, net	<u><u>1,306,188</u></u>	<u><u>1,169,777</u></u>	<u><u>1,304,324</u></u>	<u><u>1,167,536</u></u>

(i) Movement for ECL allowance of the financial investments measured at amortized cost

The Group

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2021	1,469	174	10,256	11,899
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(22)	22	-	-
- to stage 3	(11)	(190)	201	-
Net increase for the year	597	634	10,702	11,933
Write-offs and disposals during the year	-	-	(4,082)	(4,082)
Others	(1)	-	(6)	(7)
Balance at 31 December 2021	<u>2,032</u>	<u>640</u>	<u>17,071</u>	<u>19,743</u>

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2020	1,599	57	7,023	8,679
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(61)	61	-	-
- to stage 3	-	(27)	27	-
Net (decrease) / increase for the year	(69)	83	4,236	4,250
Write-offs and disposals during the year	-	-	(1,030)	(1,030)
Balance at 31 December 2020	<u>1,469</u>	<u>174</u>	<u>10,256</u>	<u>11,899</u>

The Bank

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2021	1,459	155	10,921	12,535
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(22)	22	-	-
- to stage 3	(11)	(185)	196	-
Net increase for the year	606	648	10,494	11,748
Write-offs and disposals during the year	-	-	(4,082)	(4,082)
Others	(1)	-	-	(1)
Balance at 31 December 2021	<u>2,031</u>	<u>640</u>	<u>17,529</u>	<u>20,200</u>

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2020	1,574	53	7,755	9,382
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(42)	42	-	-
- to stage 3	-	(23)	23	-
Net (decrease) / increase for the year	(73)	83	4,173	4,183
Write-offs and disposals during the year	-	-	(1,030)	(1,030)
Balance at 31 December 2020	<u>1,459</u>	<u>155</u>	<u>10,921</u>	<u>12,535</u>

(c) Financial investments measured at FVOCI

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Government bonds	187,196	230,989	187,196	230,989
Bonds issued by policy banks	93,264	115,245	93,264	115,245
Bonds issued by financial institutions	83,847	80,328	81,869	79,628
Corporate bonds	82,762	86,751	80,419	82,188
Deposit certificates issued by other financial institutions	11,726	3,833	11,726	3,833
Asset management plans	9,200	45,011	9,198	43,997
ABS	5,134	7,818	5,134	7,818
Equity investments	6,254	5,018	6,254	5,018
Other equity investment	828	817	828	817
Subtotal	480,211	575,810	475,888	569,533
Accrued interest	6,490	7,811	6,488	7,810
Total	486,701	583,621	482,376	577,343

(i) Movements of ECL allowance of financial investments measured at FVOCI:

The Group

	Stage 1 12-month ECL	Stage 2 Life-time ECL	Stage 3 Life-time ECL	Total
Balance at 1 January 2021	537	101	1,177	1,815
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(43)	148	(105)	-
- to stage 3	-	(2)	2	-
Net decrease for the year	(143)	(21)	(349)	(513)
Written-offs	-	-	(64)	(64)
Others	(11)	(2)	(21)	(34)
Balance at 31 December 2021	340	224	640	1,204

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2020	367	83	747	1,197
Transfers for the year:				
- to stage 1	-	-	-	-
- to stage 2	(2)	2	-	-
- to stage 3	(6)	(36)	42	-
Net increase for the year	185	52	413	650
Others	(7)	-	(25)	(32)
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Balance at 31 December 2020	537	101	1,177	1,815

The Bank

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2021	419	56	598	1,073
Transfer for the year:				
- to stage 1	-	-	-	-
- to stage 2	(43)	43	-	-
- to stage 3	-	(2)	2	-
Net (decrease) / increase for the year	(50)	84	(311)	(277)
Written-offs	-	-	(64)	(64)
Others	(8)	(1)	(5)	(14)
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Balance at 31 December 2021	318	180	220	718

	<u>Stage 1</u> 12-month ECL	<u>Stage 2</u> Life-time ECL	<u>Stage 3</u> Life-time ECL	Total
Balance at 1 January 2020	292	41	414	747
Transfer for the year:				
- to stage 1	-	-	-	-
- to stage 2	(2)	2	-	-
- to stage 3	-	(36)	36	-
Net increase for the year	136	49	170	355
Others	(7)	-	(22)	(29)
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Balance at 31 December 2020	419	56	598	1,073

15 Investments in associate and joint ventures

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Investments in joint ventures	III.38(2)	2,513	2,127	2,513	2,127
Investments in associate	III.38(2)	306	274	-	-
Total		2,819	2,401	2,513	2,127

The Group

	1 January 2021	Increased/(decreased) Investment	Net income adjusted by equity method	OCI adjusted by equity method	Declared cash dividends	Other change	31 December 2021
AXA SPDB Investment Managers Co., Ltd.	1,384	-	186	-	(51)	-	1,519
SPDB Silcon Valley Bank	743	250	4	1	-	(4)	994
Others	274	(1)	33	-	-	-	306
Total	2,401	249	223	1	(51)	(4)	2,819

	1 January 2020	Increased Investment	Net income adjusted by equity method	Declared cash dividends	Other change	31 December 2020
AXA SPDB Investment Managers Co., Ltd.	1,336	-	130	(82)	-	1,384
SPDB Silcon Valley Bank	505	250	-	-	(12)	743
Others	208	51	16	-	(1)	274
Total	2,049	301	146	(82)	(13)	2,401

16 Fixed assets

The Group

	Land and buildings	Motor vehicles	Electronic computers and other equipments	Plane and ship equipments	Construction in progress	Total
Cost						
1 January 2020	13,715	447	8,306	17,279	3,973	43,720
Additions	472	33	1,468	1,186	1,197	4,356
Transferred from / (to) construction in progress	-	-	10	-	(162)	(152)
Disposals	(3)	(27)	(910)	-	-	(940)
31 December 2020	14,184	453	8,874	18,465	5,008	46,984
Additions	26	33	1,737	4,954	2,437	9,187
Transferred from / (to) construction in progress	-	-	19	-	(224)	(205)
Disposals	(71)	(37)	(821)	-	-	(929)
31 December 2021	14,139	449	9,809	23,419	7,221	55,037
Accumulated depreciation						
1 January 2020	(4,353)	(358)	(6,367)	(2,259)	-	(13,337)
Charge	(488)	(27)	(845)	(811)	-	(2,171)
Disposal	1	24	863	-	-	888
31 December 2020	(4,840)	(361)	(6,349)	(3,070)	-	(14,620)
Charge	(461)	(25)	(1,107)	(1,035)	-	(2,628)
Disposal	71	34	814	-	-	919
31 December 2021	(5,230)	(352)	(6,642)	(4,105)	-	(16,329)
Net book value						
31 December 2021	8,909	97	3,167	19,314	7,221	38,708
31 December 2020	9,344	92	2,525	15,395	5,008	32,364

As at 31 December 2021, the net book value of RMB 19.31 billion (31 December 2020: RMB 15.40 billion) of the flight and ship equipment were rent out under operating lease by the Group's subsidiary, Puyin Financial Leasing Co., Ltd..

The Bank

	Land and buildings	Motor vehicles	Electronic computers and other equipments	Construction in progress	Total
Cost					
1 January 2020	13,108	413	8,031	3,970	25,522
Additions	472	29	1,436	944	2,881
Transferred from / (to) constructions in progress	-	-	10	(145)	(135)
Disposals	(3)	(20)	(892)	-	(915)
31 December 2020	13,577	422	8,585	4,769	27,353
Additions	20	31	1,683	2,035	3,769
Transferred from / (to) constructions in progress	-	-	19	(218)	(199)
Disposals	(71)	(36)	(770)	-	(877)
31 December 2021	13,526	417	9,517	6,586	30,046
Accumulated					
1 January 2020	(4,180)	(329)	(6,161)	-	(10,670)
Charge	(459)	(25)	(813)	-	(1,297)
Disposals	1	18	845	-	864
31 December 2020	(4,638)	(336)	(6,129)	-	(11,103)
Charge	(430)	(23)	(1,052)	-	(1,505)
Disposals	71	34	765	-	870
31 December 2021	(4,997)	(325)	(6,416)	-	(11,738)
Net book value					
31 December 2021	8,529	92	3,101	6,586	18,308
31 December 2020	8,939	86	2,456	4,769	16,250

As at 31 December 2021, the land and buildings with original cost of RMB 677 million and net book value of RMB 517 million were in use by the Group and the Bank while the property right registration were still in progress.

As at 31 December 2020, the land and buildings with original cost of RMB 906 million and net book value of RMB 735 million were in use by the Group and the Bank while the property right registration were still in progress.

17 Lease

(1) Right-of-use assets

The Group

	<u>Plant & buildings</u>	<u>Equipment & other</u>	<u>Total</u>
Cost			
1 January 2020	16,097	427	16,524
Additions	4,500	46	4,546
Disposals	(4,136)	(295)	(4,431)
	<hr/>	<hr/>	<hr/>
31 December 2020	16,461	178	16,639
Additions	2,938	22	2,960
Disposals	(2,540)	(62)	(2,602)
	<hr/>	<hr/>	<hr/>
31 December 2021	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	<hr/>	<hr/>	<hr/>
Accumulated amortisation			
1 January 2020	(8,488)	(319)	(8,807)
Additions	(2,681)	(32)	(2,713)
Disposals	3,073	254	3,327
	<hr/>	<hr/>	<hr/>
31 December 2020	(8,096)	(97)	(8,193)
Additions	(2,685)	(33)	(2,718)
Disposals	2,416	58	2,474
	<hr/>	<hr/>	<hr/>
31 December 2021	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	<hr/>	<hr/>	<hr/>
Net book value			
31 December 2021	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
31 December 2020	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

(2) Lease liabilities

As at 31 December 2021, the analysis by remaining maturity date of the Group is as follows:

	<u>31 December 2021</u>	<u>31 December 2020</u>
Within 3 months	793	766
3 months to 1 year	2,152	1,991
1 year to 5 years	5,576	5,688
More than 5 years	634	890
	<hr/>	<hr/>
Total undiscounted lease liabilities	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
	<hr/>	<hr/>
Book value of lease liabilities at year-end	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

18 Intangible assets

The Group

	<u>Land use rights</u>	<u>Software and others</u>	<u>Brand and franchise right</u>	<u>Total</u>
Cost				
1 January 2020	6,800	5,662	2,236	14,698
Additions	-	1,425	-	1,425
Disposals	-	(1)	-	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2020	6,800	7,086	2,236	16,122
Additions	-	1,570	-	1,570
Disposals	-	(30)	-	(30)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2021	<u>6,800</u>	<u>8,626</u>	<u>2,236</u>	<u>17,662</u>
Accumulated				
1 January 2020	(454)	(3,887)	-	(4,341)
Amortization	(173)	(1,086)	-	(1,259)
Disposals	-	1	-	1
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2020	(627)	(4,972)	-	(5,599)
Amortization	(173)	(1,382)	-	(1,555)
Disposals	-	30	-	30
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2021	<u>(800)</u>	<u>(6,324)</u>	<u>-</u>	<u>(7,124)</u>
Net book value				
31 December 2021	<u>6,000</u>	<u>2,302</u>	<u>2,236</u>	<u>10,538</u>
31 December 2020	<u>6,173</u>	<u>2,114</u>	<u>2,236</u>	<u>10,523</u>

The Bank

	<u>Land use rights</u>	<u>Software and others</u>	<u>Total</u>
Cost			
1 January 2020	6,797	4,852	11,649
Additions	-	1,400	1,400
Disposals	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
31 December 2020	6,797	6,251	13,048
Additions	-	1,541	1,541
Disposals	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
31 December 2021	<u>6,797</u>	<u>7,791</u>	<u>14,588</u>
Accumulated			
1 January 2020	(454)	(3,128)	(3,582)
Amortization	(173)	(1,060)	(1,233)
Disposals	-	1	1
	<hr/>	<hr/>	<hr/>
31 December 2020	(627)	(4,187)	(4,814)
Amortization	(173)	(1,363)	(1,536)
Disposals	-	1	1
	<hr/>	<hr/>	<hr/>
31 December 2021	<u>(800)</u>	<u>(5,549)</u>	<u>(6,349)</u>
Net book value			
31 December 2021	<u>5,997</u>	<u>2,242</u>	<u>8,239</u>
31 December 2020	<u>6,170</u>	<u>2,064</u>	<u>8,234</u>

19 Goodwill

	31 December <u>2021</u>	31 December <u>2020</u>
Goodwill		
-Shanghai International Trust Co., Ltd. ("Shanghai International Trust")	6,981	6,981
Less: impairment allowances	-	-
	<hr/>	<hr/>
Total	<u>6,981</u>	<u>6,981</u>

The goodwill is recognized as a result of the Bank's issuance of share capital to acquire 97.33% equity of Shanghai International Trust in March 2016.

The goodwill allocated to the CGU or CGUs on transaction date according to operating segments are summarised as follows:

	31 December 2020 and 2021
Shanghai International Trust	4,739
Subsidiaries of Shanghai International Trust	2,242
	<hr/>
Total	6,981
	<hr/> <hr/>

In the case of a goodwill impairment test, the Group compares the book value of CGU or CGUs (including goodwill) with its recoverable amount. If the recoverable amount is less than the book value, the related difference is recognised in profit or loss. The Group's goodwill allocation has not changed during the year.

On 31 December 2021, the recoverable amounts of the asset group or a set of asset groups of individual subsidiaries of Shanghai International Trust were determined by reference to its fair value less cost to sell. The relevant fair values were determined on the basis of management's resolution of those charged with governance and the relevant signed documents.

Except the description above, the Group calculates the recoverable amount of CGU and CGUs using cash flow models based on the management's approved five year financial forecasts. The Group determines the growth rate based on historical experience and market development forecasts, and uses a pre-tax rate that reflects the specific risk relating to the relevant CGU and CGUs as the discount rate. The stable period growth rate is the weighted average growth rate used for subsequent cash flows after the five-year forecast period.

20 Deferred income tax

20.1 The table below includes the deferred income tax assets and liabilities of the Group and the Bank after offsetting qualifying amounts:

	<u>The Group</u>		<u>The Bank</u>	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deferred income tax assets	58,962	52,358	57,542	51,049
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred income tax liabilities	(638)	(689)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

20.2 Deferred income tax assets / liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

The Group

	31 December 2021		31 December 2020	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Impairment allowances for financial assets	227,429	56,857	197,668	49,400
Fair value changes of derivative financial instruments	29,528	7,382	61,146	15,286
Employee benefits payable	7,770	1,943	7,425	1,856
Provisions	6,275	1,569	5,280	1,320
Fair value changes of assets measured at FVOCI	5,026	1,218	1,039	260
Fair value changes of assets and liabilities measured at FVTPL	1,466	357	2,685	671
Fair value changes of precious metals and commodities	-	-	620	155
Others	6,004	1,501	6,029	1,509
Subtotal	283,498	70,827	281,892	70,457
Offset amounts		(11,865)		(18,099)
Deferred income tax assets after offsetting		58,962		52,358
	31 December 2021		31 December 2020	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Fair value changes of derivative financial instruments	(33,773)	(8,443)	(63,589)	(15,897)
Fair value changes of financial investment measured at FVOCI	(7,051)	(1,763)	(4,179)	(1,045)
Fair value changes of assets and liabilities measured at FVTPL	(6,302)	(1,571)	(3,596)	(899)
Differences between fair value and carrying amount of identifiable net assets arising from business combinations of entities not under common control	(2,544)	(636)	(2,888)	(689)
Fair value changes of precious metals and commodities	(354)	(88)	(900)	(225)
Others	(8)	(2)	(144)	(33)
Subtotal	(50,032)	(12,503)	(75,296)	(18,788)
Offset amounts		11,865		18,099
Deferred tax liabilities after offsetting		(638)		(689)

The Bank

	31 December 2021		31 December 2020	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Impairment allowances for financial assets	223,468	55,867	193,692	48,423
Fair value changes of derivative financial instruments	29,507	7,377	61,137	15,284
Employee benefits payable	7,566	1,892	7,233	1,808
Provision	6,272	1,568	5,276	1,319
Fair value changes of assets measured at FVOCI	4,396	1,099	935	234
Fair value changes of assets and liabilities measured at FVTPL	1,355	339	2,685	671
Fair value changes of precious metals and commodities	-	-	620	155
Others	4,998	1,249	4,841	1,211
Subtotal	<u>277,562</u>	<u>69,391</u>	<u>276,419</u>	<u>69,105</u>
Offset amounts		(11,849)		(18,056)
Deferred tax liabilities after offsetting		<u>57,542</u>		<u>51,049</u>

	31 December 2021		31 December 2020	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Fair value changes of derivative financial instruments	(33,756)	(8,439)	(63,589)	(15,897)
Fair value changes of financial investment measured at FVOCI	(7,051)	(1,763)	(4,179)	(1,045)
Fair value changes of assets and liabilities measured at FVTPL	(6,236)	(1,559)	(3,447)	(862)
Fair value changes of precious metals and commodities	(354)	(88)	(900)	(225)
Others	-	-	(108)	(27)
Subtotal	<u>(47,397)</u>	<u>(11,849)</u>	<u>(72,223)</u>	<u>(18,056)</u>
Offset amounts		11,849		18,056
Deferred tax liabilities after offsetting		<u>-</u>		<u>-</u>

20.3 The movement of the deferred income tax account is as follows:

	Note	The Group		The Bank	
		2021	2020	2021	2020
Balance at the beginning of the year		51,669	45,075	51,049	44,763
Charged to profit or loss	III.7	6,389	5,512	6,322	5,200
Charged to other comprehensive income	III.34	266	1,082	171	1,086
Balance at the end of the year		58,324	51,669	57,542	51,049

21 Other assets

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Suspense accounts	66,394	57,674	66,384	57,661
Margin deposits	14,355	10,480	14,355	10,480
Other receivables	4,983	7,487	3,842	6,046
Prepayment for land-use rights and constructions	4,256	4,770	2,150	2,353
Interest receivable	4,065	2,941	4,065	2,941
Payments to Trust Protection Fund	1,819	2,514	-	-
Long-term deferred expenses	1,180	371	1,118	329
Reposessed assets	612	720	555	678
Others	830	5,253	294	4,900
Total	98,494	92,210	92,763	85,388

22 Deposits and placements from banks and other financial institutions

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Deposits from domestic banks	208,531	282,404	215,512	290,180
Deposits from overseas banks	1,478	11,510	1,478	11,510
Deposits from domestic non-bank financial institutions	702,353	872,880	703,484	874,951
Deposits from overseas non-bank financial institutions	9,888	13,164	10,230	13,437
Placements from domestic banks	139,511	123,653	70,053	75,050
Placements from overseas banks	40,244	48,296	32,579	41,342
Placements from domestic non-bank financial institutions	2,600	10,320	-	500
Accrued interest	2,170	3,345	1,942	3,086
Total	<u>1,106,775</u>	<u>1,365,572</u>	<u>1,035,278</u>	<u>1,310,056</u>

23 Financial liabilities measured at FVTPL

Note	The Group		The Bank	
	31 December <u>2021</u>	31 December <u>2020</u>	31 December <u>2021</u>	31 December <u>2020</u>
Financial liabilities related to precious metals	18,861	6,067	18,861	6,067
Financial liabilities related to short selling of bonds	1,093	-	1,093	-
Interest of other unitholders in consolidated structured entities (1)	11,326	9,990	-	-
Total	<u>31,280</u>	<u>16,057</u>	<u>19,954</u>	<u>6,067</u>

- (1) The Group designated interests attributable to other unit holders in consolidated structured entities as financial liabilities measured at FVTPL. As at 31 December 2021 and 31 December 2020, no significant fair value changes have occurred due to changes in the Group's own credit risk.

24 Financial assets sold under repurchase agreements

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Bonds	130,170	125,010	125,989	118,089
Discounted bills	44,016	107,273	44,016	107,273
Accrued interest	33	63	33	63
Total	174,219	232,346	170,038	225,425

25 Deposits from customers

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Current deposits				
-corporate	1,745,409	1,606,179	1,738,847	1,598,391
-retail	340,312	304,281	337,563	301,612
Time deposits				
-corporate	1,631,948	1,508,210	1,628,886	1,505,404
-retail	682,684	655,153	664,599	637,444
Other deposits	2,703	2,661	2,676	2,626
Subtotal	4,403,056	4,076,484	4,372,571	4,045,477
Accrued interest	60,552	45,923	59,404	44,864
Total	4,463,608	4,122,407	4,431,975	4,090,341

26 Debt securities issued

	Note	The Group		The Bank	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Interbank deposit certificates and deposit certificates issued	(1)	900,375	780,410	900,375	780,410
Bonds issued					
Subordinated bond issued in 2011	(2)	-	18,400	-	18,400
Subordinated bond issued in 2012	(3)	12,000	12,000	12,000	12,000
Green Financial Bond 02	(4)	-	15,000	-	15,000
Green Financial Bond 03	(5)	-	15,000	-	15,000
2018 Tier II First Financial Bond	(6)	20,000	20,000	20,000	20,000
2018 Tier II Second Financial Bond	(7)	20,000	20,000	20,000	20,000
2019 First Special Financial Bond for Small and Micro Enterprise Loans	(8)	50,000	50,000	50,000	50,000
2020 Tier II First Financial bond	(9)	32,000	32,000	32,000	32,000
2020 Tier II Second Financial Bond	(10)	8,000	8,000	8,000	8,000
2020 Tier II Third Financial Bond	(11)	30,000	30,000	30,000	30,000
2020 Tier II Fourth Financial Bond	(12)	10,000	10,000	10,000	10,000
2020 First Financial Bond	(13)	50,000	50,000	50,000	50,000
2021 First Financial Bond	(14)	60,000	-	60,000	-
2021 Second Financial Bond	(15)	40,000	-	40,000	-
Hong Kong medium-term note	(16)	11,513	8,829	11,513	8,829
Singapore medium-term note	(17)	1,912	1,962	1,912	1,962
London medium-term note	(18)	1,912	1,962	1,912	1,962
SPDB Convertible corporate bonds	(19)	49,998	49,999	49,998	49,999
2018 SPDB Financial Leasing Financial Bond	(20)	-	5,000	-	-
2019 First SPDB Financial Leasing Financial Bond	(21)	2,000	2,000	-	-
2019 Second SPDB Financial Leasing Financial Bond	(22)	2,000	2,000	-	-
2020 Tier II SPDB Financial Leasing Financial Bond	(23)	1,100	1,100	-	-
2020 SPDB Financial Leasing Financial Bond	(24)	3,000	3,000	-	-
2021 SPDB Financial Leasing Financial Green Bond	(25)	3,000	-	-	-
2021 First SPDB Financial Leasing Financial Bond	(26)	2,000	-	-	-
Subtotal		410,435	356,252	397,335	343,152
Add / (Less): Unamortized issue cost		459	(975)	479	(961)
Debt securities issued		410,894	355,277	397,814	342,191
Accrued interest		5,852	4,966	5,702	4,778
Total		1,317,121	1,140,653	1,303,891	1,127,379

- (1) As at 31 December 2021, the Group issued a total of 191 interbank deposit certificates in the domestic inter-bank market which have not yet expired, with the longest term to maturity being 1 years and interest rates falling within a range from 2.30% to 3.18% (As at 31 December 2020, the Group issued a total of 323 interbank deposit certificates in the domestic inter-bank market which have not yet expired, with the longest term to maturity being 1 years and interest rates falling within a range from 1.40% to 3.36%).

The deposit certificates of the Group were all publicly issued by overseas institutions of the Group. As at 31 December 2021, the number of deposit certificates publicly issued but not yet expired were 77 in total, with the longest term to maturity being 1 year and interest rates falling within a range from 0% to 3.15% (as at 31 December 2020, the number of deposit certificates publicly issued but not yet expired were 72 in total, with the longest term to maturity being 1 year and interest rates falling within a range from 0% to 2.06%).

- (2) The Bank issued subordinated bond in the amount of RMB 18.4 billion in the domestic inter-bank market on 11 October 2011 which have a term of 15 years through maturity, with a fixed annual coupon rate of 6.15%. The Bank has already redeemed the entire portion of bond.
- (3) The Bank issued subordinated bond in the amount of RMB 12 billion in the domestic inter-bank market on 27 December 2012 which have a term of 15 years through maturity, with a fixed annual coupon rate of 5.20%. The Bank is entitled to redeem entire portion of bond at face value on its tenth anniversary.
- (4) The Bank issued “2016 Second Green Financial Bond” in the amount of RMB 15 billion in the domestic inter-bank market on 25 March 2016 which has a term of 5 years through maturity, with a fixed annual coupon rate of 3.20%.
- (5) The Bank issued “2016 Third Green Financial Bond” in the amount of RMB 15 billion in the domestic inter-bank market on 14 July 2016 which has a term of 5 years through maturity, with a fixed annual coupon rate of 3.40%.
- (6) The Bank issued Tier II capital instruments in the amount of RMB 20 billion in the domestic inter-bank market on 5 September 2018 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.96%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (7) The Bank issued Tier II capital instruments in the amount of RMB 20 billion in the domestic inter-bank market on 14 September 2018 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.96%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (8) The Bank issued “2019 First Special Financial Bond for Small and Micro Enterprise Loans” in the amount of RMB 50 billion in the domestic inter-bank market on 25 March 2019 which have a term of 3 years, with a fixed annual coupon rate of 3.50%.

- (9) The Bank issued Tier II capital instruments in the amount of RMB 32 billion in the domestic inter-bank market on 30 July 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 3.87%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (10) The Bank issued Tier II capital instruments in the amount of RMB 8 billion in the domestic inter-bank market on 30 July 2020 which have a term of 15 years through maturity, with a fixed annual coupon rate of 4.18%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its tenth anniversary under certain conditions.
- (11) The Bank issued Tier II capital instruments in the amount of RMB 30 billion in the domestic inter-bank market on 15 September 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.27%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (12) The Bank issued Tier II capital instruments in the amount of RMB 10 billion in the domestic inter-bank market on 15 September 2020 which have a term of 15 years through maturity, with a fixed annual coupon rate of 4.52%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its tenth anniversary under certain conditions.
- (13) The Bank issued “2020 First Financial Bond” in the amount of RMB 50 billion in the domestic inter-bank market on 27 April 2020 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.08%.
- (14) The Bank issued “2021 First Financial Bond” in the amount of RMB 60 billion in the domestic inter-bank market on 23 March 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.48%.
- (15) The Bank issued “2021 Second Financial Bond” in the amount of RMB 40 billion in the domestic inter-bank market on 2 December 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 2.97%.
- (16) The Bank issued USD 350 million medium-term note in Hong Kong Stock Exchange on 13 July 2017 which has a term of 5 years through maturity, with a flexible annual coupon rate of 3ML+95BPS. The Bank issued USD 500 million medium-term note in Hong Kong Stock Exchange on 24 September 2018 which has a term of 5 years through maturity, with a flexible annual coupon rate of 3ML+84BPS, which has expired this year. The Bank issued USD 500 million medium-term note in Hong Kong Stock Exchange on 27 July 2020 which has a term of 3 years through maturity, with a flexible annual coupon rate of 3ML+85BPS. The Bank simultaneously issued HK 2 billion medium-term notes and US 700 million medium-term notes in Hong Kong Stock Exchange on 13 July 2021 which has the term of 2 years and 3 years respectively, and the coupon rate is 0.600% of the fixed interest rate and 0.875% of the fixed interest rate respectively.

- (17) The Bank issued USD 300 million medium-term note in Singapore Exchange Limited on 26 November 2018 which has a term of 3 years through maturity, with a flexible annual coupon rate of 3ML+87BPS. On January 19, 2021, the Bank issued medium-term notes totaling USD 300 million on the Singapore Exchange; the notes have a term of 3 years and a fixed coupon rate of 1.056% per annum.
- (18) The Bank issued issued USD 300 million medium-term notes in London Stock Exchange on 29 October 2019 which has a term of 3 years through maturity, with a flexible annual coupon rate of 3ML+70BPS.
- (19) As approved by the relevant regulatory authorities in China, the Bank made a public offering of RMB50 billion, A-share convertible corporate bonds on 15 November 2019. The convertible corporate bonds have a term of six years from 28 October 2019 to 27 October 2025, at coupon rates of 0.20% for the first year, 0.80% for the second year, 1.50% for the third year, 2.10% for the fourth year, 3.20% for the fifth year and 4.00% for the sixth year. The bond is payable on an annual basis, with principal and last year's interest due. The conversion of these convertible corporate bonds begins from the first trading day after six months upon the completion date of the offering (4 May 2020) to the maturity date (27 October 2025).

In accordance with formulas set out in the prospectus of the convertible corporate bonds, the initial conversion price of the convertible corporate bonds is RMB 15.05 per share, and the price of the convertible corporate bonds will be adjusted to reflect the dilutive impact of cash dividends and increase in paid-in capital under specified circumstances (excluding the conversion of convertible bonds due to this issue). The holder of this bond applies for a conversion within the conversion period. The number of conversions is calculated by dividing the total amount of the bond faced by the bond holder applying for the conversion by the effective conversion price on the day of application for the conversion. Within five trading days after the expiration of the convertible bonds issued by the Bank, the Bank will redeem all unconverted convertible bonds at 110% of the face value of the bonds' convertible bonds (including the interest of the last year). For the specific issuance terms of this bond, please refer to the relevant issuance announcement.

As at 31 December 2021, a total of RMB 1,290,000 convertible corporate bonds were converted to ordinary share of the Bank, and the accumulated numbers of shares converted were 87,609, and it accounts for 0.0003% of the total issued ordinary shares of the company before the convertible bonds of Shanghai Pudong Development Bank. The cumulative effect of the conversion on other equity instruments of the Bank was not material.

The liabilities and equity components of the convertible corporate bonds issued by the group and the bank are as follows:

	Liability	Equity	Total
		(N ote III.30)	
Issued amount of convertible bonds	47,214	2,786	50,000
Direct issuance expenses	(78)	(4)	(82)
Balance at the issuance date	47,136	2,782	49,918
Amortisation in the prior year	1,989	-	1,989
Converted bonds in the prior years	(1)	-	(1)
Balance at 1 January 2021	49,124	2,782	51,906
Amortisation in the current period	1,442	-	1,442
Converted bonds during the year	(1)	-	(1)
Balance at 31 December 2021	50,565	2,782	53,347

- (20) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2018 Financial Bond” in the amount of RMB 5 billion in the domestic inter-bank market on 19 July 2018 which has a term of 3 years through maturity, with a fixed annual coupon rate of 4.49%.
- (21) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2019 first Financial Bond” in the amount of RMB 2 billion in the domestic inter-bank market on 23 July 2019 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.62%.
- (22) SPDB Financial Leasing Co., Ltd, the subsidiary of the Bank, issued “2019 second Financial Bond” in the amount of RMB 2 billion in the domestic inter-bank market on 20 August 2019 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.45%.
- (23) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank issued Tier II capital instruments in the amount of RMB 1.1 billion in the domestic inter-bank market on 11 August 2020 which have a term of 10 years through maturity, with a fixed annual coupon rate of 4.20%. The Bank is entitled to redeem entire portion or part of the instruments at par value on its fifth anniversary under certain conditions.
- (24) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2020 Financial Bond” in the amount of RMB 3 billion in the domestic inter-bank market on 17 November 2020 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.88%.
- (25) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2021 Green Finance Bonds” in the amount of RMB 3 billion in the domestic inter-bank market on 6 July 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.38%.
- (26) SPDB Financial Leasing Co., Ltd., the subsidiary of the Bank, issued “2021 First Financial Bond” in the amount of RMB 3 billion in the domestic inter-bank market on

21 October 2021 which has a term of 3 years through maturity, with a fixed annual coupon rate of 3.30%.

27 Provisions

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Impairment allowance for financial guarantees and loan commitments	6,274	5,280	6,271	5,276
Others	1	-	1	-
	<u>6,275</u>	<u>5,280</u>	<u>6,272</u>	<u>5,276</u>

28 Other liabilities

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Suspense accounts	25,001	24,084	24,998	24,079
Employee benefits payable	14,865	13,822	13,068	12,183
VAT and other taxes payable	5,259	3,889	4,202	3,089
Advance from performance deposits and other deposits	3,288	9,739	202	5,777
Contract liabilities	3,140	2,832	2,545	1,954
Accrued expenses	2,758	1,406	2,748	1,391
Others	4,846	6,325	2,313	3,450
Total	<u>59,157</u>	<u>62,097</u>	<u>50,076</u>	<u>51,923</u>

29 Share capital

The Group and the Bank

	31 December 2021	31 December 2020
Domestic listed RMB ordinary share (A shares)	<u>29,352</u>	<u>29,352</u>

A shares issued by the Bank are all ordinary share, with par value of RMB 1 per share. All shares rank pari passu in all respects with each other.

30 Other equity instrument

	Note	31 December 2021	31 December 2020
Other equity instruments included in the tier 1 capital of the Bank-Equity of SPDB - convertible corporate bonds	(1)	2,782	2,782
Other equity instruments included in other tier 1 capital of the Bank	(2)	109,909	109,909
Total		112,691	112,691

- (1) As at 31 December 2021, the Equity of convertible corporate bonds issued by the Bank was RMB 2,782 million (2020: RMB 2,782 million), see note III. 26(19) for specific information.
- (2) Other equity instruments included in other tier 1 capital of the Bank

Name of other equity instruments outstanding	Dividend rate	Issuance Price (RMB)	Number	Opening amount	Movements during the year	Closing amount	Maturity date or renewals	Conversion (Yes/No)
Jiangyinyou 1(a)	6% for the first five years; 5.58% for the second five years	100	150 million	15,000	-	15,000	No maturity date	No
Jiangyinyou 2(a)	5.5% for the first five years; 4.81% for the second five years	100	150 million	15,000	-	15,000	No maturity date	No
19 SPDB Capital bonds with unfixed termss (b)	4.73% for the first five years	100	300 million	30,000	-	30,000	No maturity date	No
20 SPDB Capital bonds with unfixed termss (b)	4.75% for the first five years	100	500 million	50,000	-	50,000	No maturity date	No
Less: Issue expenses				(91)	-	(91)		
Carrying amount				109,909	-	109,909		

- (a) On 28 November 2014 and 6 March 2015, the Bank issued non-cumulative preference shares with a total par value of RMB 30 billion. The proceeds after deducting transaction costs amounted to RMB 29.92 billion and were recorded as other equity instruments. The Bank has the option to redeem part or all outstanding preference shares on any dividend payment date after five years from the issuance if certain conditions are met, under the approval obtained from the CBIRC. Holders of the preference shares have no right to require the Bank to redeem the outstanding preference shares. Dividends of the preference shares are payable in cash on annual basis at a fixed dividend rate which is adjusted every five years. The Bank at its discretion has the right not to declare and distribute the dividends of the preference shares in part or full.

Upon occurrence of any of the following triggering events and subject to the approval from the CBIRC, the Bank's outstanding preference shares shall be mandatorily converted in part or full to the Bank's ordinary shares:

- 1、 When the core tier 1 capital adequacy ratio of the Bank decreases to 5.125%(or below), upon the approval from the Board of Directors, the outstanding preference share shall be converted into the Bank's ordinary shares in part or full at a pre-determined mandatory conversion price so as to bring the Bank's core tier 1 capital adequacy ratio back to above 5.125%;
- 2、 When any triggering event of the Bank's tier 2 capital instruments occurs, the outstanding preference shares shall be converted to the Bank's ordinary A shares at the pre-determined mandatory conversion price.

Under the approval from regulatory authority, the outstanding preference shares will be fully or partially converted to ordinary A-shares at the price of RMB 7.62 per share when meeting the mandatory conversion triggering conditions. If the Bank subsequently appropriates bonus shares, transfers retained earnings to ordinary shares, issues new ordinary shares (excluding any increase of ordinary shares due to conversion of convertible financial instruments issued by the Bank, such as preference shares and convertible bonds, etc.) or issue rights, the conversion price shall be adjusted subject to the terms and formula provided by the offering documents to adjust for the dilutive effects of these specified increases in ordinary shares.

Pursuant to the relevant laws and regulations, and the Approval from CBIRC on the Bank's Non-Public Offering of Preference Shares and Corresponding Revisions to the Article of Association (YJF[2014]No.564), the proceeds from the issuance of preference shares shall be used to supplement the other tier 1 capital of the Bank.

Upon liquidation, the holders of the Bank's preference shares are entitled to the repayment at the par value of the outstanding preference shares prior to any distribution to the holders of the Bank's ordinary shares. If the remaining assets of the Bank are not sufficient to cover the par value, they are allocated to the holders of preference shares on proportionate basis.

- (b) The Bank issued "2019 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd." (RMB 30 billion) and "2020 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd." (RMB 50 billion) in the inter-bank market on July 2019 and November 2020 respectively, which were all accounted for as other equity instruments after deducting issuance expenses. The duration of this Perpetual bond was consistent with the duration of the Bank's continuing operations. The Bank shall have the right to redeem the Perpetual bond in whole or in part on the fifth distribution payment date since the issuance, provided that prerequisite for redemption is met and such redemption is approved by the CBIRC, and the bond investors have no right to request the Bank to redeem the capital bonds with unfixed terms. The Bank shall have the right to cancel, in whole or in part, distributions on the Perpetual bond

Pursuant to applicable laws and regulations and the "China Banking and Insurance Regulatory Commission's Reply on the Issuance of Unfixed-Term Capital Bonds by SPDB" (Yinbao Jianfu [2019] No. 596) and the "China Banking and Insurance Regulatory Commission's Reply on the Issuance of Unfixed-Term Capital Bonds by

SPDB” (Yinbao Jianfu [2020] No. 595), the funds raised from Perpetual bond are used to supplement other Tier 1 capital of the Bank.

The compensation order of the Perpetual bond is behind of depositors, general creditors and subordinated debts that are prior than the capital bonds with unfixed terms, and ahead of all types of shares held by shareholders of the Bank; the Perpetual bond will be compensated in the same order with other Tier 1 capital instruments which have the same compensation order.

As for the “2019 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.”, the Bank has the right to write down the bonds without obtaining the consent of the Perpetual bond investor when the Bank triggers the following trigger events as deemed by the CBIRC or relevant departments and obtains regulatory approval.

1. Upon the occurrence of an Additional Tier 1 Capital Trigger Event (Core Tier 1 Capital Adequacy Ratio of the Bank falling to 5.125% or below), with the consent of the CBIRC and without the consent of the bondholders, the Bank has the right to write down all or part of the above Perpetual bond issued and existing at that time in accordance with the total par value, in order to restore the Core Tier 1 Capital Adequacy Ratio of the Bank to above 5.125%.
2. When any triggering event of the Bank’s tier 2 capital instruments occurs, the Bank has the right to write down all the above Perpetual bond issued and existing at that time in accordance with the total par value without the consent of the bondholders.

As for the “2020 Perpetual bond of the Shanghai Pudong Development Bank Co., Ltd.”, if the trigger events does not occur, the Bank has the right to write down the bonds without obtaining the consent of the bond holder.

No occurrence of trigger events refers to the earlier of the below situation: (1) CBIRC determines that the issuer will not survive without written-off; or (2) the relevant departments determine that the issuer will not survive without the capital contribution from public sector or equivalent support.

31 Capital reserves

	The Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Share premium	81,691	81,690	81,691	81,690
Other capital surplus				
- Capital increase of subsidiaries	50	50	-	-
- Others	21	21	21	21
Total	81,762	81,761	81,712	81,711

As mentioned in Note III. 26(19), with the approval of the CBIRC and other relevant institutions, the Bank publicly issued A-share convertible corporate bonds with a face value of RMB 50 billion in 2019. As of December 31, 2021, about RMB 1,290,000 of

convertible corporate bonds had been converted into A-share ordinary shares, accumulatively increasing the bank's share capital to 87,609 shares, and increasing the Bank's share capital premium accordingly.

32 Surplus reserves

The Group and The Bank

	1 January 2021	Addition	31 December 2021
Statutory reserve	22,206	-	22,206
Discretionary reserve	120,533	16,553	137,086
	<hr/>	<hr/>	<hr/>
Total	142,739	16,553	159,292
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	1 January 2020	Addition	31 December 2020
Statutory reserve	22,206	-	22,206
Discretionary reserve	103,599	16,934	120,533
	<hr/>	<hr/>	<hr/>
Total	125,805	16,934	142,739
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Pursuant to related PRC regulations, the Bank is required to appropriate 10% of its annual net profit to a statutory reserve until such reserve has reached 50% of ordinary shares. After the appropriation of statutory reserve, the Bank may further appropriate discretionary reserve.

33 General risk reserve

The Group

	1 January 2021	Addition	31 December 2021
General risk reserve	<u>79,640</u>	<u>11,353</u>	<u>90,993</u>

	1 January 2020	Addition	31 December 2020
General risk reserve	<u>76,249</u>	<u>3,391</u>	<u>79,640</u>

The Bank

	1 January 2021	Change	31 December 2021
General risk reserve	<u>78,000</u>	<u>11,000</u>	<u>89,000</u>

	1 January 2020	Change	31 December 2020
General risk reserve	<u>74,900</u>	<u>3,100</u>	<u>78,000</u>

Pursuant to Caijin [2012] No. 20 “Administration Rules on Appropriation to General Risk Reserve for Financial Institutions” issued by MOF, the Bank is required to make appropriation to a general risk reserve.

General risk reserve of the Group also includes appropriation of the Bank’s subsidiaries required by industry or district regulations.

34 Other reserves

The Group

	Opening balance of other comprehensive income attributable to the Bank's Shareholders	for the year from 1 January 2021 to 31 December 2021					Attributable to minority shareholders after tax	Ending balance of other comprehensive income attributable to the Bank's Shareholders
		Transfer in before tax	Less: transfer out	Less: income tax	Attributable to the Bank after tax			
Items that may be reclassified to profit or loss								
Debt instruments measured at FVOCI								
- Fair value changes	1,479	669	(1,214)	108	(440)	3	1,039	
- Impairment allowance	2,081	(779)	(64)	170	(664)	(9)	1,417	
Exchange differences from the translation of foreign operations	85	(101)	-	-	(100)	(1)	(15)	
Cash flow hedge reserve	(3)	31	-	(2)	20	9	17	
Others	-	1	-	-	1	-	1	
Item that will not be reclassified to profit or loss								
Change in fair value of other equity instruments								
- Fair value changes	334	38	-	(10)	28	-	362	
	<u>3,976</u>	<u>(141)</u>	<u>(1,278)</u>	<u>266</u>	<u>(1,155)</u>	<u>2</u>	<u>2,821</u>	

	for the year from 1 January 2020 to 31 December 2020						Ending balance of other comprehensive income attributable to the Bank's Shareholders
	Opening balance of other comprehensive income attributable to the Bank's Shareholders	Transfer in before tax	Less: transfer out	Less: income tax	Attributable to the Bank after tax	Attributable to minority shareholders after tax	
Items that may be reclassified to profit or loss							
Debt instruments measured at FVOCI							
- Fair value changes	5,000	(1,936)	(2,741)	1,148	(3,521)	(8)	1,479
- Impairment allowance	1,334	937	-	(182)	747	8	2,081
Exchange differences from the translation of foreign operations	255	(184)	-	-	(170)	(14)	85
Cash flow hedge reserve	(1)	(5)	-	1	(2)	(2)	(3)
Item that will not be reclassified to profit or loss							
Change in fair value of other equity instruments							
- Fair value changes	679	(460)	-	115	(345)	-	334
	<u>7,267</u>	<u>(1,648)</u>	<u>(2,741)</u>	<u>1,082</u>	<u>(3,291)</u>	<u>(16)</u>	<u>3,976</u>

The Bank

	Opening balance of other comprehensive income	for the year from 1 January 2021 to 31 December 2021			Ending balance of other comprehensive income	
		Transfer in before tax	Less: transfer out	Less: income tax After tax		
Items that may be reclassified to profit or loss						
Financial investments measured at FVOCI						
- Fair value changes	1,676	1,007	(1,143)	34	(102)	1,574
- Impairment allowance	1,368	(523)	(64)	148	(439)	929
Exchange differences from the translation of foreign operations	(31)	7	-	-	7	(24)
Cash flow hedge reserve	2	6	-	(1)	5	7
Others	-	1	-	-	1	1
Item that will not be reclassified to profit or loss						
Change in fair value of other equity instruments						
- Fair value changes	334	38	-	(10)	28	362
	<u>3,349</u>	<u>536</u>	<u>(1,207)</u>	<u>171</u>	<u>(500)</u>	<u>2,849</u>

	Opening balance of other comprehensive income	for the year from 1 January 2020 to 31 December 2020			Ending balance of other comprehensive income	
		Transfer in before tax	Less: transfer out	Less: income tax		After tax
Items that may be reclassified to profit or loss						
Financial investments measured at FVOCI						
- Fair value changes	5,077	(2,047)	(2,487)	1,133	(3,401)	1,676
- Impairment allowance	884	645	-	(161)	484	1,368
Exchange differences from the translation of foreign operations	30	(61)	-	-	(61)	(31)
Cash flow hedge reserve	-	3	-	(1)	2	2
Item that will not be reclassified to profit or loss						
Change in fair value of other equity instruments						
- Fair value changes	679	(460)	-	115	(345)	334
	<u>6,670</u>	<u>(1,920)</u>	<u>(2,487)</u>	<u>1,086</u>	<u>(3,321)</u>	<u>3,349</u>

35 Profit appropriations

(1) Profit distribution for the year ended 31 December 2020

Pursuant to the approval at the Shareholders' meeting on 11 June 2021, the Bank's profit distribution plan for the year ended 31 December 2020 is as follows:

- (i) The Bank appropriated for discretionary surplus reserve at 30% of the profit after tax, amounting to RMB 16,553 million;
- (ii) Appropriate RMB 11 billion as general reserve;
- (iii) The Bank declared and distributed cash dividends of RMB 4.8 (tax included) for every 10 shares to all shareholders based on the total share capital of common stock on the date of equity registration for profit distribution.

(2) Profit distribution for the year ended 31 December 2019

Pursuant to the approval at the Shareholders' meeting on 19 June 2020, the Bank's profit distribution plan for the year ended 31 December 2019 is as follows:

- (i) The Bank appropriated for discretionary surplus reserve at 30% of the profit after tax, amounting to RMB 16,934 million;
- (ii) Appropriate RMB 3.1 billion as general reserve;
- (iii) The Bank declared and distributed cash dividends of RMB 6 (tax included) for every 10 shares to all shareholders based on the total share capital of common stock on the date of equity registration for profit distribution.

(3) Dividend distribution for preference shares

On 19 November 2021, the dividend distribution plan for Pufayou 1 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 837 million in total (tax included) on 3 December 2021, which were calculated according to the coupon rate of Pufayou 1 (5.58%).

On 24 February 2021, the dividend distribution plan for Pufayou 2 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 721.5 million in total (tax included) on 11 March 2021, which were calculated according to the coupon rate of Pufayou 2 (4.81%).

On 18 November 2020, the dividend distribution plan for Pufayou 1 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 837 million in total (tax included) on 3 December 2020, which were calculated according to the rate of Pufayou 1 (5.58%).

On 2 February 2020, the dividend distribution plan for Pufayou 2 was approved by the Board of Directors of the Bank. The Bank distributed dividends of RMB 825 million in total (tax included) on 11 March 2020, which were calculated according to the rate of Pufayou 2 (5.5%).

(4) Interests payment of capital bonds with unfixed terms

In November 2021, the Bank has declared the distribution of RMB 2.375 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2020 capital bonds with unfixed terms.

In July 2021, the Bank has declared the distribution of RMB 1.419 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2019 capital bonds with unfixed terms.

In July 2020, the Bank has declared the distribution of RMB 1.419 billion of interests of perpetual bonds according to the relevant terms of issuance of the 2019 capital bonds with unfixed terms.

36 Transfers of financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose vehicles. In some cases where these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continued to recognize the transferred assets.

Assets backed securitization transaction

For the year ended 31 December 2021, the Group transferred financial assets amounted to RMB 18,464 million through assets backed securitization transactions, and all have met the requirement of derecognition (For the year ended 31 December 2020, the Group transferred financial assets amounted to RMB 23,948 million through assets backed securitization transactions, and all have met the requirement of derecognition).

As at 31 December 2021, except for the aforementioned securitised transactions, the Group transferred credit assets of a original book value of RMB 35,874 million (31 December 2020: RMB 22,276 million) to securitised entities. The Group neither transfers nor retains substantially all of the risks and rewards related to ownership of the credit assets, but it retains control over the credit assets. The Group will recognise the assets on the balance sheet according to the degree of its continued involvement, and the rest will be derecognised. As at 31 December 2021, the assets value of the Group's continued recognition was RMB 4,650 million (31 December 2020: RMB 2,639 million).

Transfer of loans assets

For the year ended 31 December 2021, the Group directly transferred and derecognized a total amount of RMB 8,514 million loan assets to third parties, which were all non-performing loans to asset management companies and have met the requirement of derecognition (For the year ended 31 December 2020, the Group directly transferred and derecognized a total amount of RMB 9,674 million loan assets to third parties, which were all non-performing loans to asset management companies and have met the requirement of derecognition).

Securities lending transaction

In the securities lending transaction, the counterparty may sell or re-use the above securities in the condition that no default exists, but at the same time bear the obligation

to return the above securities on the expiration date specified in the agreement. For the above business, the Group believes that the Group retains most of the risks and rewards of the relevant securities and therefore does not derecognize the relevant securities. As at 31 December 2021, the carrying amount of the assets transferred by the Group in securities lending transactions was RMB 40,639 million (31 December 2020: RMB 39,680 million).

37 Involvement with unconsolidated structured entities

(1) Structured entities sponsored by third party institutions in which the Group holds an Interest

The Group directly holds an interest in some structured entities sponsored by third party institutions through investments in the products issued by these structured entities. Such structured entities include fund investment, capital trust and asset management plans, ABS and other investments, the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and are financed through the issue of investment products to investors.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in the structured entities sponsored by third party institutions:

	<u>The Group</u>	
	<u>31 December 2021</u>	<u>31 December 2020</u>
Carrying amount		
Financial investments measured at FVTPL		
Fund investments	398,560	428,491
Capital trust and asset management plans	14,720	14,739
ABS	6,518	459
Wealth management products of other banks	10	-
Other investments	6,467	5,971
Financial investments measured at amortised cost		
Capital trust and asset management plans	433,573	360,756
ABS	127	280
Financial investments measured at FVOCI		
Asset management plans	9,198	44,424
ABS	5,134	7,818
Other equity investment	828	817

The maximum exposures to loss in the above capital trust and asset management plans are the amortised cost or fair value of the assets held by the Group at the reporting date. The maximum exposures to loss in the fund investment and other investments are the fair value of the assets held by the Group at the reporting date.

(2) Structured entities sponsored by the Group which the Group did not consolidate but held an interest

The types of unconsolidated structured entities sponsored by the Group include non-principal-guaranteed wealth management products, trust plan, fund investment and ABS. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of notes to investors. Interest held by the Group includes investments in notes issued by these structured entities and fees charged by providing management services. As at 31 December 2021, the carrying amounts of the investments in the notes issued by these structured entities and fee receivables being recognised were not material in the statement of financial positions.

As at 31 December 2021, the amount of assets held by the unconsolidated non-principal-guaranteed wealth management products, which are sponsored by the Group, were RMB 1,170,405 million (31 December 2020: RMB 1,345,500 million) respectively.

During the year of 2021, the amount of the average exposure of financing transactions through reverse repurchase agreements from the Group with non-principal guaranteed wealth management products sponsored by the Group was RMB Nil million (2020: RMB 59 million). The transactions were conducted in the ordinary course of business under normal terms and conditions and at market rates.

As at 31 December 2021, the amount of assets held by the unconsolidated capital trust and asset management plans, which are sponsored by the Group, were RMB 387,901 million (31 December 2020: RMB 470,837 million) respectively.

As at 31 December 2021, the amount of assets held by the unconsolidated fund investments, which are sponsored by the Group, were RMB 265,135 million (31 December 2020: RMB 369,633 million) respectively.

As at 31 December 2021, the amount of assets held by the unconsolidated ABS, which are sponsored by the Group, were RMB 197,136 million (31 December 2020: RMB 108,034 million) respectively.

(3) Unconsolidated structured entities sponsored by the Group during the year in which the Group does not have an interest at 31 December 2021

The aggregated amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January 2021 but matured before 31 December 2021 was RMB 6,369 million (The aggregated amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January 2020 but matured before 31 December 2020 was RMB 65,445 million).

The total amount of ABS issued by the Group after 1 January 2021 but matured before 31 December 2021 was RMB 593 million (The total amount of ABS issued by the Group after 1 January 2020 but matured before 31 December 2020 was RMB 625 million).

There was no trust plans or investments in funds issued by the Group after 1 January 2021 and expired before 31 December 2021.

In 2021, the income earned by the group in the above-mentioned structured entities is not significant (2020: not significant).

38 Interests in other entities

(1) Interests in major subsidiaries

(i) Major subsidiaries of the Group

<i>Name of subsidiaries</i>	<i>Place of main business</i>	<i>Place of registration</i>	<i>Obtaining method</i>	<i>Share-holding percentage (direct)</i>
SPDB Financial Leasing Co., Ltd.	Shanghai	Shanghai	Establishment	61.02%
Shanghai International Trust Co., Ltd.	Shanghai	Shanghai	Acquisition	97.33%
SPDB International Holding, Ltd.	Hong Kong	Hong Kong	Acquisition	100.00%
Mianzhu SPD Rural Bank Co., Ltd.	Mianzhu, Sichuan	Mianzhu, Sichuan	Establishment	55.00%
Liyang SPD Rural Bank Co., Ltd.	Liyang, Jiangsu	Liyang, Jiangsu	Establishment	51.00%
Gongyi SPD Rural Bank Co., Ltd.	Gongyi, Henan	Gongyi, Henan	Establishment	51.00%
Fengxian SPD Rural Bank Co., Ltd.	Fengxian, Shanghai	Fengxian, Shanghai	Establishment	51.00%
Zixing SPD Rural Bank Co., Ltd.	Zixing, Hunan	Zixing, Hunan	Establishment	51.00%
Chongqing Banan SPD Rural Bank Co., Ltd.	Banan, Chongqing	Banan, Chongqing	Establishment	51.00%
Zouping SPD Rural Bank Co., Ltd.	Zouping, Shandong	Zouping, Shandong	Establishment	51.00%
Zezhou SPD Rural Bank Co., Ltd.	Jincheng, Shanxi	Jincheng, Shanxi	Establishment	51.00%
Dalian Ganjingzi SPD Rural Bank Co., Ltd.	Ganjingzi, Liaoning	Ganjingzi, Liaoning	Establishment	51.00%
Hancheng SPD Rural Bank Co., Ltd.	Hancheng Shaanxi	Hancheng Shaanxi	Establishment	51.00%
Jiangyin SPD Rural Bank Co., Ltd.	Jiangyin, Jiangsu	Jiangyin, Jiangsu	Establishment	51.00%
Pingyang SPD Rural Bank Co., Ltd.	Pingyang, Zhejiang	Pingyang, Zhejiang	Establishment	51.00%
Xinchang SPD Rural Bank Co., Ltd.	Xinchang, Zhejiang	Xinchang, Zhejiang	Establishment	51.00%
Yuanjiang SPD Rural Bank Co., Ltd.	Yuanjiang, Hunan	Yuanjiang, Hunan	Establishment	51.00%
Chaling SPD Rural Bank Co., Ltd.	Zhuzhou, Hunan	Zhuzhou, Hunan	Establishment	51.00%
Linchuan SPD Rural Bank Co., Ltd.	Fuzhou, Jiangxi	Fuzhou, Jiangxi	Establishment	51.00%
Linwu SPD Rural Bank Co., Ltd.	Chenzhou, Hunan	Chenzhou, Hunan	Establishment	51.00%
Hengnan SPD Rural Bank Co., Ltd.	Hengyang, Hunan	Hengyang, Hunan	Establishment	51.00%
Haerbin Hulan SPD Rural Bank Co., Ltd.	Haerbin, Heilongjiang	Haerbin, Heilongjiang	Establishment	51.00%
Gongzhuling SPD Rural Bank Co., Ltd.	Siping, Jilin	Siping, Jilin	Establishment	51.00%
Yuzhong SPD Rural Bank Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Establishment	51.00%
Fumin SPD Rural Bank Co., Ltd.	Fumin, Yunnan	Fumin, Yunnan	Establishment	51.00%
Ningbo Haishu Rural Bank Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Establishment	51.00%
Urumchi Midong SPD Rural Bank Co., Ltd.	Urumchi, Xinjiang	Urumchi, Xinjiang	Establishment	51.00%
Tianjin Baodi SPD Rural Bank Co., Ltd.	Baodi, Tianjin	Baodi, Tianjin	Establishment	49.00%
Chongqing Tongliang SPD Rural Bank Co., Ltd.	Tongliang, Chongqing	Tongliang, Chongqing	Establishment	51.00%
Qianxinan yilong SPD Rural Bank Co., Ltd.	Yilong, Guizhou	Yilong, Guizhou	Establishment	51.00%
Fufeng SPD Rural Bank Co., Ltd.	Baoji, Shaanxi	Baoji, Shaanxi	Establishment	51.00%

In accordance with relevant conventions entered into by the Bank and other shareholders of Baodi Tianjin SPD Rural Bank Co., Ltd., the Bank owns 51% voting rights in Baodi Tianjin SPD Rural Bank Co., Ltd, and therefore is able to control Baodi Tianjin SPD Rural Bank Co., Ltd..

All subsidiaries are unlisted and consolidated in the Bank's consolidated financial statements.

(ii) Relevant information of major partly-owned subsidiaries

After individual assessment, the Group concluded that no subsidiary has non-controlling interest that is material to the Group.

(2) Interests in joint ventures and associates

(i) General information of major joint ventures and associates

<i>Name of the investee</i>	<i>Note</i>	<i>Place of main business</i>	<i>Place of registration</i>	<i>Strategic investment</i>	<i>Share-holding percentage (Direct)</i>	<i>Business nature</i>
Joint ventures:						
AXA SPDB Investment Managers Co., Ltd.	(a)	Shanghai	Shanghai	Y	51%	Financial industry
SPD Silicon Valley Bank Co., Ltd.		Shanghai	Shanghai	Y	50%	Financial industry

Equity investments above-mentioned are all accounted for by equity method.

(a) According to the Articles of Association of AXA SPDB Investment Managers Co., Ltd., resolutions on certain significant operations and finance decisions shall be approved by shareholders representing more than two-thirds voting shares. These resolutions are involved with the Company's strategic plans, investment plans, authorization on the Board of Directors for approval of annual financial budget and settlement plans, approval of profit appropriations and plans to cover accumulated losses, and approval of equity transfers and modification of the Articles of Association, etc. Although the Group owns 51% voting shares of AXA SPDB Investment Management Co., Ltd., it has to exercise influences over the company jointly with other major shareholders.

(ii) Key financial information of major joint ventures and associates

The Group's joint ventures and associates are all unlisted companies. The Group is of the view that these joint ventures and associates are not material to the Group in terms of their aggregated net profit and net assets.

IV SEGMENT REPORTING

Top management of the Group reviews the performance of the Bank's branches and subsidiaries in different economic regions from geographic perspective. The branches and subsidiaries of the Bank mainly provide services to local customers domiciled in respective geographic areas, therefore operating segments are analysed principally based on the location of the assets.

The operating segments' principal income are mainly from various commercial and investment banking services, including deposits and loans, discounted bills, trade finance, inter-bank money market and investments etc.

The Group's operating segments of different regions are set out as follows:

Headquarter:	Headquarters (including the direct institutions under headquarters and the branches)
Yangtze River Delta: Pearl River Delta and West Side of Taiwan Strait:	Branches in Shanghai, Jiangsu, Zhejiang, Anhui
Bohai Rim:	Branches in Guangdong and Fujian
Central China:	Branches in Beijing, Tianjin, Hebei and Shandong
Western China:	Branches in Shanxi, Henan, Hubei, Hunan, Jiangxi and Hainan
North-east China:	Branches in Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongoli and Tibet
Overseas and subsidiaries:	Overseas branches and domestic and overseas Subsidiaries

For the year from 1 January 2021 to 31 December 2021

	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Interest income	125,008	86,125	32,841	40,724	29,620	27,998	9,274	9,131	(60,028)	300,693
<i>Including:</i>										
<i>External interest income</i>	112,699	65,294	24,582	26,575	29,458	25,039	8,413	8,633	-	300,693
<i>Internal interest income</i>	12,309	20,831	8,259	14,149	162	2,959	861	498	(60,028)	-
Interest expense	(83,766)	(49,695)	(21,428)	(26,759)	(13,817)	(18,583)	(5,546)	(5,169)	60,028	(164,735)
<i>Including:</i>										
<i>External interest expense</i>	(64,225)	(41,349)	(12,327)	(20,525)	(9,736)	(7,358)	(4,500)	(4,715)	-	(164,735)
<i>Internal interest expense</i>	(19,541)	(8,346)	(9,101)	(6,234)	(4,081)	(11,225)	(1,046)	(454)	60,028	-
Net interest income	41,242	36,430	11,413	13,965	15,803	9,415	3,728	3,962	-	135,958
Net fee and commission income	19,495	2,297	2,085	823	(424)	(166)	200	4,824	-	29,134
Net trading income	15,392	1,251	363	653	376	419	86	1,575	-	20,115
Net gains arising from financial investments	2,332	-	-	-	-	-	-	(56)	-	2,276
Other operating income	135	151	25	106	35	84	10	2,871	-	3,417
Operating expenses	(17,395)	(11,313)	(3,862)	(5,264)	(3,803)	(4,663)	(1,882)	(5,526)	-	(53,708)
Impairment losses	(30,718)	(6,144)	(3,185)	(4,397)	(3,967)	(24,940)	(3,739)	(1,254)	-	(78,344)
Share of profits associates and joint ventures	190	-	-	-	-	-	-	33	-	223
Total segment profit / (loss) before tax	30,673	22,672	6,839	5,886	8,020	(19,851)	(1,597)	6,429	-	59,071

31 December 2021

	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Loans and advances to customers	568,205	1,464,815	567,961	608,632	544,401	570,532	194,080	174,862	(2,534)	4,690,954
Total segment assets	<u>3,994,931</u>	<u>2,305,152</u>	<u>698,256</u>	<u>984,964</u>	<u>571,081</u>	<u>602,101</u>	<u>236,826</u>	<u>380,013</u>	<u>(1,636,567)</u>	<u>8,136,757</u>
Deposits from customers	142,215	1,882,049	575,921	777,332	447,288	368,530	182,747	88,819	(1,293)	4,463,608
Total segment assets	<u>3,364,271</u>	<u>2,282,428</u>	<u>691,343</u>	<u>978,645</u>	<u>562,974</u>	<u>622,151</u>	<u>238,382</u>	<u>354,912</u>	<u>(1,636,567)</u>	<u>7,458,539</u>
Net position of segment assets and liabilities	<u>630,660</u>	<u>22,724</u>	<u>6,913</u>	<u>6,319</u>	<u>8,107</u>	<u>(20,050)</u>	<u>(1,556)</u>	<u>25,101</u>	<u>-</u>	<u>678,218</u>

For the year from 1 January 2020 to 31 December 2020

	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Interest income	258,764	147,720	45,593	56,612	44,048	37,794	15,584	10,645	(321,775)	294,985
<i>Including:</i>										
<i>External interest income</i>	115,814	61,512	22,009	25,674	27,827	23,303	9,089	9,757	-	294,985
<i>Internal interest income</i>	142,950	86,208	23,584	30,938	16,221	14,491	6,495	888	(321,775)	-
Interest expense	(213,208)	(111,269)	(35,038)	(42,536)	(28,678)	(28,914)	(11,280)	(7,256)	321,775	(156,404)
<i>Including:</i>										
<i>External interest expense</i>	(62,735)	(38,580)	(11,846)	(17,395)	(8,652)	(6,556)	(4,117)	(6,523)	-	(156,404)
<i>Internal interest expense</i>	(150,473)	(72,689)	(23,192)	(25,141)	(20,026)	(22,358)	(7,163)	(733)	321,775	-
Net interest income	45,556	36,451	10,555	14,076	15,370	8,880	4,304	3,389	-	138,581
Net fee and commission income	24,608	1,176	1,703	955	(154)	516	529	4,613	-	33,946
Net trading income	12,730	282	417	461	332	240	19	3,139	-	17,620
Net gains arising from financial investments	3,208	-	-	-	-	-	-	11	-	3,219
Other operating income	235	135	65	97	36	100	14	2,373	-	3,055
Operating expenses	(16,592)	(10,705)	(3,429)	(4,941)	(3,783)	(4,102)	(1,871)	(5,002)	-	(50,425)
Impairment losses	(33,555)	(4,966)	(711)	(3,859)	(9,200)	(23,270)	(1,480)	(2,512)	-	(79,553)
Share of profits associates and joint ventures	130	-	-	-	-	-	-	16	-	146
Total segment profit / (loss) before tax	36,320	22,373	8,600	6,789	2,601	(17,636)	1,515	6,027	-	66,589

31 December 2020

	Headquarters	Yangtze River Delta	Pearl River Delta and West Side of Taiwan Strait	Bohai Rim	Central China	Western China	North-east China	Overseas and subsidiaries	Elimination	Total
Loans and advances to customers	622,092	1,365,333	491,756	562,422	519,030	525,264	179,284	165,749	(702)	4,430,228
Total segment assets	<u>4,104,531</u>	<u>2,193,480</u>	<u>636,595</u>	<u>901,649</u>	<u>567,591</u>	<u>574,494</u>	<u>229,368</u>	<u>373,707</u>	<u>(1,623,258)</u>	<u>7,958,157</u>
Deposits from customers	121,828	1,739,815	535,105	680,717	423,622	340,547	188,168	94,352	(1,747)	4,122,407
Total segment assets	<u>3,505,983</u>	<u>2,170,863</u>	<u>627,999</u>	<u>894,693</u>	<u>564,949</u>	<u>592,335</u>	<u>227,855</u>	<u>351,522</u>	<u>(1,623,258)</u>	<u>7,312,941</u>
Net position of segment assets and liabilities	<u>598,548</u>	<u>22,617</u>	<u>8,596</u>	<u>6,956</u>	<u>2,642</u>	<u>(17,841)</u>	<u>1,513</u>	<u>22,185</u>	<u>-</u>	<u>645,216</u>

V CONTINGENCIES AND COMMITMENTS

1 Credit commitments

The Group's credit commitments are listed as follows:

	31 December 2021	31 December 2020
Bank acceptance bills	617,735	553,527
Letters of credit issued	192,522	176,517
Letters of guarantee issued	113,363	112,564
Credit cards and loan commitments	647,121	525,923
	<hr/>	<hr/>
Total	1,570,741	1,368,531
	<hr/> <hr/>	<hr/> <hr/>

2 Commitment on redemption of certificate treasury bonds

The Group is entrusted by the MOF to underwrite certificate treasury bonds. The investors of these treasury bonds have a right to redeem the bonds at any time prior to maturity and the Group is committed to redeem these treasury bonds. The redemption price is the principal value of the bonds plus unpaid interest at the redemption date.

As at 31 December 2021, the outstanding principal value of the treasury bonds sold by the Group amounted to RMB 2,921 million (31 December 2020: RMB 4,025 million).

The MOF will not provide funding for the early redemption of these treasury bonds on a back-to-back basis but will pay interest and repay the principal at maturity. The management expects the amount of the bonds of which redemption is through the Group before the maturity dates will not be material.

3 Capital commitments

As at 31 December 2021, the major capital commitments the Group had signed but not paid amounted to RMB 10,141 million (31 December 2020: RMB 3,879 million). Additionally, as at 31 December 2021, the amount of the procurement plan of financial lease commitments and operating fixed assets that the Bank's subsidiaries had signed but not paid was RMB 5,331 million (31 December 2020: RMB 6,218 million).

As at 31 December 2021, the major capital commitments the Group had approved but not signed amounted to RMB 5,131 million (31 December 2020: RMB 3,595 million). Additionally, as at 31 December 2021, the amount of the procurement plan of financial lease commitments and operating fixed assets that the Bank's subsidiaries had approved but not signed was RMB 506 million (31 December 2020: RMB 177 million).

4 Legal proceedings

As at 31 December 2021, the number of outstanding legal proceedings where the Group acts as the defendant and third party defendant was 148 and 198, respectively. The corresponding amount involved was about RMB 1,371 million and RMB 511 million, respectively, the possibility of loss for other cases were assessed as not large. (As at 31 December 2020, the number of outstanding legal proceedings where the Group acts as the defendant and third party defendant was 148 and 126, respectively. The corresponding amount involved was about RMB 1,746 million and RMB 677 million, respectively. The Group assessed the possibility of loss from reparations being not large, so in addition to the estimated loss of RMB 520 million for individual cases, the possibility of compensation for other cases is not expected).

VI FIDUCIARY BUSINESSES

The Group provides safe-keeping and entrusted loan businesses to independent third party customers. The assets arising from these businesses are not recorded on the Group's balance sheet. As at 31 December 2021, the balance of entrusted loan business was RMB 76,427 million (As at 31 December 2020: RMB 107,147 million).

VII RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1 Major shareholders holding more than 5% shares of the Bank

As at 31 December 2021 and 31 December 2020, major shareholders holding more than 5% ordinary shares of the Bank are as follows:

	Direct shareholding percentage	<u>Major business</u>
Shanghai International Group Co., Ltd.	21.57%	Investment management
China Mobile Group Guangdong Company Limited	18.18%	Mobile and Communication
Funde Sino Life Insurance Co., Ltd. – Traditional	9.47%	Insurance Business
Funde Sino Life Insurance Co., Ltd. – Capital	6.01%	Insurance Business

2 Other shareholders who exert significant influence on the Bank

As of December 31, 2021 and 2020, other shareholders exerting significant influence on the Bank include:

	<u>Major Business</u>
China National Tobacco Corporation Jiangsu Branch	Tobacco products

3 Subsidiaries

For general information of the Group's subsidiaries, please refer to Note III.38(2) "Interests in other entities".

4 Joint ventures and associates

For general information of the joint ventures and associates, please refer to Note III. 38(2) "Interests in other entities".

5 Other major related parties

Other related parties mainly include respective group companies of shareholders who hold 5% , other substantial shareholders and the group to which they belong that have significant influence on the Group, key management personnel of the Bank (including the directors, supervisors and senior executives) and their close family members, and the companies that are controlled or jointly controlled by these key management personnel and their close family members, or the companies in which key management personnel and their close family members serve as directors or senior executives.

Additionally, in accordance with relevant regulations, the Bank has reported to the Shanghai Stock Exchange on the exemption from disclosure of the transactions between the Bank and its independent directors and companies in which its external supervisors have part-time positions.

6 Transactions and balances with related parties

The amounts of material transactions between the Group and its related parties and related balances at the balance sheet date are summarised as follows:

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Amounts of significant transactions from 1 January 2021 to 31 December 2021 are listed below:							
Interest income	-	3	79	66	1	149	0.05%
Interest expense	(527)	(27)	(1,194)	(505)	(1)	(2,254)	1.37%
Net Fee and commission income	1	124	4	5	-	134	0.34%
Net trading income	-	(14)	-	103	-	89	0.44%
Share of profits associates and joint ventures	-	223	-	-	-	223	100.00%
Operating expenses	(7)	-	(109)	-	-	(116)	0.22%
Other comprehensive income	-	-	-	(17)	-	(17)	1.47%

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Significant item balances at 31 December 2021:							
Deposits and placements with banks and other financial institutions	-	-	426	1,559	-	1,985	0.46%
Loans and advances to customers	-	-	1,191	1,843	19	3,053	0.07%
Derivative financial assets	-	1	-	607	-	608	1.80%
Financial investments measured at:							
- Financial investments measured at FVTPL	-	-	1	1,587	-	1,588	0.30%
- Financial investments measured at amortized cost	-	-	-	449	-	449	0.03%
- FVOCI	-	-	-	1,572	-	1,572	0.32%
Investments in associates and Joint Ventures	-	2,819	-	-	-	2,819	100.00%
Deposits and placements from banks and other financial institutions	-	(1,563)	(28,154)	(8,435)	-	(38,152)	3.45%
Derivative financial liabilities	-	(13)	-	(391)	-	(404)	1.37%
Deposits from customers	(3,614)	(3,882)	(71,961)	(21,639)	(24)	(101,120)	2.27%

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Significant off-balance item at 31 December 2021							
Letters of guarantee issued	-	-	51	-	-	51	0.04%
Credit card commitment	-	-	-	-	12	12	0.01%
Fiduciary businesses	-	-	82	-	-	82	0.11%
Guarantees provided for credit business	-	-	2,224	2,749	-	4,973	0.18%
Bank acceptance bills	-	-	19	-	-	19	0.00%
Investment of funds for issuing financial products	-	-	-	2,006	-	2,006	0.17%

Note1: as of 31 December 2021, key management of the Bank possessed a total number of 1,290,600 shares of common stock issued by the Bank. During the first half of 2021, key management has obtained relevant cash dividends of their shares.

Note2: On 31 December 2021, Shanghai International Group Co., Ltd. and its subsidiaries hold a total of 8.67% of shares of convertible corporate bonds issued by the Bank and China Mobile Group Guangdong Co., Ltd., directly holds 18.17% of shares of convertible corporate bonds issued by the Bank.

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Amounts of significant transactions from 1 January 2020 to 31 December 2020 are listed below:							
Interest income	-	-	66	53	1	120	0.04%
Interest expense	(643)	(61)	(1,038)	(336)	(1)	(2,079)	1.33%
Net Fee and commission income	-	359	20	22	-	401	0.91%
Net trading income	-	-	-	24	-	24	0.14%
Share of profits associates and joint ventures	-	146	-	-	-	146	100.00%
Operating expenses	(7)	-	(218)	-	-	(225)	0.45%
Other comprehensive income	-	-	-	1	-	1	-0.03%

	Major shareholders	Joint ventures and associates	Other major related parties - group companies of major shareholders (exclusive)	Other major related parties - companies with significant influence by key management personnel (exclusive)	Other major related parties - individuals	Total	Proportion of relevant transactions and balances
Significant item balances at 31 December 2020:							
Deposits and placements with banks and other financial institutions	-	-	2,356	1,618	-	3,974	1.03%
Loans and advances to customers	-	-	848	1,099	19	1,966	0.04%
Derivative financial assets	-	1	-	471	-	472	0.74%
Financial investments measured at:							
- FVOCI	-	-	-	446	-	446	0.08%
Investments in associates and Joint Ventures	-	2,401	-	-	-	2,401	100.00%
Deposits and placements from banks and other financial institutions	-	(1,353)	(43,134)	(6,016)	-	(50,503)	3.70%
Derivative financial liabilities	-	-	-	(357)	-	(357)	0.58%
Deposits from customers	(6,533)	(551)	(45,166)	(8,924)	(33)	(61,207)	1.48%
Significant off-balance item at 31 December 2020							
Letters of guarantee issued	-	-	15	-	-	15	0.01%
Credit card commitment	-	-	-	-	15	15	0.01%
Fiduciary businesses	-	-	97	1,600	-	1,697	1.58%
Guarantees provided for credit business	-	2	2,371	963	-	3,336	0.12%
Investment of funds for issuing financial products	-	-	960	2,700	-	3,660	0.25%

Note1: as of 31 December 2020, key management of the Bank possessed a total number of 855,100 shares of common stock issued by the Bank. During the first half of 2020, key management has obtained relevant cash dividends of their shares.

Note2: On 31 December 2020, Shanghai International Group Co., Ltd. and its subsidiaries hold a total of 8.69% of shares of convertible corporate bonds issued by the Bank and China Mobile Group Guangdong Co., Ltd., directly holds 18.17% of shares of convertible corporate bonds issued by the Bank.

7 Related parties that are controlled by the Bank

Related parties that are controlled by the Bank are the subsidiaries of the Bank. Major transactions with these subsidiaries and their balances are eliminated in the consolidated financial statements, and are summarised as follows:

Balances at the year end:	31 December 2021	31 December 2020
Deposits and placements with banks and other financial institutions	2,559	5,123
Loans and advances to customers	1,388	702
Deposits and placements from banks and other financial institutions	8,473	10,155
Deposits from customers	1,293	1,747
Others	32	23
 Transactions during the year:	 <u>2021</u>	 <u>2020</u>
Interest income from deposits and placements from banks and other financial institutions	49	166
Interest income from loans and advances to customers	60	31
Interest expenses on deposits from banks and other financial institutions	265	250
Interest expenses on deposits from customers	12	68
Fee and commission income	54	66
Fee and commission expense	111	126
Other income	-	2

8 Compensation of key management personnel

Key management personnel are those people having authority and responsibility for planning, directing, and controlling the activities of the Group, either directly or indirectly, including directors, supervisors and senior executives.

Compensation of key management personnel for the respective periods (excluding the social insurance charges paid by the Bank) is as follows:

	2021	2020
Compensation of key management personnel	<u>22</u>	<u>39</u>

The Compensation of key management personnel are remuneration without social insurance paid in 2021 to the directors, supervisor and senior management of the Bank in past 12 months or will do so in the next 12 months according to the relevant contract arrangement.

9 Transactions with the annuity plan

In terms of the enterprise annuity funds established by the Group, in addition to the normal contribution, there has been no other related party transactions during the reporting period.

10 Major credit related transactions to related parties

Major credit related transactions to related parties refer to transactions in which the amount of a single transaction between the Bank and a related party accounts for more than 1% of the latest audited net assets of the Bank, or the transaction balance between the Bank and a related party accounts for more than 5% of the latest audited net assets of the Bank

In 2021, the newly added major credited related transactions between the Bank and related parties outside the Group are as follows (excluding counterparties who have been applied for exemption from disclosure to the Shanghai Stock Exchange:

<u>Related Parties</u>	<u>Total credit limit to related parties and other companies in their group</u>
Guotai Junan Securities Co., Ltd.	24,600
Shanghai Jiushi (Group) Co., Ltd.	24,500
Sheneng (Group) Co., LTD	20,000
Orient Securities Co., Ltd.	19,500
Shanghai International Group Co., Ltd.	15,500
Bailian Group Co., Ltd.	13,000

For details of major credit related transactions, please refer to the relevant resolutions of the board of directors publicly disclosed by the Bank.

VIII FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks in its operating activities. The Group analyses, evaluates, accepts and manages certain degree of risks or risk portfolios. Managing financial risk is critical to the financial industry, and the inherent risks is an inevitable consequence of business operation. The Group's aim is therefore to strike an appropriate balance between risk and return and minimise potential adverse impact on the Group's financial performance.

The Group has designed a series of risk management policies to identify and analyse these risks, so as to set appropriate risk limits and formulate control procedures. It has also monitored the risks and their limits through reliable information systems.

The most significant types of risks to the Group are credit risk, market risk and liquidity risk. Market risk mainly consists of foreign currency risk, interest rate risk and commodity price risk.

The Board of Directors of the Bank is responsible for determining the Group's overall risk appetite. Within this framework, the senior management of the Bank designs risk management policies and procedures for credit risk, market risk and liquidity risk. After the policies and procedures are approved by the Board of Directors, relevant departments of the headquarters are responsible for the implementation.

1 Credit risk

Credit risk is the risk that a customer or counterparty may fail or be unwilling to fulfil an obligation or commitment to the Group resulting in a financial loss. Credit risk is higher when counterparties are concentrated in single industry or geographic region, because various counterparties in the same industry or geographic region could be adversely affected by the same economic factors, which ultimately affect their repayment ability.

(1) Credit risk management

(i) Loans

The Group manages, restricts and controls the concentration of credit risk identified, especially with regards to concentration on singular counterparty, group, industry and region.

The Group continuously optimizes the credit risk structure by setting limits on the borrower, group of borrowers, geographical and industry segments. Concentration risks are monitored on ongoing basis and subject to an annual or more frequent review where necessary.

The Group manages the exposure to credit risk through regular analysis of borrowers' ability to repay principal and interest payments and amends the credit facilities where appropriate.

The Group has established relevant policies and various measures to mitigate credit risk. Obtaining collateral, pledged assets, guarantee deposits or guarantees from corporates or individuals has been one of the main strategies to control credit risk. The Group provides guidelines on the specific types of acceptable collateral or pledged assets, mainly include the following:

- Residential property and land tenure;
- Commercial assets, such as commercial property, inventory and accounts receivable;
- Financial instruments, such as bonds and equity shares.

Fair value of collaterals or pledged assets is generally assessed by professional evaluation agencies designated by the Group. When there are indications of impairment, the value of collaterals or pledged assets will be re-examined by the Group to assess whether the collaterals or pledged assets could adequately cover the credit risks associated with loans. To mitigate the credit risk, the Group has implemented loan-to-value ratio requirement based on type of collaterals or pledged assets. The main types of collaterals or pledged assets for corporate loans and retail loans and their corresponding maximum loan-to-value ratio are as follows:

<u>Collaterals or pledged assets</u>	<u>Maximum loan-to-value ratio</u>
Time deposits	90% - 100%
Government bonds	90% - 100%
Financial bonds	95%

Corporate bonds (including financial institutions)	80%
Right to collect fees	60% - 70%
Franchise right	50%
Commercial property and standard plant	60%
Residential property	70%
Land tenure	50% - 60%

Fair value of collateral was determined by management based on the latest available external valuation results, taking into account experience with adjustments for current market conditions and estimated expenses to be incurred in the disposal process.

Management assesses fair value of collaterals or pledged assets based on the latest available external valuation results, and adjusts the fair value with reference to experience, current market conditions and disposal expenses to be incurred.

For loans guaranteed by third parties, the Group evaluates the financial condition and credit record of guarantors and guarantor's ability to meet obligations.

(ii) Bonds and other bills

The Group manages the credit risk exposure of bonds and other bills through mechanisms include controlling the investment scale, setting access list of issuers, rating access, establishing post-investment management, etc. Generally, external credit rating of the issuer of foreign currency bonds at the time of purchase (by Standard & Poor's or equivalent rating agencies) should be at BBB- or above. Overseas investments in RMB bonds are limited to those issuers with external credit rating at BBB+ or above (by rating agencies identified by the PBOC). Rating of domestic middle to long term RMB bonds should be at AA or above (by rating agencies identified by the PBOC) and rating of short term RMB bonds should be at A-1 (by rating agencies identified by the PBOC).

(iii) Other financial assets measured at amortized cost

Other financial assets measured at amortized cost mainly include fund trust and asset management plans. The Group has rating access system on the trust companies, security companies and fund companies with the set credit facility for ultimate investors of trust plans and asset management plans, and performs post-lending management periodically.

(iv) Inter-bank transactions

The Group reviews and manages the credit risk of individual financial institution on regularly basis and sets credit limit for individual bank or non-banking financial institution which has transactions with the Group.

(v) Derivative financial instruments

The Group strictly restricts transactions in derivative financial instruments. For corporate customers, the Group mitigates credit risk associated with derivative financial instruments by acquiring margin deposits.

(vi) Credit commitments

The primary purpose of credit commitments is to ensure that funds are available to customers as required. Letters of guarantee issued, acceptance bills and letters of credit are irrevocable commitments the Group made and the Group will make payments on behalf of its clients in the event that its customer cannot perform the obligations to third parties. Credit commitments carry the same credit risk as loans. When the amount of credit commitment applied exceeds that of the original credit limit of the client, margin deposits are required to mitigate the credit risk. The Group's exposure to the credit risk is equivalent to the total amount of credit commitments. In addition, credit card limit and loan commitments granted by the Group will incur cash outflows when credit card limit and loan commitments are used.

(vii) Trust plan

The credit risk of trust plan entrusted management is mainly the possibility of potential loss to the trust property or inherent property due to the failure of the counterparties to fulfill their commitments and inability or unwillingness to fulfill their contractual commitments. The Group strictly enforces the policy "pre-loan investigation, in-process review, post-lending inspection" over trust plan. In the design of the product trade structure, the Group introduces guarantee mechanism including financial institution credit, property mortgage, rights pledge to comprehensively manages risks through avoidance, prevention, dispersion, transfer and compensation, and disperses and transfers credit risks of financing entities to reduce risk exposure.

(2) Credit risk measurement

The Group has established a five-tier grading system of credit assets to measure and manage the quality of loans and advances to corporate and retail customers according to the "Guidelines for Risk-based Loan Classification" (the "Guideline") (Yin Jian Fa [2007] No. 54). The Group's five-tier grading system and the Guideline classify on-balance sheet credit assets into five categories: pass, special-mention, substandard, doubtful and loss, among which loans with the grading of substandard, doubtful and loss are regarded as non-performing loans.

The core definitions of the credit assets classification are as follows:

Pass: The borrower could fulfil the contractual obligation and there is not enough reason to suspect that the principal and interest cannot be repaid in full and on time.

Special Mention: The repayment might be adversely affected by some factors although the borrower currently has the capability to repay the principal and interest.

Substandard: The borrower's capability to repay is apparently in question and cannot repay the principal and interest in full depending on its operating income. Certain losses might occur even when guarantees are executed.

Doubtful: Cannot repay principal and interest in full and significant losses will occur even when guarantees are executed.

Loss: Principal and interest cannot be recovered or only a very small portion of them can be recovered after taking all possible measures or necessary legal procedures.

(3) ECL measurement

Pursuant to the new accounting standards, the Group divides the loss allowance for expected credit losses on financial assets into three stages:

Stage 1 (no significant increase in credit risk since initial recognition): measure the loss at an amount equal to 12-month ECL;

Stage 2 (significant increase in credit risk since initial recognition): measure the loss allowance at an amount equal to the lifetime ECL; and

Stage 3 (credit-impaired assets): measure the loss allowance at an amount equal to the lifetime ECL.

The Group has developed the impairment model to calculate ECL in accordance with the new accounting standards. A top-down development method was adopted to establish a logistic regression model of risk parameters and macroeconomic indicators such as gross domestic product "GDP" and consumer price index "CPI". The Group periodically forecasts three kind of macroeconomic scenarios (optimistic, basic and pessimistic) and measures ECL based on different scenarios.

Credit risk grading

The Group uses internal credit risk gradings to reflect assessment of default probability for individual counterparties and applies different internal rating models for different categories of counterparties. Borrowers' and specific loan related information collected during loan application (such as disposable income, guarantee level for retail exposures; and corporate customers' revenue and industry) is incorporated into rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models also include expert judgement from the Credit Risk Officer to be fed into the final internal credit rating for each exposure to compensate considerations that may not be captured as part of the other data inputs into the model.

The Group does not have financial assets identified as "low risk" and corresponding credit risk management in accordance with new financial instruments standards.

Stage division

Significant increase in credit risk ("SICR")

The Group assesses on each balance sheet date whether the credit risk of the relevant financial assets has increased significantly since initial recognition. When considering the ECL stage of financial assets, the Group considering all reasonable and supportable information, including that which is forward-looking. The main factors to be considered are regulatory and operational environment, internal and external credit rating, solvency, operational capability, loan contract terms, repayment behaviour, etc.

The Group considers that there has been a significant increase in credit risk of financial instrument when one or more of the following quantitative, qualitative or upper limits criteria have been met:

Quantitative criteria:

The Group determines whether there has been a significant increase in credit risk since initial recognition by considering whether the credit risk rating has downgraded to a certain level, i.e. credit risk rating of counterparty for corporate loans and financial investments has downgraded to B or below since initial recognition as at the reporting date, or whether the probability of default (“PD”) has increased significantly since initial recognition, i.e. for retail loans, the counterparty’s PD is 8-10 times of initial PD as at the reporting date.

Qualitative criteria:

For corporate loans and financial investments, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operational results of the borrower
- Early signs of cashflow / liquidity problems such as delay in repayment of payables / loans

Upper limit:

If the borrower fails to make payment for more than 30 days after contractual payment date.

According to the relevant policies from regulators, the Group has carefully evaluated the deferred loan payment applications for whom are influenced by COVID-19 in order to offer temporary convenience for qualified borrowers. Meanwhile, the Group has analysed if the credit risks of the relevant financial assets will increase after the borrowers received their first approval, based on the policy of deferred loan payment, the repayment ability of borrowers, and other relevant factors.

Default and credit-impaired

When a financial asset is impaired, the Group defines it as in default. The Group defines a financial asset as credit impaired when it meets one or more of the following criteria:

Qualitative criteria:

The borrower meets “capability to repay is apparently in question” criteria, which indicates the borrower is in significant financial difficulty and examples include:

- The issuer or borrower is in significant financial difficulties
- The borrower has breached financial contract(s), such as past due of interest or principal repayments
- Concessions have been made by the lender relating to the borrower’s financial difficulty with consideration of economy and contract

- The borrower is likely to head towards bankruptcy or other debts restructuring
- Issuer or borrower's financial difficulties lead to disappearance of active market for financial assets
- Financial assets are purchased or originated at substantial discount that reflects the incurred credit losses

Upper limit:

If the borrower fails to make payment for more than 90 days after contractual payment date.

The criteria above have been applied to all financial instruments held by the Group and are consistent with internal credit risk management purposes. The default definition has been consistently applied to establish models for the PD, Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's ECL measurement.

Explanation of parameters, assumptions and estimation techniques of ECL model

The ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the product of the PD, EAD and LGD, and the relevant definitions are as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD) or the remaining lifetime (Lifetime PD) of the obligation.
- The EAD is the amounts the Group expects to be repaid at the time of default.
- LGD is expressed as a percentage loss per unit of exposure at the time of default.

The ECL is determined by projecting the PD, LGD and EAD for individual future exposure, which effectively calculates the ECL for each future month.

The Lifetime PD is based on expiry information derived from 12M PD. Maturity analysis covers the change of loan default situation from initial recognition to maturity. Maturity portfolio is based on historical observed data with the assumption of same portfolio and identical credit rating assets. The above analysis is supported by historical data.

The Group determines LGD based on factors affecting recovery after default, which vary by product type.

Forward-looking economic information should be considered in determining the 12M and lifetime ECL.

There have been no significant changes in estimation techniques or significant assumptions during the reporting period.

Forward-looking information incorporated in the ECL model

Both the assessment of SICR and the calculation of ECL incorporate forward-looking information. The Group identifies the key economic indicators impacting credit risk and ECL for each portfolio through historical data analysis.

The Group has selected a series of macroeconomic indicators based on industry best practices and the Group's internal experts' judgement, which includes GDP, industrial added value growth rate and CPI growth rate, etc. to establish statistical relationship between actual PD and macro indicators for each model exposure, and calculate forward-looking PD by using forecasted economic indicators.

In addition to the base economic scenario, the Group has also set up other scenarios based on analysis of each major product type. The number and attributes of scenarios are reassessed at each reporting date. As at 31 December 2021 and 31 December 2020, the scenario weightings are determined by combination of statistical analysis and expert judgement, taking into account of the range of possible outcomes represented by scenarios. The Group adopts the base and lifetime PD with scenario weightings, along with qualitative and upper limit criteria to determine whether the credit risk has increased significantly. The determination of financial instrument stage indicates the measurement of the loss allowance at an amount equal to the 12-month or lifetime ECL accordingly. The Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

On 31 December 2021, the Group has taken the macroeconomic under the impact of COVID-19 into account when developing forward-looking macroeconomic indicators and economic scenario weighting.

The Group considers these projections have represented the best estimate of the possible outcomes and analyses the non-linearities and asymmetries within the Group's different portfolios to determine that selected scenarios adequately represent scenarios that might occur. Similar to other economic projections, there are inherent uncertainties regarding estimates of projected values and likelihood of occurrence, thus substantial differences may occur between actual results and projections.

Combination method for evaluation of expected credit risk

When analysing the relevance of ECL with macroeconomic indicators, the Group has classified the assets with similar credit risk characteristics into the same portfolio. The Group has obtained sufficient information to ensure the statistical reliability for the portfolio classification. Where sufficient information is not available internally, the Group establishes the model with reference to internal or external supplementary data. The characteristics and any supplementary data used to determine portfolio classification are outlined below:

Corporate loans and financial investments

- Industry
- Collateral type

Retail loans

- Product type (i.e. mortgage loans, consumer loan and credit card)
- Repayment type
- Utilisation percentage range
- The range of mortgage rate (loan balance / collateral value)

(4) Maximum exposure to credit risk

Financial assets and guarantee commitment subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The book value of financial assets below represents the Group's maximum exposure to credit risk on these assets.

	31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
Cash and balances with central bank	415,526	-	-	415,526
Deposits and placements with banks and other financial institutions	433,781	-	-	433,781
Financial assets purchased under resale agreements	117	-	-	117
Loans and advances to customers measured at				
- Amortized cost	4,034,450	99,520	26,643	4,160,613
- FVOCI	480,663	3,258	271	484,192
Financial investments measured at				
- Amortized cost	1,226,771	27,295	52,122	1,306,188
- FVOCI	476,860	2,077	682	479,619
Other financial assets	88,197	109	3,311	91,617
Total	7,156,365	132,259	83,029	7,371,653

	31 December 2020			Total
	Stage 1	Stage 2	Stage 3	
Cash and balances with central bank	483,732	-	-	483,732
Deposits and placements with banks and other financial institutions	385,927	-	-	385,927
Financial assets purchased under resale agreements	36,526	-	-	36,526
Loans and advances to customers measured at				
- Amortized cost	3,863,316	101,305	24,819	3,989,440
- FVOCI	421,642	429	437	422,508
Financial investments measured at				
- Amortized cost	1,135,691	4,372	29,714	1,169,777
- FVOCI	576,039	745	1,002	577,786
Other financial assets	79,696	357	1,043	81,096
Total	6,982,569	107,208	57,015	7,146,792

	31 December 2021	31 December 2020
	Maximum exposure to credit risk	Maximum exposure to credit risk
Commitment and guarantee		
Bank acceptance notes	615,478	551,226
Letters of credit issued	192,254	176,235
Letters of guarantee issued	113,132	112,372
Credit cards and other commitments	643,603	523,418
	<hr/>	<hr/>
Total	1,564,467	1,363,251
	<hr/> <hr/>	<hr/> <hr/>

(5) Credit-impaired loans and advances to customers

The Group closely monitors collateral held for financial assets considered to be credit-impaired, because the Group is more likely to confiscate these collateral to reduce potential credit losses comparing to other collaterals. As at 31 December 2021, carrying amount of the Group's loans and advances to customers that are credit-impaired is RMB 88,671 million (31 December 2020: RMB 90,497 million), in which the loans covered by collaterals are amounting to RMB 39,922 million (31 December 2020: RMB 405,98 million).

(6) Bonds and other investments

The table below analyses the Group's investment securities by external rating agencies, including S&P or equivalent credit agencies identified by the PBOC.

	31 December 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortized cost	Financial investments measured at FVOCI	
Investments denominated in RMB				
Medium or long term				
AAA	20,194	512,174	145,954	678,322
AA+ to AA-	3,237	3,667	7,431	14,335
A+ to A-	279	11,248	4,147	15,674
Below A-	-	155	1,450	1,605
Short term				
AAA	18,084	16,775	-	34,859
AA+ to AA-	2,143	254	212	2,609
A and below A	-	3,080	-	3,080
Unrated-Bonds	64,058	749,941	243,392	1,057,391
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	107,995	1,297,294	402,586	1,807,875
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Investments denominated in foreign currencies	31 December 2021			Total
	Financial investments measured at FVTPL	Financial investments measured at amortized cost	Financial investments measured at FVOCI	
AAA	191	-	4,119	4,310
AA+ to AA-	40	-	2,673	2,713
A and below A	3,061	7,038	39,312	49,411
Unrated-Bonds	1,026	1,856	30,929	33,811
	<u>4,318</u>	<u>8,894</u>	<u>77,033</u>	<u>90,245</u>

Investments denominated in RMB Medium or long term	31 December 2020			Total
	Financial investments measured at FVTPL	Financial investments measured at amortized cost	Financial investments measured at FVOCI	
AAA	11,203	210,615	140,739	362,557
AA+ to AA-	255	297	5,426	5,978
A+ to A-	-	-	56	56
C	-	211	-	211
Short term				
A-1	-	-	103	103
Unrated-Bonds	95,524	952,295	356,528	1,404,347
	<u>106,982</u>	<u>1,163,418</u>	<u>502,852</u>	<u>1,773,252</u>

Investments denominated in foreign currencies	31 December 2020			Total
	Financial investments measured at FVTPL	Financial investments measured at amortized cost	Financial investments measured at FVOCI	
AAA	74	-	2,942	3,016
AA	59	-	738	797
A and below A	582	1,588	42,723	44,893
Unrated-Bonds	1,825	4,771	28,531	35,127
	<u>2,540</u>	<u>6,359</u>	<u>74,934</u>	<u>83,833</u>

2 Market risk

Market risk is the risk of losses of on and off-balance sheet businesses arising from adverse movements in market prices, such as interest rates, exchange rates, price of stock and commodity. Both the Group's trading book and banking book is exposed to market risk, which mainly consists of interest rate risk, currency risk and commodity price risk. The Group considers the exposure to the commodity price risk to be insignificant.

The Board of Directors of the Bank is ultimately responsible for monitoring the market risk management and ensuring the Group can effectively identify, measure, monitor and control the market risk associated with the Group's business activities. Under the authorisation of the Board of Directors, the senior management of the Group is responsible for establishing the group-wide market risk management system, organisational structure with well-defined roles and responsibilities, authorisation structures and accountability mechanism. Relevant departments of headquarters are responsible for carrying out detailed market risk management activities including policies and procedures, measurement approaches and models, analyses and reporting and monitoring of various limits in order to timely and accurately identify, measure, monitor and control the market risk exposures in respective business areas and reporting to the senior management and Board of Directors on timely basis.

Meanwhile, the established internal controls and independent inspections are integrated in the group-wide market risk management system. Relevant business units are responsible for executing the daily control activities. A three-line defence system includes the business units as the first line defence, the market risk management and compliance department as the second line defence and the review department as the third line defence.

The Group measures market risk based on predetermined benchmarks. The major measurement approaches include stress testing, analysis on value at risk, back testing, gap analysis and sensitivity analysis etc. The market risk of new products and businesses should be identified before these new products and businesses are launched according to relevant policies.

(1) Currency risk

The Group mainly operates in the PRC and its main business activities are conducted in RMB. Majority of its foreign currency business are conducted in USD. The table below summarises the Group's exposure to currency risk. Included in the table are the Group's assets and liabilities at carrying amounts in RMB, categorised by original currency.

	31 December 2021				
	<u>RMB</u>	<u>USD</u> Into RMB	<u>HKD</u> Into RMB	<u>Others</u> Into RMB	<u>Total</u> Into RMB
Cash and deposits with central bank	372,580	44,434	3,735	247	420,996
Deposits and placements with banks and other financial institutions	247,212	155,336	10,098	21,135	433,781
Derivative financial assets	32,764	852	2	155	33,773
Financial assets purchased under resale agreements	16	101	-	-	117
Loans and advances to customers	4,504,671	141,074	26,517	18,692	4,690,954
Financial investments:					
- FVTPL	515,612	10,415	-	7	526,034
- AC	1,297,294	8,685	-	209	1,306,188
- FVOCI	409,668	69,629	4,102	3,302	486,701
Other financial assets	37,637	44,025	5,954	4,001	91,617
Total financial assets	<u>7,417,454</u>	<u>474,551</u>	<u>50,408</u>	<u>47,748</u>	<u>7,990,161</u>
Borrowing from central bank	236,317	-	-	-	236,317
Deposits and placements from banks and other financial institutions	990,256	85,435	15,460	15,624	1,106,775
Financial liabilities measured at FVTPL	31,089	191	-	-	31,280
Derivative financial liabilities	28,428	1,072	3	25	29,528
Financial assets sold under repurchase agreement	162,260	11,959	-	-	174,219
Deposits from customers	4,193,282	242,273	17,889	10,164	4,463,608
Debt securities issued	1,271,348	42,187	3,585	1	1,317,121
Lease Liabilities	7,488	-	900	63	8,451
Other financial liabilities	30,421	1,097	364	462	32,344
Total financial liabilities	<u>6,950,889</u>	<u>384,214</u>	<u>38,201</u>	<u>26,339</u>	<u>7,399,643</u>
Net position of financial instruments	<u>466,565</u>	<u>90,337</u>	<u>12,207</u>	<u>21,409</u>	<u>590,518</u>
Currency derivatives	103,683	(86,027)	(5,285)	(10,221)	2,150
Credit commitments	1,510,578	44,642	697	8,550	1,564,467

	31 December 2020				
	<u>RMB</u>	<u>USD</u> Into RMB	<u>HKD</u> Into RMB	<u>Others</u> Into RMB	<u>Total</u> Into RMB
Cash and deposits with central bank	447,135	38,896	2,759	298	489,088
Deposits and placements with banks and other financial institutions	223,478	129,504	16,696	16,249	385,927
Derivative financial assets	63,271	277	4	37	63,589
Financial assets purchased under resale agreements	36,502	24	-	-	36,526
Loans and advances to customers	4,261,041	129,477	25,326	14,384	4,430,228
Financial investments:					
- FVTPL	539,618	9,531	-	-	549,149
- AC	1,163,418	6,224	-	135	1,169,777
- FVOCI	508,687	66,770	4,666	3,498	583,621
Other financial assets	33,962	40,692	3,466	2,976	81,096
Total financial assets	7,277,112	421,395	52,917	37,577	7,789,001
Borrowing from central bank	274,346	-	-	-	274,346
Deposits and placements from banks and other financial institutions	1,239,336	91,774	21,028	13,434	1,365,572
Financial liabilities measured at FVTPL	15,226	831	-	-	16,057
Derivative financial liabilities	59,832	1,196	61	57	61,146
Financial assets sold under repurchase agreement	221,122	11,224	-	-	232,346
Deposits from customers	3,868,117	227,133	19,312	7,845	4,122,407
Debt securities issued	1,102,174	34,464	3,774	241	1,140,653
Other financial liabilities	40,805	5,208	1,143	277	47,433
Total financial liabilities	6,820,958	371,830	45,318	21,854	7,259,960
Net position of financial instruments	456,154	49,565	7,599	15,723	529,041
Currency derivatives	40,562	(39,727)	6,546	(4,052)	3,329
Credit commitments	1,300,317	51,547	5,097	6,290	1,363,251

The Group measures the possible effect on net profit arising from foreign exchange rate fluctuation using sensitivity analysis. The table below shows the result of sensitivity analysis of the balance sheet date.

Net profit	31 December 2021		31 December 2020	
	Exchange rate fluctuation %		Exchange rate fluctuation %	
(Decrease) / Increase	-1%	1%	-1%	1%
USD against RMB	(32)	32	(74)	74
Other currencies against RMB	(136)	136	(202)	202

The above sensitivity analysis was performed on the basis of static characteristics of the interest risk of the assets and liabilities, and calculated the impact on the net profit from changes in exchange rates of other foreign currencies against RMB. The assumptions are shown as below:

- Exchange rate sensitivity represents the exchange gain or loss resulting from the 1% change in daily closing exchange rates (middle) on the financial reporting date;
- Changes in exchange rates of other foreign currencies means the exchange rates of other foreign currencies against RMB are fluctuating simultaneously and in the same direction;
- Foreign currency exposure contains spot exchange exposure and forward exchange exposure. Based on the above assumption, the actual exchange gains or losses may differ from the sensitivity analysis results.

(2) Interest rate risk

Interest rate risk is the risk of losses in overall earnings and economic value arising from adverse movements in factors such as interest rates, term structure, etc., including interest rate risk from bank book and trading book.

The Group considers its exposure to the interest rate risk of trading book to be insignificant. The Group has established a relatively complete internal transfer pricing system, which enables the Group to manage the interest rate risk of bank book centrally. The Group measures and monitors interest rate risk in trading accounts using value-at-risk and sensitivity analysis etc. The senior management of the Bank is responsible for developing the appropriate management mechanism for interest rate risk in the banking book, the organizational structure, systems and processes in accordance with the risk appetites for interest rate risk in the banking book approved by the Board of Directors to ensure the achievement of management objectives; The Asset and Liability Management Department of the Head Office of the Bank is responsible for taking the lead in the organization and implementation on the identification, measurement, monitoring, control and mitigation management of daily risks; The Audit Department of the Head Office of the Bank is responsible for performing the internal audit on interest rate risk in the banking book independently.

The Group mainly uses appropriate measurement methods and tools (such as repricing gap analysis, duration analysis, sensitivity analysis and scenario simulation) to measure and monitor the interest rate risk. During the reporting period, the Group adhered to the neutral and prudent risk appetite for interest rate risk in the banking book, enhanced the research and judgment on domestic and foreign macro policies as well as monetary policies, carried out dynamic monitoring and forward-looking risk management based on interest rate liberalization, trends of interest rate curve reform; During the reporting period, the Group guided the adjustments of business scale and term structure based on risk management strategies as well as asset and liability business objectives through asset and liability active configuration tools and price tools, maintained the interest rate risk indicators within the risk appetite of the Board of Directors and kept sustainable operation.

The Group paid close attention to the regulatory policies of international Interbank offered rate reform and the dynamics of the industry, actively and orderly carried out the transition work.

The table below summarises the Group's exposures to interest rate risk. The table presents the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	31 December 2021					Non-interest bearing	Total
	<u>Within a month</u>	<u>1 to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>		
Assets							
Cash and deposits with central bank	399,621	-	-	-	-	21,375	420,996
Deposits and placements with banks and other financial institutions	135,132	105,938	179,866	8,785	-	4,060	433,781
Derivative financial assets	-	-	-	-	-	33,773	33,773
Financial assets purchased under resale agreements	16	101	-	-	-	-	117
Loans and advances to customers	1,138,363	697,229	1,860,021	901,167	79,173	15,001	4,690,954
Financial investments measured at:							
- FVTPL	11,201	10,781	25,068	31,413	15,441	432,130	526,034
- Amortized cost	73,483	77,900	144,072	533,147	460,092	17,494	1,306,188
- FVOCI	14,986	22,830	54,079	305,803	75,431	13,572	486,701
Other financial assets	4,067	-	13,744	-	-	73,806	91,617
Total financial assets	<u>1,776,869</u>	<u>914,779</u>	<u>2,276,850</u>	<u>1,780,315</u>	<u>630,137</u>	<u>611,211</u>	<u>7,990,161</u>
Liabilities							
Borrowing from central bank	9,907	26,460	197,631	-	-	2,319	236,317
Deposits and placements from banks and other financial institutions	681,741	220,168	193,174	8,911	612	2,169	1,106,775
Financial liabilities measured at FVTPL	-	-	-	-	-	31,280	31,280
Derivative financial liabilities	-	-	-	-	-	29,528	29,528
Financial assets sold under repurchase agreements	132,596	24,699	16,891	-	-	33	174,219
Deposits from customers	2,115,070	1,044,476	561,461	682,044	5	60,552	4,463,608
Debt securities issued	54,222	203,624	700,667	220,693	132,063	5,852	1,317,121
Lease Liabilities	264	526	2,104	5,076	481	-	8,451
Other financial liabilities	562	150	1,263	-	-	30,369	32,344
Total financial liabilities	<u>2,994,362</u>	<u>1,520,103</u>	<u>1,673,191</u>	<u>916,724</u>	<u>133,161</u>	<u>162,102</u>	<u>7,399,643</u>
Total interest repricing gap	<u>(1,217,493)</u>	<u>(605,324)</u>	<u>603,659</u>	<u>863,591</u>	<u>496,976</u>	<u>449,109</u>	<u>590,518</u>

	31 December 2020						
	<u>Within a month</u>	<u>1 to 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Non-interest bearing</u>	<u>Total</u>
Assets							
Cash and deposits with central bank	475,170	-	-	-	-	13,918	489,088
Deposits and placements with banks and other financial institutions	145,265	77,121	138,919	22,210	-	2,412	385,927
Derivative financial assets	-	-	-	-	-	63,589	63,589
Financial assets purchased under resale agreements	36,495	24	-	-	-	7	36,526
Loans and advances to customers	1,210,020	453,250	1,367,398	1,178,360	205,829	15,371	4,430,228
Financial investments measured at:							
- FVTPL	17,690	11,188	19,821	19,292	12,500	468,658	549,149
- Amortized cost	68,004	78,127	126,051	510,316	371,286	15,993	1,169,777
- FVOCI	23,911	23,786	74,142	315,058	133,078	13,646	583,621
Other financial assets	3,086	-	9,964	-	-	68,046	81,096
Total financial assets	<u>1,979,641</u>	<u>643,496</u>	<u>1,736,295</u>	<u>2,045,236</u>	<u>722,693</u>	<u>661,640</u>	<u>7,789,001</u>
Liabilities							
Borrowing from central bank	23,503	25,811	221,968	-	-	3,064	274,346
Deposits and placements from banks and other financial institutions	863,324	259,043	233,691	5,944	225	3,345	1,365,572
Financial liabilities measured at FVTPL	-	-	-	-	-	16,057	16,057
Derivative financial liabilities	-	-	-	-	-	61,146	61,146
Financial assets sold under repurchase agreements	186,309	30,578	15,396	-	-	63	232,346
Deposits from customers	1,947,776	996,377	494,734	637,591	6	45,923	4,122,407
Debt securities issued	88,462	283,982	448,189	164,676	150,378	4,966	1,140,653
Other financial liabilities	5,220	1,554	2,838	5,165	670	31,986	47,433
Total financial liabilities	<u>3,114,594</u>	<u>1,597,345</u>	<u>1,416,816</u>	<u>813,376</u>	<u>151,279</u>	<u>166,550</u>	<u>7,259,960</u>
Total interest repricing gap	<u>(1,138,039)</u>	<u>(953,849)</u>	<u>319,479</u>	<u>1,231,860</u>	<u>571,414</u>	<u>495,090</u>	<u>529,041</u>

Note: Financial assets listed as within 1 month include overdue amount at 31 December 2021 and 31 December 2020 (less provision for impairment).

The Group performs sensitivity analysis to measure the potential impact of changes in interest rate on net profit and equity. The table below shows the results of the sensitivity analysis on the balance sheet date.

	31 December 2021		31 December 2020	
	Interest rate fluctuation (Basis points)		Interest rate fluctuation (Basis points)	
	-100	+100	-100	+100
(Decrease) / increase in net profit	(3,987)	3,987	(3,885)	3,885
Increase / (decrease) in other comprehensive income under equity	8,323	(7,896)	12,345	(11,554)

The above sensitivity analysis was performed on the basis of static characteristics of the interest risk of the assets and liabilities. The analysis only measures the impact of changes in the interest rates within one year, showing how annualised interest income would have been affected by repricing of the Group's assets and liabilities within the one-year period.

- Except for current deposits, assets and liabilities, whose maturity dates are within three months or more than three months but will be repricing within one year, are assumed to be re-priced in the middle of each specified period;
- The interest rates of current deposits and statutory deposit reserves with central bank remain unchanged;
- The yield curve moves in parallel with interest rate;
- There are no changes in assets and liabilities at year end. Based on the assumptions, the actual change in net profit may be different from the sensitivity analysis results.

Based on the assumption of the parallel movement of the yield curve along with interest rate change, the sensitivity analysis of the equity is derived by remeasuring the fair value of debt instruments at fair value through other comprehensive income as a result of changes in interest rate with a certain percentage.

3 Liquidity risk

The Group's liquidity risk management is intended to meet the obligations to serve customers for withdrawal and payment, to achieve the balance between the total amount and structure of assets and liabilities; to reduce the liquidity cost, avoid liquidity crisis of the Group, and to effectively respond to systematic liquidity risk by active management.

The Group has established a well-developed liquidity risk management system. The Board of Directors of the Bank is responsible for reviewing and approving the liquidity risk management system, risk preference, risk limit and contingency plans, and assumes the ultimate responsibility for liquidity risk management; the Board of Supervisors of the Bank is responsible for supervising the performance of liquidity risk management of the Board of Directors and the senior management; the Board of Directors of the Bank authorises the senior management to perform liquidity risk management duties within the Bank; the responsibilities of the Asset-Liability Management Committee are to review liquidity risk management policies, risk limits, stress testing plans and contingency plans, organise functional departments to conduct stress testing, and review stress test reports, etc. Asset-Liability Management Department of the Headquarters of the Bank is responsible for drafting liquidity risk management policies and procedures at a group level and leading specific management of the liquidity risk management, such as qualitative and quantitative analysis. Audit Department of the the Headquarters of the Bank is responsible for the internal audit on liquidity risks. The Group has a prudent liquidity risk preference which complies with the regulatory requirements and management requirements of the Group.

The Group's liquidity risk management system comprises mainly regular and contingent management system which includes 10 components, such as policies and strategies, management framework, regulations, management tools, daily operation, stress tests, system construction, risk monitoring, risk report, and emergency management and drilling.

Daily management of liquidity risk. During the reporting period, the Group kept layered beforehand balanced management of liquidity risk in line with the principle of aggregate balance and structural equilibrium; it carries out real-time monitoring on daily position accounts in local and foreign currencies, and made centralised allocation of positions in local and foreign currencies; it established a beforehand declaration system for large-amount positions, and established a monitoring mechanism for total liquidity level; it prepared a cash flow gap table on a daily basis, used the gap management method to predict cash flow gap changes in future assets and liabilities's on and off-balance sheet items, and regularly (irregularly in case of major events) conducted liquidity risk assessment for assets and liabilities' on and off-balance sheet items; the Group also considered its own liquidity risk policies and risk limit requirements to make active financing arrangement and make adjustments to asset and liability portfolios, enabling the business development to effectively meet the requirements for appropriate liquidity management goals.

The table below presents the undiscounted cash flows of the Group under contracts of non-derivative financial assets and liabilities by remaining contractual maturities.

	31 December 2021							
	<u>Repayable on demand</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Overdue</u>	<u>No maturity</u>	<u>Total</u>
Assets								
Cash and deposits with central bank	81,023	-	-	-	-	-	339,973	420,996
Deposits and placements with banks and other financial institutions	76,897	166,260	185,616	9,448	-	-	-	438,221
Financial assets purchased under resale agreements	-	118	-	-	-	-	-	118
Loans and advances to customers	-	1,104,947	1,511,575	1,355,997	1,364,268	58,743	-	5,395,530
Financial investments measured at:								
- FVTPL	424,248	20,285	26,513	34,230	16,904	2,416	7,882	532,478
- Amortized cost	-	118,298	178,310	677,948	544,344	65,286	-	1,584,186
- FVOCI	-	34,245	66,006	341,997	81,907	988	7,082	532,225
Other financial assets	74,364	-	-	-	-	7,657	14,355	96,376
Total financial assets	656,532	1,444,153	1,968,020	2,419,620	2,007,423	135,090	369,292	9,000,130
Liabilities								
Borrowing from central bank	-	37,130	201,493	-	-	-	-	238,623
Deposits and placements from banks and other financial institutions	523,188	381,407	196,138	8,914	612	-	-	1,110,259
Financial liabilities measured at FVTPL	29,585	192	-	427	1,076	-	-	31,280
Financial assets sold under repurchase agreements	-	157,467	17,070	-	-	-	-	174,537
Deposits from customers	2,122,296	1,079,938	589,597	786,823	6	-	-	4,578,660
Debt securities issued	-	263,560	719,460	277,221	153,747	-	-	1,413,988
Lease Liabilities	-	793	2,152	5,576	634	-	-	9,155
Other financial liabilities	27,254	1,423	1,764	1,339	602	-	-	32,382
Total financial liabilities	2,702,323	1,921,910	1,727,674	1,080,300	156,677	-	-	7,588,884
Net liquidity	(2,045,791)	(477,757)	240,346	1,339,320	1,850,746	135,090	369,292	1,411,246
Derivative financial instruments								
- Inflow	-	134,074	103,023	50,719	67	-	-	287,883
- Outflow	-	133,046	101,232	50,093	137	-	-	284,508
Net value of derivative financial instruments	-	1,028	1,791	626	(70)	-	-	3,375
Credit commitments	621,503	324,264	571,643	50,419	2,912	-	-	1,570,741

	31 December 2020							
	<u>Repayable on demand</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Overdue</u>	<u>No maturity</u>	<u>Total</u>
Assets								
Cash and deposits with central bank	149,819	-	-	-	-	-	339,269	489,088
Deposits and placements with banks and other financial institutions	103,841	114,442	147,845	23,308	-	-	-	389,436
Financial assets purchased under resale agreements	-	36,531	-	-	-	-	-	36,531
Loans and advances to customers	-	1,086,568	1,583,741	1,299,419	1,370,669	52,444	-	5,392,841
Financial investments measured at:								
- FVTPL	461,322	26,990	21,519	40,799	16,723	4,839	7,336	579,528
- Amortized cost	-	135,900	153,363	614,784	449,321	42,730	-	1,396,098
- FVOCI	-	43,087	89,221	364,340	151,446	1,005	5,835	654,934
Other financial assets	72,674	-	-	-	-	5,825	10,480	88,979
Total financial assets	787,656	1,443,518	1,995,689	2,342,650	1,988,159	106,843	362,920	9,027,435
Liabilities								
Borrowing from central bank	-	50,915	228,531	-	-	-	-	279,446
Deposits and placements from banks and other financial institutions	631,962	494,366	238,289	6,349	279	-	-	1,371,245
Financial liabilities measured at FVTPL	15,032	-	63	316	646	-	-	16,057
Financial assets sold under repurchase agreements	-	217,117	15,501	-	-	-	-	232,618
Deposits from customers	1,953,776	1,025,276	517,063	732,241	7	-	-	4,228,363
Debt securities issued	-	371,987	470,172	203,787	179,193	-	-	1,225,139
Other financial liabilities	29,895	5,868	3,188	7,845	1,463	-	-	48,259
Total financial liabilities	2,630,665	2,165,529	1,472,807	950,538	181,588	-	-	7,401,127
Net liquidity	(1,843,009)	(722,011)	522,882	1,392,112	1,806,571	106,843	362,920	1,626,308
Derivative financial instruments								
- Inflow	-	200,410	131,818	47,467	42	-	-	379,737
- Outflow	-	199,590	130,508	47,240	156	-	-	377,494
Net value of derivative financial instruments	-	820	1,310	227	(114)	-	-	2,243
Credit commitments	471,703	311,621	544,221	38,179	2,807	-	-	1,368,531

4 Fair value of financial instruments

(1) Fair value hierarchy

According to the the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement, the levels are defined as follows:

- Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities. The financial instruments of this level include listed equity securities, debt instruments and open-end fund investments;
- Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities. The financial instruments of this level include most Over-the-Counter (“OTC”) derivatives and bonds. The sources of the yield curve or counterparty credit risk input value parameters are Thomson Reuters, Bloomberg and ChinaBond.com.
- Level 3 inputs: inputs that are unobservable for underlying assets or liabilities. The financial instruments of this level include equity instruments and debt instruments with significant non-observable components.

(2) Financial instruments not measured at fair value

Financial assets and financial liabilities not measured at fair value in the statement of financial position mainly include: deposits with central banks, deposits and placements with banks and other financial institutions, financial assets purchased under resale agreements, loans and advances to customers (measured at amortized cost), financial investment measured at amortized cost, borrowing from central bank, deposits and placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers, lease liabilities and bonds issued.

The book value and corresponding fair value of financial investment not measured at fair value (financial investment measured at amortized cost) and bonds issued as at 31 December 2021 and 31 December 2020 are listed in the following table.

	31 December 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Financial investment measured at amortized cost	1,306,188	-	885,585	438,125	1,323,710
Financial liabilities:					
Debt securities issued	1,317,121	-	1,326,573	-	1,326,573
	31 December 2020				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets:					
Financial investment measured at amortized cost	1,169,777	-	957,148	221,417	1,178,565
Financial liabilities:					
Debt securities issued	1,140,653	-	1,142,652	-	1,142,652

(i) Financial investment measured at amortized cost

The fair value of financial investments measured at amortized cost is based on market quotes, and therefore belongs to the first level. If the relevant market information of debt investments cannot be obtained, then the discounted cash flow model is used for the valuation of fair value, which belongs to Level 3. Where applicable, the fair value of financial investments measured at amortized cost are determined with reference to the valuation results of China Central Depository & Clearing Co., Ltd., China Securities Index Co., Ltd. or Bloomberg, which belongs to Level 2.

(ii) Debt securities issued

The fair value of bonds issued is based on public quotes on the market. For bonds that cannot be quoted in the market, the fair value is determined by the discounted cash flow method and is based on the actual return rate matching the remaining maturity of the bond.

In addition to the above financial assets and financial liabilities, the fair value of other financial assets and financial liabilities that are not measured at fair value in the statement of financial position are determined with the discounted future cash flow method. There is no significant difference between their book value and fair value because these financial instruments have a shorter duration, or their interest rates fluctuate with market interest rates.

(3) Assets and liabilities measured at fair value a recurring basis

The following table presents the fair value information and the fair value hierarchy of the Group's assets and liabilities which are measured at fair value a recurring basis.

	31 December 2021			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial investments:				
Financial investments measured at FVTPL				
- Fund	392,112	615	6,006	398,733
- Bonds	744	63,378	265	64,387
- Fund trust and asset management plan	-	8,545	10,413	18,958
- Beneficiary certificates	-	13,437	-	13,437
- Equity	-	9,012	-	9,012
- Interbank Certificates of Deposit	4,673	-	3,521	8,194
- ABS	-	6,519	-	6,519
- Wealth management products	-	327	-	327
- Other	-	-	6,467	6,467
Financial investments measured at FVOCI				
- Bonds	44,831	402,238	-	447,069
- Fund trust and asset management plan	-	11,726	-	11,726
- ABS	-	9,198	2	9,200
- Interbank Certificates of Deposit	-	5,134	-	5,134
- Equity	394	-	5,860	6,254
- Other equity investments	-	-	828	828
Loans and advances to customers measured at:				
FVOCI				
- Discounted bills	-	459,324	-	459,324
- Trade financing	-	24,868	-	24,868
FVTPL				
- Discounted bills	-	26,595	-	26,595
- Trade financing	-	19,554	-	19,554
Derivative financial assets	-	33,773	-	33,773
Total financial assets	<u>442,754</u>	<u>1,094,243</u>	<u>33,362</u>	<u>1,570,359</u>
Derivative financial liabilities	-	29,528	-	29,528
Financial liabilities measured at FVTPL				
- Financial liabilities related to precious metals	18,570	291	-	18,861
- Interest of other unit holders in consolidated structured entities	10,702	110	514	11,326
- Financial liabilities associated with short selling of bonds	1,093	-	-	1,093
Total financial liabilities	<u>30,365</u>	<u>29,929</u>	<u>514</u>	<u>60,808</u>

	31 December 2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial investments:				
Financial investments measured at FVTPL				
- Fund	425,124	470	2,958	428,552
- Bonds	3,652	63,005	298	66,955
- Fund trust and asset management plan	-	8,491	11,803	20,294
- Beneficiary certificates	-	18,651	-	18,651
- Equity	3,559	220	1,325	5,104
- Interbank Certificates of Deposit	-	2,988	-	2,988
- ABS	-	562	-	562
- Wealth management products	-	-	72	72
- Other	-	-	5,971	5,971
Financial investments measured at FVOCI				
- Bonds	48,180	465,133	-	513,313
- Fund trust and asset management plan	-	43,997	1,014	45,011
- ABS	-	7,818	-	7,818
- Interbank Certificates of Deposit	-	3,833	-	3,833
- Equity	375	-	4,643	5,018
- Other equity investments	-	-	817	817
Loans and advances to customers measured at:				
FVOCI				
- Discounted bills	-	416,881	-	416,881
- Trade financing	-	5,627	-	5,627
FVTPL				
- Discounted bills	-	15,336	-	15,336
- Trade financing	-	2,944	-	2,944
Derivative financial assets	-	63,589	-	63,589
Total financial assets	<u>480,890</u>	<u>1,119,545</u>	<u>28,901</u>	<u>1,629,336</u>
Derivative financial liabilities	-	61,146	-	61,146
Financial liabilities measured at FVTPL				
- Financial liabilities related to precious metals	5,236	831	-	6,067
- Interest of other unit holders in consolidated structured entities	8,330	181	1,479	9,990
Total financial liabilities	<u>13,566</u>	<u>62,158</u>	<u>1,479</u>	<u>77,203</u>

The Group takes the date of the event that caused the transfer between levels as the date of the transfer. There is no transfer between the first and second levels this year.

(i) Level 2 Financial Instruments

The fair value of financial instruments that are not traded in an active market (such as OTC derivatives) is determined using valuation techniques. Valuation techniques use observable market data (if any) as much as possible, and rely as little as possible on the entity's specific estimates. If all significant inputs required to calculate the fair value of a financial instrument are observable data, the financial instrument is included in level 2. If one or more significant inputs are not based on observable market data, the financial instrument is included in level 3.

The financial instruments classified by the Group as level 2 mainly include bonds, foreign exchange forwards and swaps, interest rate swaps and foreign exchange options. The fair value of RMB bonds is determined according to the valuation results of China Central Depository & Clearing Co., Ltd., and the fair value of foreign currency bonds is determined according to Bloomberg's valuation results. Foreign exchange forwards and swaps, interest rate swaps, foreign exchange options are valued using cash flow discounts and the Blair-Scholes model. All significant valuation parameters are obtained from observable market information.

(ii) Level 3 Financial Instruments

The changes in the Group's Level 3 assets and liabilities as follows:

	Financial investments measured at <u>FVTPL</u>	Financial investments measured at <u>FVOCI</u>	Financial liabilities measured at <u>FVTPL</u>	<u>Total</u>
1 January 2021	22,427	6,474	(1,479)	27,422
Additions	10,077	1,212	(417)	10,872
Disposals and settlements	(6,546)	(781)	1,013	(6,314)
Total gains / (losses) recorded in profit or loss	714	-	369	1,083
Total gains / (losses) recorded in other comprehensive income	-	(215)	-	(215)
31 December 2021	<u>26,672</u>	<u>6,690</u>	<u>(514)</u>	<u>32,848</u>
Unrealised gains or losses recognised in profit or loss for the year ended 31 December 2021 for the positions held at 31 December 2021	<u>1,344</u>	<u>-</u>	<u>172</u>	<u>1,516</u>

	Financial investments measured at <u>FVTPL</u>	Financial investments measured at <u>FVOCI</u>	Financial liabilities measured at <u>FVTPL</u>	<u>Total</u>
1 January 2020	59,675	7,878	(1,857)	65,696
Additions	3,665	740	(1,313)	3,092
Disposals and settlements	(41,243)	(2,010)	1,652	(41,601)
Total gains / (losses) recorded in profit or loss	330	311	39	680
Total gains / (losses) recorded in other comprehensive income	-	(445)	-	(445)
31 December 2020	<u>22,427</u>	<u>6,474</u>	<u>(1,479)</u>	<u>27,422</u>
Unrealised gains or losses recognised in profit or loss for the year ended 31 December 2020 for the positions held at 31 December 2020	<u>(843)</u>	<u>-</u>	<u>14</u>	<u>(829)</u>

The relevant information of Level 3 of fair value measurement using important unobservable input values is as follows:

<u>31 December 2021</u>	<u>Fair value</u>	<u>Valuation method</u>	<u>Unobservable inputs</u>
Financial investments:			
Financial investments measured at FVTPL			
- Fund trust and asset management plan	7,092	Income approach	Discount rate
	3,321	Refer to recent transactions	Liquidity discount
- Fund		Refer to recent transactions	Liquidity discount
	6,006	Income approach	
- Equity	3,521	Income approach	Discount rate
- Bonds	265	Income approach	Discount rate
- Wealth management products		Income approach	Discount rate
		Refer to recent transactions	
- Other	6,467		Discount rate
	<u>26,672</u>		
Financial investments measured at FVOCI			
- Fund trust and asset management plan	2	Income approach	Discount rate
		Refer to recent transactions	Liquidity discount
- Equity	2,877	Market approach	Liquidity discount
	2,857		Liquidity discount P/B ratio
	126	Market approach	Liquidity discount P/E ratio
- Other equity investments		Market approach	Liquidity discount P/B ratio
	767		Liquidity discount P/B ratio
	61	Refer to recent transactions	Liquidity discount P/E ratio
	<u>6,690</u>		
Financial liabilities measured at FVTPL			
- Interest of other unit holders in consolidated structured entities	514	Note 1	Note 1

<u>31 December 2020</u>	<u>Fair value</u>	<u>Valuation method</u>	<u>Unobservable inputs</u>
Financial investments:			
Financial investments measured at FVTPL			
- Fund trust and asset management plan	10,997	Income approach	Discount rate
	806	Refer to recent transactions	NA
- Equity	1,325	Income approach	Discount rate
- Fund	2,958	Refer to recent transactions	NA
- Bonds	298	Income approach	Discount rate
- Wealth management products	72	Income approach	Discount rate
		Refer to recent transactions	
- Other	5,971	Income approach	Discount rate
	<u>22,427</u>		
Financial investments measured at FVOCI			
- Fund trust and asset management plan	1,014	Income approach	Discount rate
- Equity	1,657	Refer to recent transactions	NA
	2,860	Market approach	Liquidity discount P/B ratio
	126	Market approach	Liquidity discount P/E ratio
- Other equity investments	50	Market approach	Liquidity discount P/B ratio
	767	Refer to recent transactions	NA
	<u>6,474</u>		
Financial liabilities measured at FVTPL			
- Interest of other unit holders in consolidated structured entities	<u>1,479</u>	Note 1	Note 1

Note1: The fair value of the interest of other unit holders in consolidated structured entities is the amount attributable to the investor of the structured entity based on the net value of the structured entity.

5 Offsetting of financial assets and financial liabilities

Some financial assets and financial liabilities in the Group follow executable net amount settlement arrangements or similar agreements. Such arrangements with the Group and counterparties normally allow the net amount settlement under agreements of both parties. If no agreement is reached, it would be settled in full amount. But one party could choose to settle in net amount under the condition that the other party violates the agreement. According to the requirements of the Accounting Standards for Business Enterprises, the Group did not offset these financial assets and financial liabilities.

As at 31 December 2021, the amount of the Group's financial assets and financial liabilities following executable net amount settlement arrangements or similar agreements is not significant.

6 Capital management

The objectives of the Group's capital management are to:

- (1) Satisfy regulatory requirements for capital adequacy ratio on an ongoing basis, ensure operational compliance to ultimately optimise capital stock and structure.
- (2) Ensure adequate capital for resisting corresponding risks, realise the operational safety, and keep capital at an adequate and reasonable level.
- (3) Establish a capital allocation and management system that focuses on economic capital, optimise the resource allocation and management control mechanism at the group level, achieve capital intensive management to ultimately maximise shareholders' value.

The Group manages its capital structure and adjust it based on the changes in economic condition and the risk characteristics. Generally, the mechanism of adjusting the capital structure comprises dividend distribution policies and issuance of additional capital instruments such as tier 1 capital instruments and tier 2 capital instruments, etc.

In China, commercial banks should meet the requirements for capital adequacy ratio set out in the Administrative Measures on the Capital of Commercial Banks (for Trial Implementation) which required the capital adequacy ratio of core tier 1 capital shall not be less than 7.50%, capital adequacy ratio of tier 1 capital shall not be less than 8.50% and capital adequacy ratio shall not be less than 10.50%.

In addition, the PBOC and the CBIRC have formulated evaluation of systemically important banks and the Additional Regulatory Rules for Systemically Important Banks (for Trial Implementation). According to the above provisions, systemically important banks shall meet certain additional capital requirements in addition to minimum capital requirements, reserve capital and counter-cyclical capital requirements, which are satisfied by core Tier 1 capital. Systemically important banks are divided into five groups, and the additional capital requirements of 0.25%, 0.5%, 0.75%, 1% and 1.5% shall apply to the banks in Group I to Group V respectively. According to the list of systemically important banks issued by the PBOC and CBIRC in October 2021, the bank was identified as systemically important banks in Group II. Therefore, after considering the additional capital requirements of systemically important banks, the group will meet the minimum requirement of 8% of core tier 1 capital adequacy from January 1, 2023.

	The Group	
	31 December 2021	31 December 2020
Core tier 1 capital - net	548,486	519,268
Tier 1 capital - net	658,929	629,653
Capital - net	817,715	798,859
Total risk weighted assets	5,835,947	5,458,504
Core tier 1 capital adequacy ratio	9.40%	9.51%
Tier 1 capital adequacy ratio	11.29%	11.54%
Capital adequacy ratio	14.01%	14.64%

- (1) The scope of consolidation for the purpose of calculating the Group's Capital Adequacy Ratios includes domestic and overseas operating units and other financial subsidiaries specified in the capital rules.
- (2) The Group's Core Tier 1 Capital includes ordinary shares, equity components of the convertible corporate bonds, the capital reserve (subject to regulatory limitations), surplus reserve, general risk reserve, retained earnings, minority interests (to the extent permitted in the Core Tier 1 Capital under the Regulation).
- (3) The Group's Deductible Items from Core Tier 1 Capital include other intangible assets (excluding land use rights) after deducting the related deferred tax liabilities and the net amount of goodwill after deducting related deferred tax liabilities.
- (4) The Group's other Tier 1 Capital includes preference shares, Perpetual bond and minority interests to the extent permitted by the capital rules.
- (5) The Group's Tier 2 Capital includes: Tier 2 capital instruments and related premium (to the extent allowed under the Regulation), excessive allowance for loan losses, and minority interests to the extent permitted by the capital rules.
- (6) Risk-weighted Assets include Credit Risk-weighted Assets, Market Risk-weighted Assets and Operational Risk-weighted Assets. The Group adopts risk weighting approach, standardised approach and basic indicator approach to measure Credit Risk-weighted Assets, Market Risk weighted Assets and Operational Risk-weighted Assets respectively.

IX ASSET PLEDGED

Certain assets of the Group are pledged as collateral for financial liabilities, and the analysis of these assets are as follows:

	31 December 2021	31 December 2020
Financial investments	522,642	491,435
Discounted bills	44,167	107,497
Bank loans	547	778
Total	567,356	599,710

X EVENTS AFTER THE REPORTING DATE

1 Profit distribution plan

The Bank convened the board of directors on 26 April 2022, approved the profit distribution plan for 2021 and submitted it to the annual general meeting for consideration and approval.

2 Establishment of the subsidiary

In January 2022, the Bank received the approval from CBIRC on the opening of Puyin Wealth Management Co., Ltd. (CBIRC [2022] No.4), thus the wholly-owned subsidiary Puyin Wealth Management Co., Ltd. was approved to open with a registered capital of RMB 5 billion. The Bank will strictly perform its duties as a shareholder in accordance with regulatory requirements.

XI COMPARATIVE FIGURES

In order to be consistent with the presentation of financial statements for the current year, a number of comparative figures have been reclassified.

上海浦东发展银行股份有限公司

自 2021 年 1 月 1 日至 2021 年 12 月 31 日止年度财务报表

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2200040 号

审计意见

我们审计了后附第 1 页至第 126 页的上海浦东发展银行股份有限公司 (以下简称“贵行”) 及其子公司 (以下合称“贵集团”) 的财务报表, 包括 2021 年 12 月 31 日的合并财务状况表和财务状况表, 截至 2021 年 12 月 31 日止年度的合并利润表和利润表、合并综合收益表和综合收益表、合并股东权益变动表和股东权益变动表、合并现金流量表和现金流量表, 以及包括主要会计政策概要及其他解释资料在内的附注。

我们认为, 后附的财务报表在所有重大方面按照国际会计准则理事会颁布的《国际财务报告准则》的规定编制, 公允反映了贵行 2021 年 12 月 31 日的合并财务状况和财务状况以及贵行 2021 年度的合并经营成果和经营成果及合并现金流量和现金流量。

形成审计意见的基础

我们按照国际会计准则理事会颁布的《国际审计准则》的规定执行了审计工作。审计报告的“审计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中华人民共和国境内关于财务报表审计相关的职业道德方面的要求, 我们独立于贵集团, 并履行了中国境内职业道德方面的其他责任。我们相信, 我们获取的审计证据是充分、适当的, 为发表审计意见提供了基础。

关键审计事项

关键审计事项是我们根据职业判断, 认为对本期财务报表审计最为重要的事项。这些事项的应对以对财务报表整体进行审计并形成审计意见为背景, 我们不对这些事项单独发表意见。

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2200040 号

关键审计事项 (续)

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
<p>发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量涉及管理层主观判断。</p> <p>贵集团就预期信用损失计量建立了相关的内部控制。</p>	<p>与评价发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量相关的审计程序中包括以下程序：</p> <ul style="list-style-type: none">了解和评价与发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量相关的关键财务报告内部控制的设计和运行有效性：<ul style="list-style-type: none">了解和评价信用审批、记录、监控、定期信用等级重评、预期信用损失模型数据输入、预期信用损失计算等相关的关键财务报告内部控制的设计和运行有效性；特别地，我们评价与基于各级次发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的信用质量而进行各金融工具阶段划分相关的关键财务报告内部控制的设计和运行有效性；利用我们信息技术专家和金融风险管理专家的工作，了解和评价相关信息系统控制的设计和运行有效性，包括：系统的信息技术一般控制、关键内部历史数据的完整性、系统间数据传输、预期信用损失模型参数的映射，以及发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺预期信用损失的系统计算逻辑设置等；

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
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毕马威华振通字第 2200040 号

关键审计事项 (续)

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量 (续)	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
贵集团通过评估发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的信用风险自初始确认后是否显著增加，运用三阶段减值模型计量预期信用损失。对于发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺，管理层运用包含违约概率、违约损失率、违约风险敞口和折现率等关键参数的风险参数模型法评估损失准备。	<ul style="list-style-type: none">• 利用我们金融风险管理专家的工作，评价预期信用损失时所用的预期信用损失模型和参数的可靠性，审慎评价违约概率、违约损失率、违约风险暴露、折现率、前瞻性调整及其他调整等，以及其中所涉及的关键管理层判断的合理性，包括是否考虑了新型冠状病毒肺炎疫情影响下的宏观经济情况；• 评价预期信用损失模型使用的关键数据的完整性和准确性。针对与业务原始档案相关的关键内部数据，我们将管理层用以评估减值准备的发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺清单总额分别与总账进行比较，以评价清单的完整性。选取样本，将单项贷款、以摊余成本计量的金融投资或财务担保合同和贷款承诺的信息与相关协议以及其他有关文件进行比较，以评价清单的准确性；针对关键外部数据，我们将其与公开信息来源进行核对，以评价其准确性；• 评价涉及主观判断的输入参数，包括从外部寻求支持证据，比对历史损失经验及担保方式等内部记录。作为上述程序的一部分，我们还询问了管理层对关键假设和输入参数所做调整的理由，并考虑管理层所运用的判断是否一致；

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关键审计事项（续）

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量 (续)	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
<p>预期信用损失计量模型所包含的重大管理层判断和假设主要包括：</p> <p>(4) 将具有类似信用风险特征的业务划入同一个组合，选择恰当的计量模型，并确定计量相关的关键参数；</p> <p>(5) 信用风险显著增加、违约和已发生信用减值的判断标准；</p> <p>(6) 用于前瞻性计量的经济指标、经济情景及其权重的采用。</p> <p>新型冠状病毒疫情的经济影响增加了与会计估计相关的估计不确定性的程度。</p>	<ul style="list-style-type: none">• 将管理层在上年计量预期信用损失时采用的经济指标估计与本年实际情况进行比较，以评价是否存在管理层偏向的迹象；• 针对需由系统运算生成的关键内部数据，我们选取样本将系统运算使用的输入数据核对至业务原始档案以评价系统输入数据的准确性。此外，利用我们信息技术专家的工作，选取样本，测试了发放贷款和垫款逾期信息的编制逻辑；• 选取样本，评价管理层对信用风险自初始确认后是否显著增加的判断以及是否已发生信用减值的判断的合理性。我们按照行业分类对公司类发放贷款和垫款以及以摊余成本计量的金融投资进行分析，选取样本时考虑选取受目前行业周期及调控政策影响较大的行业，关注高风险领域的贷款以及债权投资，并选取不良贷款以及债权投资、逾期非不良的贷款以及债权投资、内部评级较低的贷款以及债权投资、存在负面预警信号、负面媒体消息、拆分评级等其他风险因素的借款人为信贷审阅的样本。我们在选取样本的基础上查看业务文档、检查逾期信息、向客户经理询问借款人的经营状况、检查借款人的财务信息以及搜寻有关借款人业务和经营的市场信息等。

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关键审计事项 (续)

发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量 (续)	
请参阅财务报表附注二第 4.(8)(vi)项、附注三第 13 项、附注三第 14.(b)项、附注三第 27 项、附注八第 1.(1)项、附注八第 1.(3)项、附注八第 1.(4)项、附注八第 1.(5)项。	
关键审计事项	在审计中如何应对该事项
由于发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量存在固有不确定性以及涉及管理层判断，同时对贵集团的经营状况和资本状况会产生重要影响，我们将发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的预期信用损失计量识别为关键审计事项。	<ul style="list-style-type: none">对选取的已发生信用减值的公司类发放贷款和垫款以及以摊余成本计量的金融投资执行信贷审阅时，通过询问、运用职业判断和独立查询等方法，评价其预计可收回的现金流。我们还评价担保物的变现时间和方式并考虑管理层提供的其他还款来源。评价管理层对关键假设使用的一致性，并将其与我们的数据来源进行比较；选取样本，复核对预期信用损失的计算，以评价贵集团对预期信用损失模型的应用；根据相关会计准则，评价与发放贷款和垫款、以摊余成本计量的金融投资、财务担保合同和贷款承诺的财务报表信息披露的合理性。

独立审计师报告

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毕马威华振通字第 2200040 号

关键审计事项 (续)

结构化主体的合并	
请参阅财务报表附注二第 4.(1)项以及附注三第 37 项。	
关键审计事项	在审计中如何应对该事项
<p>结构化主体通常是为实现具体而明确的目的而设计并成立的，并在确定的范围内开展业务活动。</p> <p>贵集团可能通过发起设立、持有投资或保留权益份额等方式在结构化主体中享有权益。这些结构化主体主要包括理财产品、资产支持证券、信托计划、资产管理计划或证券投资基金。</p>	<p>与评价结构化主体的合并相关的审计程序中包括以下程序：</p> <ul style="list-style-type: none">● 通过询问管理层和检查与管理层对结构化主体是否合并作出的判断过程相关的文件，以评价贵集团就此设立流程是否完备；● 选取样本，对结构化主体执行了下列审计程序：<ul style="list-style-type: none">- 检查相关合同、内部设立文件以及向投资者披露的信息，以理解结构化主体的设立目的以及贵集团对结构化主体的参与程度，并评价管理层关于贵集团对结构化主体是否拥有权力的判断；- 检查结构化主体对风险与报酬的结构设计，包括在结构化主体中拥有的任何资本或对其收益作出的担保、提供流动性支持的安排、佣金的支付和收益的分配等，以评价管理层就贵集团因参与结构化主体的相关活动而拥有的对结构化主体的风险敞口、权力及对可变回报的影响所作的判断；

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2200040 号

关键审计事项 (续)

结构化主体的合并 (续)	
请参阅财务报表附注二第 4.(1)项以及附注三第 37 项。	
关键审计事项	在审计中如何应对该事项
<p>当判断贵集团是否应该将结构化主体纳入贵集团合并范围时，管理层应考虑贵集团所承担的风险和享有的报酬，贵集团对结构化主体相关活动拥有的权力，以及通过运用该权力而影响其可变回报的能力。这些因素并非完全可量化的，需要综合考虑整体交易的实质内容。</p> <p>由于涉及部分结构化主体的交易较为复杂，并且贵集团在对每个结构化主体的条款及交易实质进行定性评估时需要作出判断，我们将结构化主体的合并识别为关键审计事项。</p>	<ul style="list-style-type: none">● 选取样本，对结构化主体执行了下列审计程序 (续):<ul style="list-style-type: none">- 检查管理层对结构化主体的分析，包括定性分析，以及贵集团对享有结构化主体的经济利益的比重和可变动性的计算，以评价管理层关于贵集团影响其来自结构化主体可变回报的能力判断；- 评价管理层就是否合并结构化主体所作的判断；● 评价财务报表中对结构化主体的相关披露是否符合相关会计准则的披露要求。

独立审计师报告

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毕马威华振通字第 2200040 号

关键审计事项 (续)

金融工具公允价值的评估	
请参阅财务报表附注二第 4.(8)项、附注二第 4.(22)项以及附注八第 4 项。	
关键审计事项	在审计中如何应对该事项
<p>以公允价值计量的金融工具是贵集团持有/承担的重要资产/负债。公允价值调整可能影响损益或其他综合收益。</p> <p>贵集团以公允价值计量的金融工具的估值以市场数据和估值模型为基础，其中估值模型通常需要大量的参数输入。大部分参数来源于能够可靠获取的数据，尤其是第一层次和第二层次公允价值计量的金融工具，其估值模型采用的参数分别是市场报价和可观察参数。当可观察的参数无法可靠获取时，即第三层次公允价值计量的金融工具的情形下，不可观察输入值的确定会使用到管理层估计，这当中会涉及管理层的重大判断。</p> <p>此外，贵集团已对特定的第二层次及第三层次公允价值计量的金融工具开发了自有估值模型，这也会涉及管理层的重大判断。</p> <p>由于金融工具公允价值的评估涉及复杂的流程，以及在确定估值模型使用的参数时涉及管理层判断的程度，我们将金融工具公允价值的评估识别为关键审计事项。</p>	<p>与评价金融工具的公允价值相关的审计程序中包括以下程序：</p> <ul style="list-style-type: none">• 了解和评价贵集团与估值、独立价格验证、前后台对账及金融工具估值模型审批相关的关键财务报告内部控制的设计和运行有效性；• 选取样本，通过比较贵集团采用的公允价值与公开可获取的市场数据，评价第一层次公允价值计量的金融工具的估值；• 利用我们的金融风险管理专家的工作，在选取样本的基础上对第二层次和第三层次公允价值计量的金融工具进行独立估值，并将我们的估值结果与贵集团的估值结果进行比较。上述程序具体包括将贵行的估值模型与我们了解的行业通行估值方法进行比较，测试公允价值计算的输入值，以及建立平行估值模型进行重估；• 在评价对构成公允价值组成部分的公允价值调整的运用是否适当时，询问管理层计算公允价值调整的方法是否发生变化，并评价参数运用的恰当性；• 评价财务报表的相关披露，是否符合相关会计准则的披露要求，恰当反映了金融工具估值风险。

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
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毕马威华振通字第 2200040 号

其他信息

贵行管理层对其他信息负责。其他信息包括年度报告中涵盖的信息，但不包括财务报表和我们的审计报告。

我们对财务报表发表的审计意见不涵盖其他信息，我们也不对其他信息发表任何形式的鉴证结论。

结合我们对财务报表的审计，我们的责任是阅读其他信息，在此过程中，考虑其他信息是否与财务报表或我们在审计过程中了解到的情况存在重大不一致或者似乎存在重大错报。

基于我们已执行的工作，如果我们确定其他信息存在重大错报，我们应当报告该事实。在这方面，我们无任何事项需要报告。

管理层和治理层对财务报表的责任

贵行管理层负责按照国际会计准则理事会颁布的《国际财务报告准则》的规定编制财务报表，使其实现公允反映，及落实其认为编制财务报表所必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

编制财务报表时，管理层负责评估贵集团的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划对贵集团进行清算、终止运营或别无其他现实的选择。

治理层负责监督贵集团的财务报告过程。

审计师对财务报表审计的责任

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

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2200040 号

审计师对财务报表审计的责任 (续)

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

- 识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。
- 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对贵集团的内部控制的有效性发表意见。
- 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。
- 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对贵集团持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的审计证据。然而，未来的事项或情况可能导致贵集团不能持续经营。
- 评价财务报表的总体列报(包括披露)、结构和内容，并评价财务报表是否公允反映相关交易和事项。
- 就贵集团中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表审计意见。我们负责指导、监督和执行集团审计，并对审计意见承担全部责任。

独立审计师报告

致上海浦东发展银行股份有限公司全体股东：
(于中华人民共和国注册成立的股份有限公司)

毕马威华振通字第 2200040 号

审计师对财务报表审计的责任 (续)

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

我们还就已遵守独立性相关的职业道德要求向治理层提供声明，并与治理层沟通可能被合理认为影响我们独立性的所有关系和其他事项，以及相关的防范措施 (如适用)。

从与治理层沟通过的事项中，我们确定哪些事项对本期财务报表审计最为重要，因而构成关键审计事项。我们在审计报告中描述这些事项，除非法律法规禁止公开披露这些事项，或在极少数情形下，如果合理预期在审计报告中沟通某事项造成的负面后果超过在公众利益方面产生的益处，我们确定不应在审计报告中沟通该事项。

负责审计并出具本独立审计师报告的项目合伙人是石海云。

毕马威华振会计师事务所 (特殊普通合伙)
中国 北京

2022 年 4 月 26 日

上海浦东发展银行股份有限公司
合并利润表和利润表
2021 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	附注	本集团		本行	
		2021 年 度	2020 年 度	2021 年 度	2020 年 度
利息收入		300,693	294,985	295,132	290,103
利息支出		(164,735)	(156,404)	(161,564)	(153,741)
利息净收入	三、1	135,958	138,581	133,568	136,362
手续费及佣金收入		39,847	44,257	35,488	40,158
手续费及佣金支出		(10,713)	(10,311)	(10,778)	(10,409)
手续费及佣金净收入	三、2	29,134	33,946	24,710	29,749
净交易损益	三、3	20,115	17,620	19,125	15,051
金融投资净损益	三、4	2,276	3,219	2,332	3,208
其他营业净收入		3,417	3,055	586	729
营业费用	三、5	(53,708)	(50,425)	(48,830)	(46,097)
资产减值损失	三、6	(78,344)	(79,553)	(77,188)	(77,331)
联营企业及合营企业投资净损益		223	146	190	130
税前利润		59,071	66,589	54,493	61,801
所得税费用	三、7	(5,305)	(7,665)	(4,184)	(6,680)
净利润		53,766	58,924	50,309	55,121
净利润归属于:					
母公司股东		53,003	58,261	50,309	55,121
非控制性权益所有者		763	663	-	-
母公司普通股股东享有的:					
基本每股收益 (人民币元)	三、8	1.62	1.88		
稀释每股收益 (人民币元)	三、8	1.50	1.73		

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并综合收益表和综合收益表
2021 年度
(除另有标明外, 所有金额均以人民币百万元列示)

附注	本集团		本行	
	2021 年 度	2020 年 度	2021 年 度	2020 年 度
净利润	53,766	58,924	50,309	55,121
其他综合收益				
以后将重分类进损益的其他综合收益				
权益法下可转损益的其他综合收益	1	-	1	-
以公允价值计量且其变动计入其他综合收益的债务工具投资公允价值变动	(437)	(3,529)	(102)	(3,401)
以公允价值计量且其变动计入其他综合收益的债务工具投资信用损失准备	(673)	755	(439)	484
现金流量套期储备	29	(4)	5	2
外币财务报表折算差异	(101)	(184)	7	(61)
以后不能重分类进损益的其他综合收益				
指定以公允价值计量且其变动计入其他综合收益的权益工具投资公允价值变动	28	(345)	28	(345)
其他综合收益, 税后	(1,153)	(3,307)	(500)	(3,321)
综合收益合计	52,613	55,617	49,809	51,800
综合收益总额归属于:				
母公司股东	51,848	54,970	49,809	51,800
非控制性权益所有者	765	647	-	-

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并财务状况表和财务状况表
2021年12月31日
(除另有标明外,所有金额均以人民币百万元列示)

	附注	本集团		本行	
		2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
资产					
现金及存放中央银行款项	三、9	420,996	489,088	416,110	484,262
存放和拆放同业及其他 金融机构款项	三、10	433,781	385,927	425,421	382,406
贵金属		13,151	44,969	13,151	44,969
衍生金融资产	三、11	33,773	63,589	33,756	63,589
买入返售金融资产	三、12	117	36,526	101	36,526
发放贷款和垫款	三、13	4,690,954	4,430,228	4,594,234	4,339,333
金融投资:	三、14				
-以公允价值计量且其变 动计入当期损益的金 融投资		526,034	549,149	487,998	514,468
-以摊余成本计量的金融 投资		1,306,188	1,169,777	1,304,324	1,167,536
-以公允价值计量且其变 动计入其他综合收益 的金融投资		486,701	583,621	482,376	577,343
投资联营企业及合营企业	三、15	2,819	2,401	2,513	2,127
投资子公司		-	-	24,307	24,307
固定资产	三、16	38,708	32,364	18,308	16,250
使用权资产	三、17	8,560	8,446	8,118	8,005
无形资产	三、18	10,538	10,523	8,239	8,234
商誉	三、19	6,981	6,981	-	-
递延所得税资产	三、20	58,962	52,358	57,542	51,049
其他资产	三、21	98,494	92,210	92,763	85,388
资产总计		<u>8,136,757</u>	<u>7,958,157</u>	<u>7,969,261</u>	<u>7,805,792</u>

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并财务状况表和财务状况表 (续)
2021 年 12 月 31 日
(除另有标明外, 所有金额均以人民币百万元列示)

	附注	本集团		本行	
		2021 年 12 月 31 日	2020 年 12 月 31 日	2021 年 12 月 31 日	2020 年 12 月 31 日
负债					
向中央银行借款		236,317	274,346	235,223	272,964
同业及其他金融机构存入 和拆入款项	三、22	1,106,775	1,365,572	1,035,278	1,310,056
以公允价值计量且其变动 计入当期损益的金融 负债	三、23	31,280	16,057	19,954	6,067
衍生金融负债	三、11	29,528	61,146	29,507	61,137
卖出回购金融资产款	三、24	174,219	232,346	170,038	225,425
吸收存款	三、25	4,463,608	4,122,407	4,431,975	4,090,341
应交所得税		25,170	23,804	24,703	23,153
已发行债务证券	三、26	1,317,121	1,140,653	1,303,891	1,127,379
递延所得税负债	三、20	638	689	-	-
租赁负债	三、17	8,451	8,544	7,993	8,088
预计负债	三、27	6,275	5,280	6,272	5,276
其他负债	三、28	59,157	62,097	50,076	51,923
负债总计		7,458,539	7,312,941	7,314,910	7,181,809

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并财务状况表和财务状况表 (续)
2021 年 12 月 31 日
(除另有标明外, 所有金额均以人民币百万元列示)

	附注	本集团		本行	
		2021 年 12 月 31 日	2020 年 12 月 31 日	2021 年 12 月 31 日	2020 年 12 月 31 日
股东权益					
股本	三、29	29,352	29,352	29,352	29,352
其他权益工具	三、30	112,691	112,691	112,691	112,691
资本公积	三、31	81,762	81,761	81,712	81,711
盈余公积	三、32	159,292	142,739	159,292	142,739
一般风险准备	三、33	90,993	79,640	89,000	78,000
其他储备	三、34	2,821	3,976	2,849	3,349
未分配利润	三、35	193,096	187,441	179,455	176,141
归属于母公司股东权益					
合计		670,007	637,600	654,351	623,983
非控制性权益		8,211	7,616	-	-
股东权益合计		<u>678,218</u>	<u>645,216</u>	<u>654,351</u>	<u>623,983</u>
负债及股东权益合计		<u>8,136,757</u>	<u>7,958,157</u>	<u>7,969,261</u>	<u>7,805,792</u>

本财务报表已于 2022 年 4 月 26 日由董事会批准并由下列人员签署:

董事长: 郑杨

行长: 潘卫东

财务总监: 王新浩

会计机构负责人: 李连全

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并股东权益变动表
2021 年度
(除另有标明外，所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2021 年 1 月 1 日余额	29,352	112,691	81,761	142,739	79,640	3,976	187,441	637,600	7,616	645,216
净利润	-	-	-	-	-	-	53,003	53,003	763	53,766
其他综合收益	-	-	-	-	-	(1,155)	-	(1,155)	2	(1,153)
综合收益合计	-	-	-	-	-	(1,155)	53,003	51,848	765	52,613
可转换公司债券转增权益	-	-	1	-	-	-	-	1	-	1
提取盈余公积	-	-	-	16,553	-	-	(16,553)	-	-	-
提取一般风险准备	-	-	-	-	11,353	-	(11,353)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(14,089)	(14,089)	-	(14,089)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)	-	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)	-	(3,794)
子公司的股利分配	-	-	-	-	-	-	-	-	(170)	(170)
2021 年 12 月 31 日余额	29,352	112,691	81,762	159,292	90,993	2,821	193,096	670,007	8,211	678,218

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并股东权益变动表 (续)
2020 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	归属于母公司股东权益							非控制性权益	合计	
	普通股股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润			小计
2020 年 1 月 1 日余额	29,352	62,698	81,760	125,805	76,249	7,267	170,197	553,328	7,191	560,519
净利润	-	-	-	-	-	-	58,261	58,261	663	58,924
其他综合收益	-	-	-	-	-	(3,291)	-	(3,291)	(16)	(3,307)
综合收益合计	-	-	-	-	-	(3,291)	58,261	54,970	647	55,617
发行无固定期限资本债	-	49,993	-	-	-	-	-	49,993	-	49,993
可转换公司债券转增权益	-	-	1	-	-	-	-	1	-	1
提取盈余公积	-	-	-	16,934	-	-	(16,934)	-	-	-
提取一般风险准备	-	-	-	-	3,391	-	(3,391)	-	-	-
普通股现金股利分配	-	-	-	-	-	-	(17,611)	(17,611)	-	(17,611)
优先股现金股利分配	-	-	-	-	-	-	(1,662)	(1,662)	-	(1,662)
无固定期限资本债付息	-	-	-	-	-	-	(1,419)	(1,419)	-	(1,419)
子公司的股利分配	-	-	-	-	-	-	-	-	(222)	(222)
2020 年 12 月 31 日余额	29,352	112,691	81,761	142,739	79,640	3,976	187,441	637,600	7,616	645,216

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 股东权益变动表
 2021 年度
 (除另有标明外, 所有金额均以人民币百万元列示)

	股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润	股东权益合计
2021 年 1 月 1 日余额	29,352	112,691	81,711	142,739	78,000	3,349	176,141	623,983
净利润	-	-	-	-	-	-	50,309	50,309
其他综合收益	-	-	-	-	-	(500)	-	(500)
综合收益合计	-	-	-	-	-	(500)	50,309	49,809
可转换公司债券转增权益	-	-	1	-	-	-	-	1
提取盈余公积	-	-	-	16,553	-	-	(16,553)	-
提取一般风险准备	-	-	-	-	11,000	-	(11,000)	-
普通股现金股利分配	-	-	-	-	-	-	(14,089)	(14,089)
优先股现金股利分配	-	-	-	-	-	-	(1,559)	(1,559)
无固定期限资本债付息	-	-	-	-	-	-	(3,794)	(3,794)
2021 年 12 月 31 日余额	29,352	112,691	81,712	159,292	89,000	2,849	179,455	654,351

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
 股东权益变动表 (续)
 2020 年度
 (除另有标明外, 所有金额均以人民币百万元列示)

	股本	其他权益工具	资本公积	盈余公积	一般风险准备	其他储备	未分配利润	股东权益合计
2020 年 1 月 1 日余额	29,352	62,698	81,710	125,805	74,900	6,670	161,746	542,881
净利润	-	-	-	-	-	-	55,121	55,121
其他综合收益	-	-	-	-	-	(3,321)	-	(3,321)
综合收益合计	-	-	-	-	-	(3,321)	55,121	51,800
发行无固定期限资本债	-	49,993	-	-	-	-	-	49,993
可转换公司债券转增权益	-	-	1	-	-	-	-	1
提取盈余公积	-	-	-	16,934	-	-	(16,934)	-
提取一般风险准备	-	-	-	-	3,100	-	(3,100)	-
普通股现金股利分配	-	-	-	-	-	-	(17,611)	(17,611)
优先股现金股利分配	-	-	-	-	-	-	(1,662)	(1,662)
无固定期限资本债付息	-	-	-	-	-	-	(1,419)	(1,419)
2020 年 12 月 31 日余额	29,352	112,691	81,711	142,739	78,000	3,349	176,141	623,983

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并现金流量表和现金流量表
2021 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	本集团		本行	
	2021 年 度	2020 年 度	2021 年 度	2020 年 度
经营活动产生的现金流				
税前利润	59,071	66,589	54,493	61,801
调整:				
折旧与摊销	7,261	6,736	6,004	5,541
租赁负债利息支出	316	317	300	298
资产减值损失	78,344	79,553	77,188	77,331
筹资活动产生的利息支出	38,664	32,375	38,163	31,851
金融投资业务利息收入	(64,623)	(61,795)	(64,144)	(61,321)
处置固定资产净损益	(26)	8	(26)	8
联营企业及合营企业投资净收益	(223)	(146)	(190)	(130)
衍生金融工具未实现净损益	(1,638)	(5,079)	(1,638)	(5,079)
金融投资净损益	(2,276)	(3,219)	(2,332)	(3,208)
净交易损益	(9,865)	(8,386)	(9,250)	(6,934)
投资、筹资活动产生的汇兑损益	(2)	13	(1)	12
经营性资产的净变动:				
存放中央银行法定存款准备金	(704)	25,164	(736)	24,772
存放和拆放同业及其他金融机构款项	(43,360)	(66,608)	(41,022)	(64,018)
为交易目的而持有的金融资产	(5,512)	(22,022)	(600)	(18,485)
买入返售金融资产	(57)	832	(58)	832
发放贷款和垫款	(324,198)	(571,450)	(318,587)	(553,977)
其他经营性资产	11,638	(29,797)	14,053	(26,267)

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并现金流量表和现金流量表 (续)
2021 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	本集团		本行	
	2021 年 度	2020 年 度	2021 年 度	2020 年 度
经营活动产生的现金流 (续)				
经营性负债的净变动:				
向中央银行借款	(37,284)	40,593	(36,997)	39,700
同业及其他金融机构存入和拆入款项	(257,708)	201,968	(273,634)	183,386
卖出回购金融资产款	(58,097)	4,810	(55,357)	(2,111)
吸收存款	326,572	448,631	327,094	444,637
其他经营性负债	35,845	3,194	35,034	430
所得税前经营活动 (使用) / 产生的净现金流	(247,862)	142,281	(252,243)	129,069
支付所得税	(9,330)	(12,613)	(8,802)	(11,378)
经营活动 (使用) / 产生的净现金流	(257,192)	129,668	(261,045)	117,691
投资活动产生的现金流				
收回投资收到的现金	1,556,457	1,926,503	1,552,560	1,887,873
收到的投资收益	73,018	85,243	72,096	84,681
处置固定资产所收到的现金	425	309	130	242
购建固定资产、无形资产和其他长期资产支付的现金	(11,285)	(5,792)	(5,595)	(4,510)
投资支付的现金	(1,575,875)	(2,147,940)	(1,575,192)	(2,096,373)
投资活动产生 / (使用) 的净现金流	42,740	(141,677)	43,999	(128,087)

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
合并现金流量表和现金流量表 (续)
2021 年度
(除另有标明外, 所有金额均以人民币百万元列示)

	本集团		本行	
	2021 年 度	2020 年 度	2021 年 度	2020 年 度
筹资活动产生的现金流				
发行债券及同业存单收到的现金	1,346,368	1,366,158	1,341,374	1,362,056
偿还债务支付的现金	(1,170,787)	(1,179,103)	(1,165,786)	(1,176,093)
分配股利、利润或偿付利息支付的 现金	(57,392)	(52,921)	(56,684)	(52,175)
支付其他与筹资活动有关的现金	(3,324)	(3,283)	(3,191)	(3,419)
筹资活动产生的净现金流	<u>114,865</u>	<u>130,851</u>	<u>115,713</u>	<u>130,369</u>
汇率变动对现金及现金等价物的影响	<u>(2,905)</u>	<u>(5,308)</u>	<u>(3,730)</u>	<u>(5,195)</u>
现金及现金等价物净 (减少) / 增加 额	(102,492)	113,534	(105,063)	114,778
年初现金及现金等价物余额	<u>318,618</u>	<u>205,084</u>	<u>312,615</u>	<u>197,837</u>
年末现金及现金等价物余额	<u><u>216,126</u></u>	<u><u>318,618</u></u>	<u><u>207,552</u></u>	<u><u>312,615</u></u>
经营活动的现金流量包括:				
收到的利息	248,518	247,891	241,904	242,799
支付的利息	<u>(113,391)</u>	<u>(111,896)</u>	<u>(110,780)</u>	<u>(110,067)</u>
现金及现金等价物的组成:	<u>2021 年 12 月 31 日</u>	<u>2020 年 12 月 31 日</u>	<u>2021 年 12 月 31 日</u>	<u>2020 年 12 月 31 日</u>
库存现金	5,470	5,356	5,338	5,214
存放中央银行超额存款准备金	73,454	143,283	70,405	140,336
原始到期日不超过三个月的存放及 拆放同业款项	137,167	133,484	131,791	130,570
原始到期日不超过三个月的买入返售 金融资产	35	36,495	18	36,495
合计	<u><u>216,126</u></u>	<u><u>318,618</u></u>	<u><u>207,552</u></u>	<u><u>312,615</u></u>

刊载于第 13 页至第 126 页的财务报表附注为本财务报表的组成部分。

上海浦东发展银行股份有限公司
财务报表附注
(除特别注明外，所有金额均以人民币百万元列示)

一 基本情况

上海浦东发展银行股份有限公司 (以下简称“本行”) 为 1992 年 8 月 28 日经中国人民银行以银复 (1992) 350 号文批准设立的股份制商业银行，注册地为中华人民共和国上海市，总部地址为上海市中山东一路 12 号。1992 年 10 月 19 日由上海市工商行政管理局颁发法人营业执照，1993 年 1 月 9 日正式开业。1999 年 11 月 10 日，本行人民币普通股在上海证券交易所上市交易。

本行法人统一社会信用代码为 9131000013221158XC，金融许可证号为 B0015H131000001。

本行及子公司 (以下统称“本集团”) 主要属于金融行业，主要经营范围为经中国人民银行及中国银行保险监督管理委员会 (以下简称“银保监会”) 批准的商业银行业务，融资租赁业务，信托业务以及经香港证券及期货事务监察委员会颁发的相关牌照所规定的投资银行业务和资产管理业务。本行的主要监管机构为银保监会，本行境外分行及子公司亦需遵循经营所在地监管机构的监管要求。

本年纳入合并范围的主要子公司详见附注三、38.(1)。

二 编制基础及会计政策

1. 编制基础

本集团会计年度自公历 1 月 1 日起至 12 月 31 日止。

本财务报表符合国际会计准则理事会公布的《国际财务报告准则》的规定，并以持续经营为基础编制。除衍生金融工具、以公允价值计量且其变动计入当期损益的金融资产和金融负债、以公允价值计量且其变动计入其他综合收益的金融资产以及以交易为目的持有的贵金属和大宗商品以公允价值计量外，本财务报表均以历史成本为计价原则。

在按《国际财务报告准则》编制财务报表时，管理层需要作出某些判断、估计和假设。这些判断、估计和假设，会影响会计政策的执行并对财务报告中的资产、负债、收入和支出的列报金额产生影响，实际结果可能与估计不同。对于财务报表影响重大的判断事项和主要未来不确定事项，请参见本财务报表附注二、4.(30)。

2. 会计政策变更

本行及本集团已于本年度采用了下列由国际会计准则理事会发布的国际财务报告准则和修订。这些准则和修订于本年度强制生效。

国际财务报告准则第 9 号、
国际会计准则第 39 号、
国际财务报告准则第 7 号、
国际财务报告准则第 14 号
国际财务报告准则第 16 号 (修订) 利率基准改革—第二阶段

本财务报表已于 2021 年度首次采纳上述经修订的并于 2021 年度生效的国际财务报告准则。首次采纳上述经修订的准则对本集团的财务状况及经营成果无重大影响。

3. 已颁布但尚未生效的主要国际财务报告准则的影响

本集团在本财务报表中尚未采用下列已颁布但尚未生效的新的及经修订的国际财务报告准则与国际会计准则。

国际财务报告准则第 3 号 (修订) ⁽¹⁾	概念框架的索引
国际会计准则第 16 号(修订) ⁽¹⁾	不动产、厂场和设备达到其预定用途前所获取的收入
国际会计准则第 37 号(修订) ⁽¹⁾	亏损合同—履行合同的成本
国际财务报告准则第 1 号	国际财务报告准则年度改进 2018-2020 年度期间
国际财务报告准则第 9 号	
国际财务报告准则第 16 号及	
国际财务报告准则第 41 号(修订)	
国际财务报告准则第 17 号	
及其相关修订 ⁽²⁾	保险合同及其相关修订
国际会计准则第 1 号(修订) ⁽²⁾	负债的流动和非流动分类
国际会计准则第 1 号及国际	
财务报告准则实务公告第 2 号	
(修订) ⁽²⁾	会计政策的披露
国际财务报告准则第 8 号 (修订) ⁽²⁾	会计估计的定义
国际财务报告准则第 12 号 (修订) ⁽²⁾	单项交易产生的与资产和负债相关的递延税项
国际财务报告准则第 10 号及	
国际会计准则第 28 号(修订) ⁽³⁾	投资者与其联营、合营企业之间出售或投入资产

(1) 对自 2022 年 1 月 1 日及之后开始的年度期间生效。

(2) 对自 2023 年 1 月 1 日及之后开始的年度期间生效。

(3) 生效日期尚未确定。

本集团正在评估上述修订和改进对本集团财务状况及经营成果的影响。

4. 重要会计政策

(1) 子公司

子公司指由本集团控制的被投资方(包括结构化主体)。控制,是指本集团拥有对被投资方的权力,通过参与被投资方的相关活动而享有可变回报,并且有能力运用对被投资方的权力影响其回报金额。如果一项或多项控制因素发生变化,本集团将重新评估是否能控制被投资方。这包括拥有的保护性权利(例如借款关系)变为实质性权利,从而使得本集团对被投资方拥有权力的情形。

结构化主体,是指在确定其控制方时没有将表决权或类似权利作为决定因素而设计的主体。主导该主体相关活动的依据通常是合同安排或其他安排形式。

对子公司的投资自本集团取得控制权之日起纳入合并财务报表,直至本集团对其控制权终止。在编制合并财务报表时,本集团内部所有交易及余额,包括未实现内部交易损益均已抵销。

在本行财务状况表中,本行对子公司的投资,以成本扣除减值准备列示(参见附注二、4.(20))。

(2) 非控制性权益

非控制性权益指子公司所有者权益中不直接或间接归属于母公司的权益。

非控制性权益在合并财务状况表中股东权益项目下与归属于母公司股东的权益分开列示。在合并利润表中归属于非控制性权益和归属于母公司股东的净利润分开列示。

在不丧失控制权的前提下,如果本集团享有子公司的权益发生变化,按照权益类交易进行核算。相关权益的变动将体现为合并权益表中归属于母公司和非控制性权益金额的调整,但是无需调整商誉也不确认损益。

(3) 联营及合营公司

联营公司是指本集团能够对其施加重大影响的企业。

合营公司是指本集团与其他合营方共同控制且仅对其净资产享有权利的一项安排。

本集团对联营或合营公司的投资采用权益法进行核算。在权益法下,对联营或合营公司投资在合并财务状况表中以成本加本集团应占收购后联营公司或合营公司净资产份额变动,并扣除减值准备列示。合并利润表反映本集团所占联营或合营公司的经营成果的份额。当联营或合营公司出现直接计入权益的变动项目,本集团根据所持有份额在合并股东权益变动表中确认及披露。本集团与联营及合营公司之间内部发生交易所产生的未实现损益,已按应享有的比例计算归属本集团的部分,在权益法核算时予以抵销。

在本行财务状况表中,对联营及合营公司的投资以成本扣除减值准备列示(参见附注二、4.(20))。

(4) 记账本位币

本集团境内机构的记账本位币为人民币，编制财务报表采用的货币为人民币。境外机构根据其经营所处的主要经济环境自行决定其记账本位币，在编制本财务报表时，这些境外机构的外币财务报表按照附注二、4.(5)进行了折算。

(5) 外币折算

本集团收到投资者以外币投入资本时按当日即期汇率折合为人民币，其他外币交易在初始确认时按交易发生日的即期汇率或即期汇率的近似汇率折合为人民币。

于财务状况表日，外币货币性项目采用该日的即期汇率折算为人民币。以外币计价，分类为以公允价值计量且其变动计入其他综合收益的金融资产的货币性项目，其外币折算差额分解为由摊余成本变动产生的折算差额和该等项目的其他账面金额变动产生的折算差额。属于摊余成本变动产生的折算差额计入当期损益，属于其他账面金额变动产生的折算差额计入其他综合收益。除与购建或者生产符合资本化条件资产有关的专门借款本金和利息的汇兑差额外，其他外币货币性项目的汇兑差额计入当期损益。

以历史成本计量的外币非货币性项目，仍采用交易发生日的即期汇率折算。以公允价值计量的外币非货币性项目，采用公允价值确定日的即期汇率折算，由此产生的汇兑差额，属于以公允价值计量且其变动计入其他综合收益的权益工具投资的差额，计入其他综合收益；其他差额计入当期损益。

对境外经营的财务报表进行折算时，财务状况表中的资产和负债项目，采用报告期末的即期汇率折算，股东权益项目中除未分配利润及其他综合收益中的外币财务报表折算差额项目外，其他项目采用发生时的即期汇率折算。利润表中的收入和费用项目，采用交易发生日的即期汇率或即期汇率的近似汇率折算。按照上述折算产生的外币财务报表折算差额，在其他综合收益中列示。处置境外经营时，相关的外币财务报表折算差额自其他综合收益转入处置当期损益。

(6) 现金及现金等价物的确定标准

现金及现金等价物是指库存现金，可随时用于支付的存款以及持有的期限短、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

(7) 贵金属

贵金属主要包括黄金、白银和其他贵金属。本集团非交易性贵金属按照取得时的成本进行初始计量，并以成本和可变现净值较低者进行后续计量。本集团为交易目的而获得的贵金属按照取得时的公允价值进行初始确认，并以公允价值于报告期末进行后续计量，相关变动计入当期损益。

(8) 金融工具

金融工具是指形成一方的金融资产，并形成其他方的金融负债或权益工具的合同。

(i) 金融资产及金融负债的确认和初始计量

金融资产和金融负债在本集团成为相关金融工具合同条款的一方时，于财务状况表内确认。

在初始确认时，金融资产及金融负债均以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产或金融负债，相关交易费用直接计入当期损益；对于其他类别的金融资产或金融负债，相关交易费用计入初始确认金额。

(ii) 金融资产的分类和后续计量

(a) 金融资产的分类

本集团通常根据管理金融资产的业务模式和金融资产的合同现金流量特征，在初始确认时将金融资产分为不同类别：以摊余成本计量的金融资产、以公允价值计量且其变动计入其他综合收益的金融资产及以公允价值计量且其变动计入当期损益的金融资产。

除非本集团改变管理金融资产的业务模式，在此情形下，所有受影响的相关金融资产在业务模式发生变更后的首个报告期间的第一天进行重分类，否则金融资产在初始确认后不得进行重分类。

本集团将同时符合下列条件且未被指定为以公允价值计量且其变动计入当期损益的金融资产，分类为以摊余成本计量的金融资产：

- 本集团管理该金融资产的业务模式是以收取合同现金流量为目标；
- 该金融资产的合同条款规定，在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。

本集团将同时符合下列条件且未被指定为以公允价值计量且其变动计入当期损益的金融资产，分类为以公允价值计量且其变动计入其他综合收益的金融资产：

- 本集团管理该金融资产的业务模式既以收取合同现金流量为目标又以出售该金融资产为目标；
- 该金融资产的合同条款规定，在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。

对于非交易性权益工具投资，本集团可在初始确认时将其不可撤销地指定为以公允价值计量且其变动计入其他综合收益的金融资产。该指定在单项投资的基础上作出，且相关投资从发行者的角度符合权益工具的定义。

除上述以摊余成本计量和以公允价值计量且其变动计入其他综合收益的金融资产外，本集团将其余所有的金融资产分类为以公允价值计量且其变动计入当期损益的金融资产。在初始确认时，如果能够消除或显著减少会计错配，本集团可以将本应以摊余成本计量或以公允价值计量且其变动计入其他综合收益的金融资产不可撤销地指定为以公允价值计量且其变动计入当期损益的金融资产。

管理金融资产的业务模式，是指本集团如何管理金融资产以产生现金流量。业务模式决定本集团所管理金融资产现金流量的来源是收取合同现金流量、出售

金融资产还是两者兼有。本集团以客观事实为依据、以关键管理人员决定的对金融资产进行管理的特定业务目标为基础，确定管理金融资产的业务模式。

本集团对金融资产的合同现金流量特征进行评估，以确定相关金融资产在特定日期产生的合同现金流量是否仅为对本金和以未偿付本金金额为基础的利息的支付。其中，本金是指金融资产在初始确认时的公允价值；利息包括对货币时间价值、与特定时期未偿付本金金额相关的信用风险、以及其他基本借贷风险、成本和利润的对价。此外，本集团对可能导致金融资产合同现金流量的时间分布或金额发生变更的合同条款进行评估，以确定其是否满足上述合同现金流量特征的要求。

(b) 金融资产的后续计量

- 以公允价值计量且其变动计入当期损益的金融资产

初始确认后，对于该类金融资产以公允价值进行后续计量，产生的利得或损失（包括利息和股利收入）计入当期损益，除非该金融资产属于套期关系的一部分。

- 以摊余成本计量的金融资产

初始确认后，对于该类金融资产采用实际利率法以摊余成本计量。以摊余成本计量且不属于任何套期关系的一部分的金融资产所产生的利得或损失，在终止确认、重分类、按照实际利率法摊销或确认减值时，计入当期损益。

- 以公允价值计量且其变动计入其他综合收益的债权投资

初始确认后，对于该类金融资产以公允价值进行后续计量。采用实际利率法计算的利息、减值损失或利得及汇兑损益计入当期损益，其他利得或损失计入其他综合收益。终止确认时，将之前计入其他综合收益的累计利得或损失从其他综合收益中转出，计入当期损益。

- 指定为以公允价值计量且其变动计入其他综合收益的权益工具投资

初始确认后，对于该类金融资产以公允价值进行后续计量。股利收入计入损益，其他利得或损失计入其他综合收益。终止确认时，将之前计入其他综合收益的累计利得或损失从其他综合收益中转出，计入留存收益。

(iii) 金融负债的分类和后续计量

- 以公允价值计量且其变动计入当期损益的金融负债

该类金融负债包括交易性金融负债（含属于金融负债的衍生工具）和指定为以公允价值计量且其变动计入当期损益的金融负债。

初始确认后，对于该类金融负债以公允价值进行后续计量。除下列情形外，产生的利得或损失 (包括利息费用) 计入当期损益：

- 该金融负债属于套期关系的一部分；
- 该金融负债是一项被指定为以公允价值计量且其变动计入当期损益的金融负债，且本集团自身信用风险变动引起的其公允价值变动计入其他综合收益。
- 其他金融负债

其他金融负债采用实际利率法以摊余成本计量，但金融资产转移不符合终止确认条件或继续涉入被转移金融资产所形成的金融负债、财务担保合同及贷款承诺除外。

(iv) 抵销

金融资产和金融负债在财务状况表内分别列示，没有相互抵销。但是，同时满足下列条件的，以相互抵销后的净额在财务状况表内列示：

- 本集团具有抵销已确认金额的法定权利，且该种法定权利是当前可执行的；
- 本集团计划以净额结算，或同时变现该金融资产和清偿该金融负债。

(v) 金融资产和金融负债的终止确认

满足下列条件之一时，本集团终止确认该金融资产：

- 收取该金融资产现金流量的合同权利终止；
- 该金融资产已转移，且本集团将金融资产所有权上几乎所有的风险和报酬转移给转入方；
- 该金融资产已转移，虽然本集团既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是未保留对该金融资产的控制。

该金融资产已转移，若本集团既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且并保留了对该金融资产的控制，则按照继续涉入所转移金融资产的程度确认有关金融资产，并确认相应的负债。

金融资产转移整体满足终止确认条件的，本集团将下列两项金额的差额计入当期损益：

- 被转移金融资产在终止确认日的账面价值；
- 因转移金融资产而收到的对价，与原直接计入其他综合收益的公允价值变动累计额中对应终止确认部分的金额 (涉及转移的金融资产为以公允价值计量且其变动计入其他综合收益的债权投资) 之和。

金融负债 (或其一部分) 的现时义务已经解除的，本集团终止确认该金融负债 (或该部分金融负债) 。

(vi) 减值

本集团以预期信用损失为基础，对下列项目进行减值会计处理并确认损失准备：

- 以摊余成本计量的金融资产；
- 合同资产
- 以公允价值计量且其变动计入其他综合收益的债权投资；
- 非以公允价值计量且其变动计入当期损益的贷款承诺和财务担保合同；
- 租赁应收款。

本集团持有的其他以公允价值计量的金融资产不适用预期信用损失模型，包括以公允价值计量且其变动计入当期损益的债务工具投资或权益工具投资，指定为以公允价值计量且其变动计入其他综合收益的权益工具投资，以及衍生金融资产。

预期信用损失的计量

预期信用损失，是指以发生违约的风险为权重的金融工具信用损失的加权平均值。信用损失，是指本集团按照原实际利率折现的、根据合同应收的所有合同现金流量与预期收取的所有现金流量之间的差额，即全部现金流短缺的现值。

本集团计量金融工具预期信用损失的方法反映下列各项要素：(i) 通过评价一系列可能的结果而确定的无偏概率加权平均金额；(ii) 货币时间价值；(iii) 在财务状况表日无须付出不必要的额外成本或努力即可获得的有关过去事项、当前状况以及未来经济状况预测的合理且有依据的信息。

在计量预期信用损失时，本集团需考虑的最长期限为企业面临信用风险的最长合同期限（包括考虑续约选择权）。

整个存续期预期信用损失，是指因金融工具整个预计存续期内所有可能发生的违约事件而导致的预期信用损失。

未来12个月内预期信用损失，是指因报告期末后12个月内（若金融工具的预计存续期少于12个月，则为预计存续期）可能发生的金融工具违约事件而导致的预期信用损失，是整个存续期预期信用损失的一部分。

附注八、1.(3) 就如何计量预期信用损失准备提供了更多详情信息。

预期信用损失准备的列报

为反映金融工具的信用风险自初始确认后的变化，本集团在每个报告期末重新计量预期信用损失，由此形成的损失准备的增加或转回金额，应当作为减值损失或利得计入当期损益。对于以摊余成本计量的金融资产，损失准备抵减该金融资产在财务状况表中列示的账面价值；对于以公允价值计量且其变动计入其他综合收益的债权投资，本集团在其他综合收益中确认其损失准备，不抵减该金融资产的账面价值。对于非以公允价值计量且其变动计入当期损益的贷款承诺和财务担保合同，本集团在预计负债中确认损失准备（参见附注三、27）。

核销

如果本集团不再合理预期金融资产合同现金流量能够全部或部分收回，则直接减记该金融资产的账面余额。这种减记构成相关金融资产的终止确认。这种情况通常发生在本集团确定债务人没有资产或收入来源可产生足够的现金流量以偿还将被减记的金额。但是，被减记的金融资产仍可能受到本集团催收到期款项相关执行活动的影响。

已减记的金融资产以后又收回的，作为减值损失的转回计入收回当期的损益。

(vii) 金融资产合同的修改

在某些情况（如重组贷款）下，本集团会修改或重新议定金融资产合同。本集团会评估修改或重新议定后的合同条款是否发生了实质性的变化。

如果修改后合同条款发生了实质性的变化，本集团将终止确认原金融资产，并按修改后的条款确认一项新金融资产。

如果修改后的合同条款并未发生实质性的变化，但导致合同现金流量发生变化的，本集团重新计算该金融资产的账面余额，并将相关利得或损失计入当期损益。重新计算的该金融资产的账面余额，应当根据将修改或重新议定的合同现金流量按金融资产的原实际利率（或者购买或源生的已发生信用减值的金融资产应按经信用调整的实际利率）折现的现值确定。对于修改或重新议定合同所产生的所有成本或费用，本集团调整修改后的金融资产账面价值，并在修改后金融资产的剩余期限内摊销。在评估相关金融工具的信用风险是否已经显著增加时，本集团将基于变更后的合同条款在报告期末发生违约的风险与基于原合同条款在初始确认时发生违约的风险进行比较。

(viii) 权益工具

本行发行权益工具收到的对价扣除交易费用后，计入股东权益。回购本行权益工具支付的对价和交易费用，减少股东权益。

(9) 财务担保合同和贷款承诺

财务担保合同

财务担保合同指，当特定债务人到期不能按照最初或修改后的债务工具条款偿付债务时，要求本集团向蒙受损失的合同持有人赔付特定金额的合同。

财务担保合同在担保提供日按公允价值进行初始确认。初始确认后，财务担保合同相关收益依据附注二、4.(25) 所述会计政策的规定分摊计入当期损益。财务担保负债以按照依据金融工具的减值原则（参见附注二、4.(8)）所确定的损失准备金额以及其初始确认金额扣除财务担保合同相关收益的累计摊销额后的余额孰高进行后续计量。

贷款承诺

贷款承诺，是指按照预先规定的条款和条件提供信用的确定承诺。

本集团提供的贷款承诺按照预期信用损失评估减值。本集团未承诺以任何低于市场利率的价格发放贷款，也不以支付现金或发行其他金融工具作为贷款承诺的净结算。

本集团将贷款承诺和财务担保合同的损失准备列报在预计负债中。

(10) 衍生金融工具和套期会计

衍生金融工具

衍生金融工具初始以衍生交易合同签订当日的公允价值进行确认，并以其公允价值进行后续计量。公允价值为正数的衍生金融工具确认为一项资产，公允价值为负数的确认为一项负债。

如果混合合同包含的主合同是一项金融工具准则范围内的资产，嵌入式衍生工具不再从金融资产的主合同中分拆出来，而是将混合金融工具整体适用关于金融资产分类的相关规定。如果混合合同包含的主合同不是金融工具准则范围内的资产，当某些嵌入式衍生金融工具与其主合同的经济特征及风险不存在紧密关系，与该嵌入衍生工具具有相同条款的单独工具符合衍生金融工具的定义，并且该混合工具并非以公允价值计量且其变动计入当期损益时，则该嵌入式衍生金融工具应从混合合同中予以分拆，作为独立的衍生金融工具处理。这些嵌入式衍生金融工具以公允价值计量，公允价值的变动计入当期损益。

来源于衍生金融工具公允价值变动的损益，如果不符合套期会计的要求，应直接计入当期损益。

套期会计

套期会计方法，是指将套期工具和被套期项目产生的利得或损失在相同会计期间计入当期损益 (或其他综合收益) 以反映风险管理活动影响的方法。

被套期项目是使本集团面临公允价值或现金流量变动风险，且被指定为被套期对象的、能够可靠计量的项目。本集团指定为被套期项目有使本集团面临公允价值变动风险的固定利率借款、面临现金流量变动风险的浮动利率借款、面临外汇风险的以固定外币金额进行的购买或销售的确承诺等。

套期工具是本集团为进行套期而指定的、其公允价值或现金流量变动预期可抵销被套期项目的公允价值或现金流量变动的金融工具。对于外汇风险套期，本集团也将非衍生金融资产 (选择以公允价值计量且其变动计入其他综合收益的非交易性权益工具投资除外) 或非衍生金融负债的外汇风险成分指定为套期工具。

本集团在套期开始日及以后期间持续地对套期关系是否符合套期有效性要求进行评估。套期同时满足下列条件时，本集团认定套期关系符合套期有效性要求：

- 被套期项目和套期工具之间存在经济关系；
- 被套期项目和套期工具经济关系产生的价值变动中，信用风险的影响不占主导地位；
- 套期关系的套期比率，等于企业实际套期的被套期项目数量与对其进行套期的套期工具实际数量之比。

套期关系由于套期比率的原因而不再符合套期有效性要求，但指定该套期关系的风险管理目标没有改变的，本集团进行套期关系再平衡，对已经存在的套期关系中被套期项目或套期工具的数量进行调整，以使套期比率重新符合套期有效性要求。

发生下列情形之一的，本集团终止运用套期会计：

- 因风险管理目标发生变化，导致套期关系不再满足风险管理目标；
- 套期工具已到期、被出售、合同终止或已行使；
- 被套期项目与套期工具之间不再存在经济关系，或者被套期项目和套期工具经济关系产生的价值变动中，信用风险的影响开始占主导地位；
- 套期关系不再满足运用套期会计方法的其他条件。

(i) 现金流量套期

现金流量套期是指对现金流量变动风险敞口进行的套期。套期工具产生的利得或损失中属于套期有效的部分，本集团将其作为现金流量套期储备，计入其他综合收益。现金流量套期储备的金额为下列两项的绝对额中较低者：

- 套期工具自套期开始的累计利得或损失；
- 被套期项目自套期开始的预计未来现金流量现值的累计变动额。

每期计入其他综合收益的现金流量套期储备的金额为当期现金流量套期储备的变动额。

套期工具产生的利得或损失中属于套期无效的部分，计入当期损益。

被套期项目为预期交易，且该预期交易使本集团随后确认一项非金融资产或非金融负债的，或者非金融资产或非金融负债的预期交易形成一项适用于公允价值套期会计的确定承诺时，本集团将原在其他综合收益中确认的现金流量套期储备金额转出，计入该资产或负债的初始确认金额。

对于不属于上述情况的现金流量套期，本集团在被套期的预期现金流量影响损益的相同期间，将原在其他综合收益中确认的现金流量套期储备金额转出，计入当期损益。

当本集团对现金流量套期终止运用套期会计时，在其他综合收益中确认的累计现金流量套期储备金额，按照下列会计政策进行处理：

- 被套期的未来现金流量预期仍然会发生的，累计现金流量套期储备的金额予以保留，并按照上述现金流量套期的会计政策进行会计处理；
- 被套期的未来现金流量预期不再发生的，累计现金流量套期储备的金额从其他综合收益 中转出，计入当期损益。

(ii) 公允价值套期

公允价值套期是指对已确认资产或负债、尚未确认的确定承诺，或上述项目组成部分的公允价值变动风险敞口进行的套期。

套期工具产生的利得或损失计入当期损益。被套期项目因被套期风险敞口形成的利得或损失计入当期损益，同时调整未以公允价值计量的已确认被套期项目的账面价值。

被套期项目为以摊余成本计量的金融工具 (或其组成部分) 的，本集团对被套期项目账面价值所作的调整按照开始摊销日重新计算的利率进行摊销，并计入当期损益。

(iii) 境外经营净投资套期

境外经营净投资套期是指对境外经营净投资外汇风险敞口进行的套期。套期工具形成的利得或损失中属于套期有效的部分，计入其他综合收益，并于全部或部分处置境外经营时相应转出，计入当期损益。套期工具形成的利得或损失中属于套期无效的部分，计入当期损益。

(11) 可转换工具

含权益成分的可转换工具

对于本集团发行的可转换为权益股份且转换时所发行的股份数量和对价的金额固定的可转换工具，本集团将其作为包含负债和权益成分的复合金融工具。

在初始确认时，本集团将相关负债和权益成分进行分拆，先确定负债成分的公允价值(包括其中可能包含的非权益性嵌入衍生工具的公允价值)，再从复合金融工具公允价值中扣除负债成分的公允价值，作为权益成分的价值，计入权益。发行复合金融工具发生的交易费用，在负债成分和权益成分之间按照各自占总发行价款的比例进行分摊。

初始确认后，对于没有指定为以公允价值计量且其变动计入当期损益的负债成分，采用实际利率法按摊余成本计量。权益成分在初始计量后不再重新计量。

当可转换工具进行转换时，本集团将负债成分和权益成分转至权益相关科目。当可转换工具被赎回时，赎回支付的价款以及发生的交易费用被分配至权益和负债成分。分配价款和交易费用的方法与该工具发行时采用的分配方法一致。价款和交易费用分配后，其与权益和负债成分账面价值的差异中，与权益成分相关的计入权益，与负债成分相关的计入损益。

不含权益成分的其他可转换工具

对于本集团发行的不含权益成分的其他可转换工具，在初始确认时，可转换工具的衍生工具成分以公允价值计量，剩余部分作为主债务工具的初始确认金额。

初始确认后，衍生工具成分以公允价值计量，公允价值变动形成的利得或损失计入当期损益。对于主债务工具，采用实际利率法按摊余成本计量。

当可转换工具进行转换时，本集团将主债务工具和衍生工具成分转至权益相关科目。当可转换工具被赎回时，赎回支付的价款与主债务工具和衍生工具成分账面价值的差异计入损益。

(12) 优先股和无固定期限资本债

本集团根据所发行的优先股、无固定期限资本债的合同条款及其所反映的经济实质，结合金融资产、金融负债和权益工具的定义，在初始确认时将这些金融工具或其组成部分分类为金融资产、金融负债或权益工具。

本集团对于其发行的同时包含权益成分和负债成分的优先股和无固定期限资本债，按照与含权益成分的可转换工具相同的会计政策进行处理。本集团对于其发行的不包含权益成分的优先股和无固定期限资本债，按照与不含权益成分的其他可转换工具相同的会计政策进行处理。

本集团对于其发行的应归类为权益工具的优先股和无固定期限资本债，按照实际收到的金额，计入权益。存续期间分派股利或利息的，作为利润分配处理。按合同条款约定赎回优先股和无固定期限资本债的，按赎回价格冲减权益。

(13) 买入返售金融资产和卖出回购金融资产款

买入返售金融资产，是指本集团按返售协议先买入再按固定价格返售金融资产所融出的资金。卖出回购金融资产款，是指本集团按回购协议先卖出再按固定价格回购金融资产所融入的资金。

买入返售金融资产和卖出回购金融资产款按业务发生时实际支付或收到的款项入账并在财务状况表中反映。买入返售的已购入标的资产不予以确认，在表外记录；卖出回购的标的资产仍在财务状况表中反映。

买入返售和卖出回购业务的买卖差价在相关交易期间以实际利率法摊销，分别确认为利息收入和利息支出。

(14) 固定资产

固定资产确认条件

固定资产指本集团为提供劳务、出租或经营管理而持有的，使用寿命超过一个会计年度的有形资产。

外购固定资产的初始成本包括购买价款、相关税费以及使该资产达到预定可使用状态前所发生的可归属于该项资产的支出。自行建造固定资产按附注二、4(15)确定初始成本。

对于构成固定资产的各组成部分，如果各自具有不同使用寿命或者以不同方式为本集团提供经济利益，适用不同折旧率或折旧方法的，本集团分别将各组成部分确认为单项固定资产。

对于固定资产的后续支出，包括与更换固定资产某组成部分相关的支出，在与支出相关的经济利益很可能流入本集团时资本化计入固定资产成本，同时将被替换部分的账面价值扣除；与固定资产日常维护相关的支出在发生时计入当期损益。

固定资产以成本减累计折旧及减值准备后在财务状况表内列示。

固定资产的折旧方法

本集团将固定资产的成本扣除预计净残值和累计减值准备后在其使用寿命内按年限平均法计提折旧，除非固定资产符合持有待售的条件。各类固定资产的使用寿命、预计净残值率和年折旧率分别为：

资产类别	使用寿命	预计净残值率	年折旧率
房屋及建筑物	30年	3-5%	3.17-3.23%
运输工具	5年	3-5%	19.00-19.40%
电子计算机及其他设备	3-5年	3-5%	19.00-32.33%
飞行及船舶设备	20年	5%	4.75%

本集团至少在每年年度终了对固定资产的使用寿命、预计净残值和折旧方法进行复核。

减值测试方法及减值准备计提方法参见附注二、4(20)。

固定资产处置

固定资产满足下述条件之一时，本集团会予以终止确认。

- 固定资产处于处置状态；
- 该固定资产预期通过使用或处置不能产生经济利益。

报废或处置固定资产项目所产生的损益为处置所得款项净额与项目账面金额之间的差额，并于报废或处置日在损益中确认。

(15) 在建工程

自行建造的固定资产的成本包括工程用物资、直接人工、符合资本化条件的借款费用和使该项资产达到预定可使用状态前所发生的必要支出。自行建造的固定资产于达到预定可使用状态时转入固定资产，此前列于在建工程，且不计提折旧。在建工程以成本减减值准备（参见附注二、4(20)）在财务状况表内列示。

(16) 无形资产

无形资产以成本减累计摊销（仅限于使用寿命有限的无形资产）及减值准备（参见附注二、4(20)）后在财务状况表内列示。对于使用寿命有限的无形资产，本集团将无形资产的成本扣除预计净残值和累计减值准备后按直线法在预计使用寿命期内摊销，除非该无形资产符合持有待售的条件。

- 土地使用权从购入月份起按法定使用年限平均摊销。外购土地及建筑物的价款难以在土地使用权与建筑物之间合理分配的，全部作为固定资产。
- 软件从购入月份起按受益年限平均摊销。
- 品牌及特许经营权为无预期使用寿命的无形资产，不进行摊销。

本集团至少在每年年度终了对使用寿命有限的无形资产的使用寿命及摊销方法进行复核。

本集团将无法预见未来经济利益期限的无形资产视为使用寿命不确定的无形资产，并对这类无形资产不予摊销。本集团在每个会计期间对使用寿命不确定的无形资产的使用寿命进行复核。如果有证据表明无形资产的使用寿命是有限的，则估计其使用寿命，并按上述使用寿命有限的无形资产处理。

(17) 长期待摊费用

长期待摊费用包括租赁资产改良支出及其他已经发生但应由本期和以后各期负担的、分摊期限在一年以上的各项费用，按预计受益期间分期平均摊销，并以实际支出减去累计摊销后的净额列示。

(18) 抵债资产

抵债资产是指本集团依法行使债权或担保物权而受偿于债务人、担保人或第三人的实物资产或财产权利。

对于受让的金融资产类抵债资产，本集团以其公允价值进行初始计量，并依据附注二、4.(8)所述的会计政策进行分类和后续计量。

对于受让的非金融资产类抵债资产，本集团按照放弃债权的公允价值和可直接归属该资产的税金等其他成本进行初始计量，并按照抵债资产账面价值与可收回金额孰低进行后续计量，减值测试方法及减值准备计提方法参见附注二、4(20)。

(19) 商誉

因非同一控制下企业合并形成的商誉，其初始成本是合并成本大于合并中取得的被购买方可辨认净资产公允价值份额的差额。本集团对商誉不摊销，以成本减累计减值准备(参见附注二、4.(20))在财务状况表内列示。商誉在其相关资产组或资产组组合处置时予以转出，计入当期损益。

(20) 除金融资产外的其他资产减值

本集团在报告期末根据内部及外部信息以确定下列资产是否存在减值的迹象，包括：

- 固定资产
- 在建工程
- 使用权资产
- 无形资产
- 长期股权投资
- 商誉
- 长期待摊费用
- 非金融资产类抵债资产等

本集团对存在减值迹象的资产进行减值测试，估计资产的可收回金额。此外，无论是否存在减值迹象，本集团至少每年对尚未达到可使用状态的无形资产估计其可收回金额，于每年年度终了对商誉及使用寿命不确定的无形资产估计其可收回金额。本集团依据相关资产组或者资产组组合能够从企业合并的协同效应中的受益情况分摊商誉账面价值，并在此基础上进行商誉减值测试。

可收回金额是指资产 (或资产组、资产组组合, 下同) 的公允价值 (参见附注二、4.(22)) 减去处置费用后的净额与资产预计未来现金流量的现值两者之间较高者。

资产组由创造现金流入相关的资产组成, 是可以认定的最小资产组合, 其产生的现金流入基本上独立于其他资产或者资产组。

资产预计未来现金流量的现值, 按照资产在持续使用过程中和最终处置时所产生的预计未来现金流量, 选择恰当的税前折现率对其进行折现后的金额加以确定。

可收回金额的估计结果表明, 资产的可收回金额低于其账面价值的, 资产的账面价值会减记至可收回金额, 减记的金额确认为资产减值损失, 计入当期损益, 同时计提相应的资产减值准备。与资产组或者资产组组合相关的减值损失, 先抵减分摊至该资产组或者资产组组合中商誉的账面价值, 再根据资产组或者资产组组合中除商誉之外的其他各项资产的账面价值所占比重, 按比例抵减其他各项资产的账面价值, 但抵减后的各资产的账面价值不得低于该资产的公允价值减去处置费用后的净额 (如可确定的)、该资产预计未来现金流量的现值 (如可确定的) 和零三者之中最高者。

资产减值损失一经确认, 在以后会计期间不会转回。

(21) 预计负债及或有负债

或有负债是指过去的交易或事项形成的潜在义务, 其存在须通过未来不确定事项的发生或不发生予以证实; 或过去的交易或者事项形成的现时义务, 履行该义务不是很可能导致经济利益流出本集团或该义务的影响金额不能可靠计量。本集团对该等义务不作确认, 仅在财务报表附注五、承诺及或有事项中披露或有负债。

如果与或有事项相关的义务是本集团承担的现时义务, 且该义务的履行很可能会导致经济利益流出本集团, 以及有关金额能够可靠地计量, 则本集团会确认预计负债。

预计负债按照履行相关现时义务所需支出的最佳估计数进行初始计量。对于货币时间价值影响重大的, 预计负债以预计未来现金流量折现后的金额确定。在确定最佳估计数时, 本集团综合考虑了与或有事项有关的风险、不确定性和货币时间价值等因素。所需支出存在一个连续范围, 且该范围内各种结果发生的可能性相同的, 最佳估计数按照该范围内的中间值确定; 在其他情况下, 最佳估计数分别下列情况处理:

- 或有事项涉及单个项目的, 按照最可能发生金额确定。
- 或有事项涉及多个项目的, 按照各种可能结果及相关概率计算确定。

本集团在报告期末对预计负债的账面价值进行复核, 并按照当前最佳估计数对该账面价值进行调整。

(22) 公允价值的计量

除特别声明外，本集团按下述原则计量公允价值：

公允价值是指市场参与者在计量日发生的有序交易中，出售一项资产所能收到或者转移一项负债所需支付的价格。

本集团估计公允价值时，考虑市场参与者在计量日对相关资产或负债进行定价时考虑的特征（包括资产状况及所在位置、对资产出售或者使用的限制等），并采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术。使用的估值技术主要包括市场法、收益法和成本法。

(23) 股利分配

股利在本行股东大会批准及宣告发放后确认为负债，并且从权益中扣除。中期股利自批准和宣告发放并且本行不能随意更改时从权益中扣除。期末股利的分配方案在报告期末之后决议通过的，作为报告期后事项予以披露。

(24) 受托业务

本集团在受托业务中作为客户的管理人、受托人或代理人。本集团的财务状况表不包括本集团因受托业务而持有的资产以及有关向客户交回该等资产的承诺，该等资产的风险及收益由客户承担。

本集团与客户签订委托贷款协议，由客户向本集团提供资金（以下简称“委托贷款资金”），并由本集团按客户的指示向第三方发放贷款（以下简称“委托贷款”）。由于本集团并不承担委托贷款及相关委托贷款资金的风险及报酬，因此委托贷款及委托贷款资金按其本金记录为财务状况表表外项目，而且并未对这些委托贷款计提任何减值准备。

(25) 收入确认

利息收入

对于所有以摊余成本计量的金融工具及以公允价值计量且其变动计入其他综合收益的金融资产中计息的金融工具，利息收入以实际利率计量。实际利率是指按金融工具的预计存续期间将其预计未来现金流入或流出折现至该金融资产账面余额或金融负债摊余成本的利率。实际利率的计算需要考虑金融工具的合同条款（例如提前还款权）并且包括所有归属于实际利率组成部分的费用和所有交易成本，但不包括预期信用损失。

本集团根据金融资产账面余额乘以实际利率计算确定利息收入并列报为利息收入，但下列情况除外：

- (i) 对于购入或源生的已发生信用减值的金融资产，自初始确认起，按照该金融资产的摊余成本和经信用调整的实际利率计算确定其利息收入；

- (ii) 对于购入或源生的未发生信用减值、但在后续期间成为已发生信用减值的金融资产，按照该金融资产的摊余成本（即，账面余额扣除预期信用损失准备之后的净额）和实际利率计算确定其利息收入。若该金融工具在后续期间因其信用风险有所改善而不再存在信用减值，并且这一改善在客观上可与应用上述规定之后发生的某一事件相联系，应转按实际利率乘以该金融资产账面余额来计算确定利息收入。

手续费及佣金收入

本集团通过向客户提供各类服务收取手续费及佣金。手续费及佣金收入在本集团履行了合同中的履约义务，即在客户取得相关服务的控制权时点或时段内确认收入。

满足下列条件之一时，本集团在某一时段内履行履约义务，否则，属于在某一时点履行履约义务：

- 客户在本集团履约的同时即取得并消耗通过本集团履约所带来的经济利益；
- 客户能够控制本集团履约过程中进行的服务；
- 本集团履约过程中所进行的服务具有不可替代用途，且本集团在整个合同期间内有权就累计至今已完成的履约部分收取款项。

股利收入

权益工具的股利收入于本集团收取股利的权利确立时在当期损益中确认。

交易净收入

交易净收入包括因持有以公允价值计量且其变动计入当期损益的金融资产和负债、衍生金融工具、交易性贵金属及大宗商品而产生的收益和损失等。

(26) 职工薪酬

短期薪酬

本集团在职工提供服务的会计期间，将实际发生或按规定的基准和比例计提的职工工资、奖金、医疗保险费、工伤保险费和生育保险费等社会保险费和住房公积金，确认为负债，并计入当期损益或相关资产成本。

离职后福利

本集团所参与的设定提存计划是按照中国有关法规要求，本集团职工参加的由政府机构设立管理的社会保障体系中的基本养老保险。基本养老保险的缴费金额按国家规定的基准和比例计算。本集团在职工提供服务的会计期间，将应缴存的金额确认为负债，并计入当期损益或相关资产成本。

除了社会基本养老保险外，本集团亦为员工设立退休福利提存计划（以下简称“年金计划”）。本集团及职工按照上一年度基本工资的一定比例向年金计划供款。本集团供款在发生时计入当期损益。本集团按固定的金额向年金计划供款，如企业年金基金不足以支付员工未来退休福利，本集团也无义务再注入资金。

辞退福利

本集团在职工劳动合同到期之前解除与职工的劳动关系，或者为鼓励职工自愿接受裁减而提出给予补偿的建议，在下列两者孰早日，确认辞退福利产生的负债，同时计入当期损益：

- 本集团不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时；
- 本集团有详细、正式的涉及支付辞退福利的重组计划；并且，该重组计划已开始实施，或已向受其影响的各方通告了该计划的主要内容，从而使各方形成了对本集团将实施重组的合理预期时。

其他长期职工福利

本集团在职工提供服务的会计期间，根据实际经营情况为相关岗位的员工计提延期支付薪酬，将应缴存的金额确认为负债，并计入当期损益或相关资产成本。

(27) 所得税

除因企业合并和直接计入股东权益（包括其他综合收益）的交易或者事项产生的所得税外，本集团将当期所得税和递延所得税计入当期损益。

当期所得税是按本年度应税所得额，根据税法规定的税率计算的预期应交所得税，加上以往年度应付所得税的调整。

报告期末，如果本集团拥有以净额结算的法定权利并且意图以净额结算或取得资产、清偿负债同时进行，那么当期所得税资产及当期所得税负债以抵销后的净额列示。

递延所得税资产与递延所得税负债分别根据可抵扣暂时性差异和应纳税暂时性差异确定。暂时性差异是指资产或负债的账面价值与其计税基础之间的差额，包括能够结转以后年度的可抵扣亏损和税款抵减。递延所得税资产的确认以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限。

递延所得税负债应按各种应纳税暂时性差异确认，除非：

- (i) 应纳税暂时性差异与具有以下特征的交易中产生的资产或负债的初始确认相关：商誉的初始确认，或者具有以下特征的交易中产生的资产或负债的初始确认：该交易不是企业合并，并且交易发生时既不影响会计利润也不影响应纳税所得额或可抵扣亏损；
- (ii) 对于与子公司、合营公司及联营公司投资相关的应纳税暂时性差异，该暂时性差异转回的时间能够控制并且该暂时性差异在可预见的未来很可能不会转回。

对于可抵扣暂时性差异、能够结转以后年度的可抵扣亏损和税款抵减，本集团以很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的未来应纳税所得额为限，确认由此产生的递延所得税资产，除非：

- (i) 可抵扣暂时性差异与具有以下特征的交易中产生的资产或负债的初始确认相关：该交易不是企业合并，并且交易发生时既不影响会计利润也不影响应纳税所得额或可抵扣亏损；

- (ii) 对于与子公司、合营公司及联营公司投资相关的可抵扣暂时性差异，同时满足下列条件的，确认相应的递延所得税资产：暂时性差异在可预见的未来很可能转回，且未来很可能获得用来抵扣该可抵扣暂时性差异的应纳税所得额。

报告期末，本集团根据递延所得税资产和负债的预期收回或结算方式，依据已颁布的税法规定，按照预期收回该资产或清偿该负债期间的适用税率计量该递延所得税资产和负债的账面金额。

报告期末，本集团对递延所得税资产的账面价值进行复核。如果未来期间很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

报告期末，递延所得税资产及递延所得税负债在同时满足以下条件时以抵销后的净额列示：

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

(28) 租赁

租赁，是指在一定期间内，出租人将资产的使用权让与承租人以获取对价的合同。

在合同开始日，本集团评估合同是否为租赁或者包含租赁。如果合同中一方让渡了在一定期间内控制一项或多项已识别资产使用的权利以换取对价，则该合同为租赁或者包含租赁。

为确定合同是否让渡了在一定期间内控制已识别资产使用的权利，本集团进行如下评估：

- 合同是否涉及已识别资产的使用。已识别资产可能由合同明确指定或在资产可供客户使用时隐性指定，并且该资产在物理上可区分，或者如果资产的某部分产能或其他部分在物理上不可区分但实质上代表了该资产的全部产能，从而使客户获得因使用该资产所产生的几乎全部经济利益。如果资产的供应方在整个使用期间拥有对该资产的实质性替换权，则该资产不属于已识别资产；
- 承租人是否有权获得在使用期间内因使用已识别资产所产生的几乎全部经济利益；
- 承租人是否有权在该使用期间主导已识别资产的使用。

合同中同时包含多项单独租赁的，承租人和出租人将合同予以分拆，并分别对各项单独租赁进行会计处理。合同中同时包含租赁和非租赁部分的，承租人和出租人将租赁和非租赁部分进行分拆。

• 本集团作为承租人

在租赁期开始日，本集团对租赁确认使用权资产和租赁负债。使用权资产按照成本进行初始计量，包括租赁负债的初始计量金额、在租赁期开始日或之前支

付的租赁付款额 (扣除已享受的租赁激励相关金额), 发生的初始直接费用以及为拆卸及移除租赁资产、复原租赁资产所在场地或将租赁资产恢复至租赁条款约定状态预计将发生的成本。

本集团使用直线法对使用权资产计提折旧。对能够合理确定租赁期届满时取得租赁资产所有权的, 本集团在租赁资产剩余使用寿命内计提折旧。无法合理确定租赁期届满时能够取得租赁资产所有权的, 在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。使用权资产按照附注二、4.(20)的规定计提减值准备。

租赁负债按照租赁期开始日尚未支付的租赁付款额的现值进行初始计量, 折现率为租赁内含利率。无法确定租赁内含利率的, 采用本集团增量借款利率作为折现率。

本集团按照固定的周期性利率计算租赁负债在租赁期内各期间的利息费用, 并计入当期损益或相关资产成本。未纳入租赁负债计量的可变租赁付款额在实际发生时计入当期损益或相关资产成本。

租赁期开始日后, 发生下列情形的, 本集团按照变动后租赁付款额的现值重新计量租赁负债:

- 根据担保余值预计的应付金额发生变动;
- 用于确定租赁付款额的指数或比率发生变动;
- 本集团对购买选择权、续租选择权或终止租赁选择权的评估结果发生变化, 或续租选择权或终止租赁选择权的实际行使情况与原评估结果不一致。

在对租赁负债进行重新计量时, 本集团相应调整使用权资产的账面价值。使用权资产的账面价值已调减至零, 但租赁负债仍需进一步调减的, 本集团将剩余金额计入当期损益。

本集团已选择对短期租赁 (租赁期不超过 12 个月的租赁) 和低价值资产租赁, 选择不确认使用权资产和租赁负债。短期租赁和低价值资产租赁的租赁付款在租赁期内按直线法计入当期损益或相关资产成本。

• 本集团作为出租人

在租赁开始日, 本集团将租赁分为融资租赁和经营租赁。融资租赁是指无论所有权最终是否转移但实质上转移了与租赁资产所有权有关的几乎全部风险和报酬的租赁。经营租赁是指除融资租赁以外的其他租赁。

本集团作为转租出租人时, 基于原租赁产生的使用权资产, 而不是原租赁的标的资产, 对转租赁进行分类。如果原租赁为短期租赁且本集团选择对原租赁应用上述短期租赁的简化处理, 本集团将该转租赁分类为经营租赁。

融资租赁下, 在租赁期开始日, 本集团对融资租赁确认应收融资租赁款, 并终止确认融资租赁资产。本集团对应收融资租赁款进行初始计量时, 将租赁投资净额作为应收融资租赁款的入账价值。租赁投资净额为未担保余值和租赁期开始日尚未收到的租赁收款额按照租赁内含利率折现的现值之和。

本集团按照固定的周期性利率计算并确认租赁期内各个期间的利息收入。应收融资租赁款的终止确认和减值按附注三、8所述的会计政策进行会计处理。未纳入租赁投资净额计量的可变租赁付款额在实际发生时计入当期损益。

经营租赁的租赁收款额在租赁期内按直线法或其他系统合理的方法确认为租金收入。本集团将其发生的与经营租赁有关的初始直接费用予以资本化，在租赁期内按照与租金收入确认相同的基础进行分摊，分期计入当期损益。未计入租赁收款额的可变租赁付款额在实际发生时计入当期损益。

(29) 关联方

满足如下条件的一方是本集团的关联方：

(a) 该方是个人或与该个人关系密切的家庭成员，如果该个人：

- (i) 对本集团实施控制或共同控制；
- (ii) 对本集团实施重大影响；或者
- (iii) 是本集团或本集团母公司的关键管理人员的成员；

(b) 该方是满足如下条件的主体：

- (i) 该主体与本集团是同一集团的成员；
- (ii) 一方是另一方的联营或合营公司 (或是另一方的母公司、子公司或同系附属子公司的联营或合营公司) ；
- (iii) 该主体和本集团是相同第三方的合营公司；
- (iv) 一方是第三方的合营公司并且另一方是该第三方的联营公司；
- (v) 该主体是为本集团或与本集团关联的主体的雇员福利而设的离职后福利计划；
- (vi) 该主体受 (a) 项所述的个人的控制或共同控制；
- (vii) (a)(i) 项所述的个人对该主体能够实施重大影响或 (a)(i) 项所述的个人是该主体 (或其母公司) 的关键管理人员的成员；且
- (viii) 该主体或其所在集团的成员为本集团或本集团的母公司提供关键管理人员服务。

(30) 主要会计估计和判断

编制财务报表时，本集团管理层需要运用估计和假设，这些估计和假设会对会计政策的应用及资产、负债、收入及费用的金额产生影响。实际情况可能与这些估计不同。本集团管理层对估计涉及的关键假设和不确定因素的判断进行持续评估，会计估计变更的影响在变更当期和未来期间予以确认。

在执行本集团会计政策的过程中，管理层会对未来不确定事项对财务报表的影响作出判断及假设。管理层在财务状况表日就主要未来不确定事项作出下列的判断及主要假设，可能导致下个会计期间的资产负债的账面价值作出重大调整。

预期信用损失的计量

对于以摊余成本计量和以公允价值计量且其变动计入其他综合收益的债务工具投资，以及贷款承诺及财务担保合同，其预期信用损失的计量中使用了复杂的模型和大量的假设。这些模型和假设涉及未来的宏观经济情况和客户的信用行为 (例如，客户违约

的可能性及相应损失)。附注八、1.信用风险中具体说明了预期信用损失计量中使用的参数、假设和估计技术。

商誉减值

本集团至少每年测试商誉是否发生减值，并且当商誉存在可能发生减值的迹象时，亦需进行减值测试。在进行减值测试时，需要将商誉分配到相应的资产组或资产组组合，并预计资产组或者资产组组合未来产生的现金流量，同时选择恰当的折现率确定未来现金流量的现值。

所得税

本集团需要对某些交易未来的税务处理作出判断以确认所得税。本集团根据有关税收法规，谨慎判断交易对应的所得税影响并相应地计提所得税。递延所得税资产只有在有可能有未来应纳税利润并可用作抵销有关暂时性差异时才可确认。对此需要就某些交易的税务处理作出重大判断，并需要就是否有足够的未来应纳税利润以抵销递延所得税资产的可能性作出重大的估计。

金融工具的公允价值

对于缺乏活跃市场的金融工具，本集团运用估值方法确定其公允价值。估值方法包括参照在市场中具有完全信息且有买卖意愿的经济主体之间进行公平交易时确定的交易价格，参考市场上另一类似金融工具的公允价值，或运用现金流量折现分析及期权定价模型进行估算。估值方法在最大程度上利用可观察市场信息，然而，当可观察市场信息无法获得时，管理层将对估值方法中包括的重大不可观察信息作出估计。

对结构化主体是否具有控制的判断

本集团管理或投资多个理财产品、信托计划、基金投资、资产管理计划和资产支持证券。判断是否控制该类结构化主体时，本集团确定其自身是以主要责任人还是代理人的身份行使决策权，评估其所享有的对该类结构化主体的整体经济利益（包括直接持有产生的收益以及预期管理费）以及对该类结构化主体的决策权范围。当在其他方拥有决策权的情况下，还需要确定其他方是否以其代理人的身份代为行使决策权。

有关本集团享有权益或者作为发起人但未纳入合并财务报表范围的理财产品、信托计划、基金投资及资产支持证券，参见附注三、37。

三 本财务报告主要项目注释

1 利息净收入

	本集团		本行	
	2021年	2020年	2021年	2020年
利息收入				
发放贷款和垫款				
-公司贷款	91,588	92,637	87,618	89,180
-个人贷款	112,530	113,497	111,599	112,607
-票据贴现	14,428	9,853	14,428	9,852
金融投资				
-以摊余成本计量的金融投资	46,765	41,763	46,732	41,630
-以公允价值计量且其变动计入其他综合收益的金融投资	17,858	20,642	17,412	20,301
存放和拆放同业及其他金融机构款项	9,520	9,407	9,372	9,382
存放中央银行款项	5,734	5,871	5,701	5,836
买入返售金融资产	2,270	1,315	2,270	1,315
小计	<u>300,693</u>	<u>294,985</u>	<u>295,132</u>	<u>290,103</u>
利息支出				
吸收存款	(84,867)	(82,713)	(84,028)	(81,953)
已发行债务证券	(38,664)	(32,861)	(38,163)	(32,356)
同业及其他金融机构存入和拆入款项	(29,771)	(27,919)	(27,964)	(26,541)
向中央银行借款	(7,500)	(8,009)	(7,476)	(7,989)
卖出回购金融资产款	(3,933)	(4,902)	(3,933)	(4,902)
小计	<u>(164,735)</u>	<u>(156,404)</u>	<u>(161,564)</u>	<u>(153,741)</u>
利息净收入	<u>135,958</u>	<u>138,581</u>	<u>133,568</u>	<u>136,362</u>

2 手续费及佣金净收入

	本集团		本行	
	2021年	2020年	2021年	2020年
手续费及佣金收入				
托管及其他受托业务	13,657	15,415	9,761	11,822
银行卡业务	12,863	14,528	12,862	14,527
代理业务	4,799	5,078	4,798	5,078
投行类业务	3,694	4,457	3,501	4,358
信用承诺	2,300	2,223	2,298	2,221
结算与清算业务	971	883	971	883
其他	1,563	1,673	1,297	1,269
小计	39,847	44,257	35,488	40,158
手续费及佣金支出	(10,713)	(10,311)	(10,778)	(10,409)
手续费及佣金净收入	29,134	33,946	24,710	29,749

3 净交易损益

	本集团		本行	
	2021年	2020年	2021年	2020年
以公允价值计量且其变动计入				
当期损益的金融资产	15,052	14,876	14,065	12,267
非外汇衍生金融工具	2,789	3,011	2,789	3,011
贵金属	1,749	(845)	1,749	(845)
汇兑损益	813	(215)	810	(175)
被套期债券	(491)	267	(491)	267
其他	203	526	203	526
合计	20,115	17,620	19,125	15,051

4 金融投资净损益

	本集团		本行	
	2021年	2020年	2021年	2020年
以公允价值计量且其变动计入				
其他综合收益的金融投资	1,214	2,741	1,143	2,487
以摊余成本计量的金融投资	1,010	433	1,010	433
股息收入	52	45	179	288
合计	2,276	3,219	2,332	3,208

5 营业费用

	本集团		本行	
	2021年	2020年	2021年	2020年
员工费用				
- 短期薪酬	23,292	23,266	21,383	21,532
- 离职后福利	2,503	1,768	2,393	1,733
- 其他长期职工薪酬	2,605	2,475	2,297	2,349
小计	28,400	27,509	26,073	25,614
折旧与摊销费	6,226	5,925	6,004	5,541
税金及附加	2,004	2,117	1,922	2,034
其他	17,078	14,874	14,831	12,908
合计	53,708	50,425	48,830	46,097

6 资产减值损失

	本集团		本行	
	2021年	2020年	2021年	2020年
发放贷款和垫款	64,542	75,022	63,444	73,524
其他	13,802	4,531	13,744	3,807
合计	78,344	79,553	77,188	77,331

7 所得税费用

	本集团		本行	
	2021年	2020年	2021年	2020年
当期所得税费用	11,694	13,177	10,506	11,880
递延所得税费用	(6,389)	(5,512)	(6,322)	(5,200)
合计	5,305	7,665	4,184	6,680

将基于利润表的税前利润采用适用税率计算的所得税调节为所得税费用：

	本集团		本行	
	2021年	2020年	2021年	2020年
税前利润	59,071	66,589	54,493	61,801
按中国法定税率计算的所得税	14,768	16,647	13,623	15,449
子公司采用不同税率的影响	(43)	(126)	-	-
不可抵扣支出的影响	377	497	319	348
免税收入的影响	(9,716)	(9,486)	(9,691)	(9,251)
其他所得税调整	(81)	133	(67)	134
所得税费用	5,305	7,665	4,184	6,680

8 每股收益

(1) 基本每股收益

基本每股收益以归属于母公司普通股股东的净利润除以本行发行在外普通股的加权平均数计算。优先股的转股特征使得本行存在或有可发行普通股。截至2021年12月31日，转股的触发事件并未发生，因此报告期间优先股的转股特征对本年的基本及稀释每股收益的计算没有影响。

本集团

	<u>2021年</u>	<u>2020年</u>
归属于母公司股东本年净利润	53,003	58,261
减：归属于母公司优先股股东的当年净利润	(1,559)	(1,662)
支付无固定期限资本债利息	(3,794)	(1,419)
	<hr/>	<hr/>
归属于母公司普通股股东的当年净利润	47,650	55,180
本行发行在外普通股股本的加权平均数 (百万股)	29,352	29,352
基本每股收益 (人民币元)	<u>1.62</u>	<u>1.88</u>

本年累计发放优先股股利人民币 15.59 亿元，支付无固定期限资本债利息人民币 37.94 亿元，计算普通股基本每股收益时，已在归属于普通股股东的净利润中扣除当年宣告发放的优先股股利及无固定期限资本债利息。

(2) 稀释每股收益

本年度稀释每股收益基于本行 2019 年公开发行的人民币 500 亿元可转换公司债券在当期期初转换为普通股的假设，以调整可转换公司债券当期计提的利息费用后归属于本行普通股股东的净利润除以本行在假设条件下发行在外的普通股加权平均数计算。

本集团

	<u>2021年</u>	<u>2020年</u>
归属于母公司普通股股东的当年净利润	47,650	55,180
加：本年可转换公司债券的利息费用 (税后)	1,429	1,377
	<hr/>	<hr/>
归属于母公司普通股股东的当年净利润	49,079	56,557
本行发行在外普通股股本的加权平均数(百万股)	29,352	29,352
加：假定可转换公司债券全部转换为普通股的 加权平均数 (百万股)	3,460	3,322
	<hr/>	<hr/>
用以计算稀释每股收益的当年发行在外普通股的 加权平均数 (百万股)	32,812	32,674
稀释每股收益 (人民币元)	<u>1.50</u>	<u>1.73</u>

9 现金及存放中央银行款项

	注	本集团		本行	
		2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
库存现金		5,470	5,356	5,338	5,214
存放中央银行法定 准备金	(1)	339,973	339,269	338,268	337,532
存放中央银行超额 存款准备金	(2)	73,454	143,283	70,405	140,336
存放中央银行财政 存款		1,939	1,011	1,939	1,011
应计利息		160	169	160	169
合计		420,996	489,088	416,110	484,262

- (1) 本集团按规定向中国人民银行及境外中央银行缴存法定存款准备金，包括人民币、外币存款准备金以及远期售汇业务外汇风险准备金，此部分资金不能用于本集团的日常经营。
- (2) 超额存款准备金为本集团存放于中国人民银行以及境外中央银行用于资金清算的款项。

10 存放和拆放同业及其他金融机构款项

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
存放境内银行	71,746	77,684	62,787	69,529
存放境外银行	53,693	71,458	52,517	71,289
存放境内非银行金融机构	255	2,460	68	2,457
拆放境内银行	24,726	12,558	24,726	12,558
拆放境外银行	70,276	45,393	70,276	45,393
拆放境内非银行金融机构	201,157	159,967	201,637	161,132
拆放境外非银行金融机构	8,188	14,406	9,718	18,056
应计利息	4,062	2,413	3,985	2,378
减：减值准备	(322)	(412)	(293)	(386)
合计	433,781	385,927	425,421	382,406

11 衍生金融工具

本集团

	2021年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	4,099,578	17,147	(15,789)
汇率衍生工具	1,578,860	13,844	(12,669)
贵金属衍生工具	195,711	2,656	(1,014)
商品及其他衍生工具	13,320	126	(56)
合计		33,773	(29,528)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	9,251	42	(126)
-货币互换合同	361	-	(8)
现金流量套期			
-利率互换合同	1,649	17	-
-货币互换合同	3,554	5	(25)
合计		64	(159)
2020年12月31日			
	名义金额	公允价值	
		资产	负债
利率衍生工具	5,399,464	18,260	(18,103)
汇率衍生工具	1,973,523	39,470	(39,109)
贵金属衍生工具	210,325	5,122	(3,632)
商品及其他衍生工具	14,717	737	(302)
合计		63,589	(61,146)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	24,283	56	(527)
-货币互换合同	693	-	(5)
现金流量套期			
-利率互换合同	663	-	(9)
-货币互换合同	389	-	(47)
合计		56	(588)

本行

	2021年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	4,097,929	17,130	(15,789)
汇率衍生工具	1,578,023	13,844	(12,648)
贵金属衍生工具	195,711	2,656	(1,014)
商品及其他衍生工具	13,320	126	(56)
合计		33,756	(29,507)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	9,251	42	(126)
-货币互换合同	361	-	(8)
现金流量套期			
-货币互换合同	2,717	5	(4)
合计		47	(138)

	2020年12月31日		
	名义金额	公允价值	
		资产	负债
利率衍生工具	5,398,801	18,260	(18,094)
汇率衍生工具	1,973,523	39,470	(39,109)
贵金属衍生工具	210,325	5,122	(3,632)
商品及其他衍生工具	14,717	737	(302)
合计		63,589	(61,137)
其中被指定为套期工具的衍生产品：			
公允价值套期			
-利率互换合同	24,283	56	(527)
-货币互换合同	693	-	(5)
现金流量套期			
-货币互换合同	389	-	(47)
合计		56	(579)

财务状况表日各种衍生金融工具的名义金额仅提供了一个与表内所确认的公允价值资产或负债的对比基础，并不代表所涉及的未来现金流量或当前公允价值，因而也不能反映本集团所面临的信用风险或市场风险。随着与衍生金融产品合约条款相关的外汇汇率、市场利率及股票或期货价格的波动，衍生金融产品的估值可能产生对本集团有利（确认为资产）或不利（确认为负债）的影响，这些影响可能在不同期间有较大的波动。

12 买入返售金融资产

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
债券	117	36,520	101	36,520
应计利息	-	7	-	7
减:减值准备	-	(1)	-	(1)
合计	<u>117</u>	<u>36,526</u>	<u>101</u>	<u>36,526</u>

13 发放贷款和垫款

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
发放贷款和垫款				
-以摊余成本计量 (a)	4,255,699	4,093,185	4,153,741	3,998,067
-以公允价值计量且其变动计入其他综合收益 (b)	484,192	422,508	484,192	422,508
-以公允价值计量且其变动计入当期损益 (c)	46,149	18,280	46,149	18,280
小计	<u>4,786,040</u>	<u>4,533,973</u>	<u>4,684,082</u>	<u>4,438,855</u>
应计利息	<u>15,257</u>	<u>15,576</u>	<u>14,664</u>	<u>14,851</u>
减: 减值准备				
-以摊余成本计量的发放贷款和垫款本金	(110,087)	(119,116)	(104,256)	(114,168)
-以摊余成本计量的发放贷款和垫款应计利息	(256)	(205)	(256)	(205)
小计	<u>(110,343)</u>	<u>(119,321)</u>	<u>(104,512)</u>	<u>(114,373)</u>
发放贷款和垫款净额	<u>4,690,954</u>	<u>4,430,228</u>	<u>4,594,234</u>	<u>4,339,333</u>

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
(a) 以摊余成本计量的发放贷款和垫款				
企业贷款				
一般企业贷款	2,261,151	2,248,168	2,175,189	2,168,559
贸易融资	102,155	49,048	102,155	49,048
贴现	1,773	3,691	1,768	3,666
个人贷款				
住房贷款	905,974	849,193	898,953	841,967
信用卡及透支	416,142	372,117	416,142	372,117
经营贷款	392,104	325,782	387,147	321,078
消费贷款及其他	176,400	245,186	172,387	241,632
小计	<u>4,255,699</u>	<u>4,093,185</u>	<u>4,153,741</u>	<u>3,998,067</u>
(b) 以公允价值计量且其变动计入其他综合收益的发放贷款和垫款				
企业贷款				
贸易融资	24,868	5,627	24,868	5,627
贴现	459,324	416,881	459,324	416,881
小计	<u>484,192</u>	<u>422,508</u>	<u>484,192</u>	<u>422,508</u>
(c) 以公允价值计量且其变动计入当期损益的发放贷款和垫款				
企业贷款				
贸易融资	19,554	2,944	19,554	2,944
贴现	26,595	15,336	26,595	15,336
小计	<u>46,149</u>	<u>18,280</u>	<u>46,149</u>	<u>18,280</u>
发放贷款和垫款合计	<u><u>4,786,040</u></u>	<u><u>4,533,973</u></u>	<u><u>4,684,082</u></u>	<u><u>4,438,855</u></u>

13.1 按行业分类分布情况

本集团

	2021年12月31日		2020年12月31日	
	金额	比例 (%)	金额	比例 (%)
企业贷款				
制造业	433,936	9.07	392,385	8.65
租赁和商务服务业	421,641	8.81	361,907	7.98
房地产业	331,015	6.92	346,486	7.64
交通运输、仓储和邮政业	185,778	3.88	157,478	3.47
水利、环境和公共设施 管理业	180,796	3.78	173,871	3.84
批发和零售业	177,773	3.71	207,798	4.58
建筑业	165,645	3.46	160,798	3.55
电力、热力、燃气及 水生产和供应业	146,184	3.05	116,544	2.57
金融业	108,267	2.26	104,093	2.30
采矿业	78,343	1.64	95,167	2.10
信息传输、软件和 信息技术服务业	63,203	1.32	58,820	1.30
科学研究和技术服务业	37,850	0.79	30,262	0.67
文化、体育和娱乐业	17,770	0.37	20,221	0.45
农、林、牧、渔业	17,243	0.36	20,172	0.44
卫生和社会工作	15,819	0.33	19,417	0.43
教育	14,668	0.31	15,480	0.34
住宿和餐饮业	7,707	0.16	8,285	0.18
居民服务、修理和其他 服务业	3,217	0.07	2,357	0.05
公共管理、社会保障和 社会组织	710	0.01	2,223	0.05
其他	163	0.01	12,023	0.27
小计	2,407,728	50.31	2,305,787	50.86
贴现	487,692	10.19	435,908	9.61
个人贷款	1,890,620	39.50	1,792,278	39.53
合计	4,786,040	100.00	4,533,973	100.00

本行

	2021年12月31日		2020年12月31日	
	金额	比例 (%)	金额	比例 (%)
企业贷款				
制造业	426,249	9.10	383,212	8.63
租赁和商务服务业	420,635	8.98	362,067	8.16
房地产业	330,994	7.07	346,461	7.81
批发和零售业	175,868	3.75	180,701	4.07
水利、环境和公共设施 管理业	175,158	3.74	164,966	3.72
建筑业	161,763	3.45	158,654	3.57
交通运输、仓储和邮政业	154,032	3.29	157,326	3.54
电力、热力、燃气及 水生产和供应业	120,657	2.58	95,037	2.14
金融业	110,242	2.35	104,009	2.34
采矿业	73,050	1.56	90,633	2.04
信息传输、软件和 信息技术服务业	62,391	1.33	57,581	1.30
科学研究和技术服务业	37,754	0.81	30,099	0.68
文化、体育和娱乐业	17,107	0.37	19,475	0.44
卫生和社会工作	15,636	0.33	19,111	0.43
教育	14,522	0.31	15,332	0.35
农、林、牧、渔业	14,162	0.30	16,971	0.38
住宿和餐饮业	7,527	0.16	8,085	0.18
居民服务、修理和其他 服务业	3,146	0.07	2,212	0.05
公共管理、社会保障和 社会组织	710	0.02	2,223	0.05
其他	163	0.01	12,023	0.27
小计	2,321,766	49.58	2,226,178	50.15
贴现	487,687	10.41	435,883	9.82
个人贷款	1,874,629	40.01	1,776,794	40.03
合计	4,684,082	100.00	4,438,855	100.00

13.2 按担保方式分布情况

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
信用贷款	2,012,057	1,818,279	1,970,107	1,786,811
保证贷款	779,176	776,427	743,976	740,152
抵押贷款	1,740,296	1,668,955	1,724,164	1,652,088
质押贷款	254,511	270,312	245,835	259,804
合计	4,786,040	4,533,973	4,684,082	4,438,855

13.3 逾期贷款

本集团

	2021年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	10,968	12,500	3,919	1,165	28,552
保证贷款	7,967	15,248	7,302	1,592	32,109
抵押贷款	10,478	11,770	9,667	1,710	33,625
质押贷款	906	2,972	1,184	132	5,194
合计	30,319	42,490	22,072	4,599	99,480

	2020年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	8,899	13,728	4,953	857	28,437
保证贷款	9,828	10,487	7,630	1,605	29,550
抵押贷款	10,646	10,226	9,447	1,389	31,708
质押贷款	1,544	3,233	2,325	97	7,199
合计	30,917	37,674	24,355	3,948	96,894

本行

	2021年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	10,836	12,209	3,346	967	27,358
保证贷款	7,709	14,938	6,896	1,555	31,098
抵押贷款	10,407	11,698	9,581	1,698	33,384
质押贷款	901	2,970	1,073	132	5,076
合计	29,853	41,815	20,896	4,352	96,916

	2020年12月31日				
	逾期1天 至90天 (含90天)	逾期90天 至1年 (含1年)	逾期1年 至3年 (含3年)	逾期3年以上	合计
信用贷款	8,879	13,559	4,139	856	27,433
保证贷款	9,484	10,061	7,517	1,552	28,614
抵押贷款	10,475	10,142	9,385	1,382	31,384
质押贷款	1,435	3,230	2,325	97	7,087
合计	30,273	36,992	23,366	3,887	94,518

本集团及本行将本金或利息逾期1天及以上的贷款整笔归类为逾期贷款。

13.4 贷款减值准备变动

(a) 以摊余成本计量的贷款和垫款的减值准备变动

本集团

注	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2021年1月1日余额	31,044	22,831	65,241	119,116
本年转移:				
-至第一阶段	1,155	(1,026)	(129)	-
-至第二阶段	(1,163)	2,506	(1,343)	-
-至第三阶段	(1,078)	(10,558)	11,636	-
本年净增加 (1)	3,186	1,015	60,573	64,774
本年核销 / 处置	-	-	(81,102)	(81,102)
收回原核销贷款和 垫款	-	-	8,149	8,149
其他变动	(63)	(5)	(782)	(850)
2021年12月31日 余额	33,081	14,763	62,243	110,087

	注	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2020年1月1日余额		29,904	19,446	60,709	110,059
本年转移:					
-至第一阶段		1,850	(1,606)	(244)	-
-至第二阶段		(1,300)	2,365	(1,065)	-
-至第三阶段		(1,742)	(7,668)	9,410	-
本年净增加	(1)	2,344	10,294	62,065	74,703
本年核销 / 处置		-	-	(70,044)	(70,044)
收回原核销贷款和 垫款		-	-	5,648	5,648
其他变动		(12)	-	(1,238)	(1,250)
2020年12月31日 余额		31,044	22,831	65,241	119,116

本行

	注	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2021年1月1日余额		29,320	21,527	63,321	114,168
本年转移:					
-至第一阶段		1,149	(1,024)	(125)	-
-至第二阶段		(1,106)	2,444	(1,338)	-
-至第三阶段		(1,024)	(10,095)	11,119	-
本年净增加	(1)	2,336	1,262	60,078	63,676
本年核销 / 处置		-	-	(80,917)	(80,917)
收回原核销贷款和 垫款		-	-	8,124	8,124
其他变动		(16)	(2)	(777)	(795)
2021年12月31日 余额		30,659	14,112	59,485	104,256

注	第一阶段	第二阶段	第三阶段	总计
	12个月预期信用损失	整个存续期预期信用损失	整个存续期预期信用损失	
2020年1月1日余额	28,530	18,998	58,629	106,157
本年转移:				
-至第一阶段	1,793	(1,593)	(200)	-
-至第二阶段	(1,196)	2,245	(1,049)	-
-至第三阶段	(1,678)	(7,624)	9,302	-
本年净增加 (1)	1,883	9,501	61,821	73,205
本年核销 / 处置	-	-	(69,574)	(69,574)
收回原核销贷款和垫款	-	-	5,600	5,600
其他变动	(12)	-	(1,208)	(1,220)
2020年12月31日余额	29,320	21,527	63,321	114,168

- (1) 该项目包括由模型参数的更新导致的违约概率、违约敞口、违约损失率变动以及阶段变化对预期信用损失计量产生的影响。
- (2) 第一阶段金融工具为自初始确认后信用风险未显著增加的金融工具；第二阶段金融工具为自初始确认后信用风险显著增加，但尚未发生信用减值的金融工具；第三阶段金融工具为在财务状况表日已发生信用减值的金融工具。信用减值的判断标准详见附注八第1.(3)项。

(b) 以公允价值计量且其变动计入其他综合收益的发放贷款和垫款减值准备变动

本集团及本行

	第一阶段	第二阶段	第三阶段	总计
	12个月预期信用损失	整个存续期预期信用损失	整个存续期预期信用损失	
2021年1月1日余额	529	4	218	751
本年转移:				
-至第一阶段	1	(1)	-	-
-至第二阶段	(8)	8	-	-
-至第三阶段	-	-	-	-
本年净减少	(197)	(7)	(28)	(232)
2021年12月31日余额	325	4	190	519

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2020年1月1日余额	288	8	136	432
本年转移:				
-至第一阶段	-	-	-	-
-至第二阶段	-	-	-	-
-至第三阶段	-	-	-	-
本年净增加/(减少)	241	(4)	82	319
2020年12月31日余额	529	4	218	751

14 金融投资

注	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
以公允价值计量且其变动计入当期损益的金融投资 (a)	526,034	549,149	487,998	514,468
以摊余成本计量的金融投资 (b)	1,306,188	1,169,777	1,304,324	1,167,536
以公允价值计量且其变动计入其他综合收益的金融投资 (c)	486,701	583,621	482,376	577,343
金融投资净额	2,318,923	2,302,547	2,274,698	2,259,347

(a) 以公允价值计量且其变动计入当期损益的金融投资

注	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
基金投资	398,733	428,552	375,268	407,181
政府债券	34,146	11,096	34,146	11,095
资金信托及资产管理计划 (1)	18,958	20,294	13,630	13,351
企业债券	16,216	42,040	14,989	41,705
券商收益凭证	13,437	18,651	13,437	18,651
金融债券	12,236	10,412	10,581	9,158
同业存单	9,012	2,988	9,012	2,988
股权投资	8,194	5,104	2,300	532
资产支持证券	6,519	562	6,409	463
政策性银行债券	1,789	3,407	1,789	3,407
他行理财产品	327	72	-	-
其他投资 (2)	6,467	5,971	6,437	5,937
合计	526,034	549,149	487,998	514,468

- (3) 资金信托及资产管理计划由第三方信托计划受托人或资产管理人管理和运作，主要投向于债券、资产支持证券和附有第三方回购安排的权益性投资等。
- (4) 其他投资主要是本集团将长期应付职工薪酬委托给长江养老保险股份有限公司进行投资运作。

(b) 以摊余成本计量的金融投资

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
政府债券	567,605	558,397	567,605	558,397
资金信托及资产管理计划				
- 贷款	253,657	139,798	252,640	138,979
- 资产支持证券	195,477	180,867	195,227	180,233
- 票据资产	695	44,841	695	44,841
- 其他	2,543	7,354	2,543	7,354
政策性银行债券	200,520	194,122	200,520	194,122
金融债券	73,240	24,158	73,240	24,158
企业债券	12,475	6,883	12,475	6,752
同业存单	1,137	833	1,137	833
券商收益凭证	850	8,130	850	8,130
资产支持证券	138	300	138	300
其他债权工具	100	-	-	-
小计	<u>1,308,437</u>	<u>1,165,683</u>	<u>1,307,070</u>	<u>1,164,099</u>
应计利息	<u>17,527</u>	<u>16,041</u>	<u>17,467</u>	<u>15,999</u>
减值准备				
- 投资本金	(19,743)	(11,899)	(20,200)	(12,535)
- 应计利息	(33)	(48)	(13)	(27)
小计	<u>(19,776)</u>	<u>(11,947)</u>	<u>(20,213)</u>	<u>(12,562)</u>
以摊余成本计量的金融 投资净额	<u><u>1,306,188</u></u>	<u><u>1,169,777</u></u>	<u><u>1,304,324</u></u>	<u><u>1,167,536</u></u>

(i) 以摊余成本计量的金融投资减值准备变动如下：

本集团

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2021年1月1日				
余额	1,469	174	10,256	11,899
本年转移：				
- 至第一阶段	-	-	-	-
- 至第二阶段	(22)	22	-	-
- 至第三阶段	(11)	(190)	201	-
本年净增加	597	634	10,702	11,933
本年核销	-	-	(4,082)	(4,082)
其他	(1)	-	(6)	(7)
	<u>2,032</u>	<u>640</u>	<u>17,071</u>	<u>19,743</u>
2021年12月31日				
余额	<u>2,032</u>	<u>640</u>	<u>17,071</u>	<u>19,743</u>
	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2020年1月1日余额				
余额	1,599	57	7,023	8,679
本年转移：				
-至第一阶段	-	-	-	-
-至第二阶段	(61)	61	-	-
-至第三阶段	-	(27)	27	-
本年净(减少)/增加	(69)	83	4,236	4,250
本年核销 / 处置	-	-	(1,030)	(1,030)
	<u>1,469</u>	<u>174</u>	<u>10,256</u>	<u>11,899</u>
2020年12月31日				
余额	<u>1,469</u>	<u>174</u>	<u>10,256</u>	<u>11,899</u>

本行

	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2021年1月1日				
余额	1,459	155	10,921	12,535
本年转移:				
- 至第一阶段	-	-	-	-
- 至第二阶段	(22)	22	-	-
- 至第三阶段	(11)	(185)	196	-
本年净增加	606	648	10,494	11,748
本年核销	-	-	(4,082)	(4,082)
其他	(1)	-	-	(1)
	<u>2,031</u>	<u>640</u>	<u>17,529</u>	<u>20,200</u>
2021年12月31日				
余额	<u>2,031</u>	<u>640</u>	<u>17,529</u>	<u>20,200</u>
	<u>第一阶段</u> 12个月预期 信用损失	<u>第二阶段</u> 整个存续期预期 信用损失	<u>第三阶段</u> 整个存续期预期 信用损失	<u>总计</u>
2020年1月1日余额	1,574	53	7,755	9,382
本年转移:				
-至第一阶段	-	-	-	-
-至第二阶段	(42)	42	-	-
-至第三阶段	-	(23)	23	-
本年净(减少)/增加	(73)	83	4,173	4,183
本年核销/处置	-	-	(1,030)	(1,030)
	<u>1,459</u>	<u>155</u>	<u>10,921</u>	<u>12,535</u>
2020年12月31日				
余额	<u>1,459</u>	<u>155</u>	<u>10,921</u>	<u>12,535</u>

(c) 以公允价值计量且其变动计入其他综合收益的金融投资

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
政府债券	187,196	230,989	187,196	230,989
政策性银行债券	93,264	115,245	93,264	115,245
金融债券	83,847	80,328	81,869	79,628
企业债券	82,762	86,751	80,419	82,188
同业存单	11,726	3,833	11,726	3,833
资产管理计划	9,200	45,011	9,198	43,997
股权投资	6,254	5,018	6,254	5,018
资产支持证券	5,134	7,818	5,134	7,818
其他权益投资	828	817	828	817
小计	480,211	575,810	475,888	569,533
应计利息	6,490	7,811	6,488	7,810
合计	486,701	583,621	482,376	577,343

(i) 以公允价值计量且其变动计入其他综合收益的金融投资减值准备变动如下：

本集团

	第一阶段	第二阶段	第三阶段	总计
	12个月预期 信用损失	整个存续期预期 信用损失	整个存续期预期 信用损失	
2021年1月1日				
余额	537	101	1,177	1,815
本年转移：				
- 至第一阶段	-	-	-	-
- 至第二阶段	(43)	148	(105)	-
- 至第三阶段	-	(2)	2	-
本年净减少	(143)	(21)	(349)	(513)
本年核销	-	-	(64)	(64)
其他变动	(11)	(2)	(21)	(34)
2021年12月31日				
余额	340	224	640	1,204

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2020年1月1日余额	367	83	747	1,197
本年转移:				
-至第一阶段	-	-	-	-
-至第二阶段	(2)	2	-	-
-至第三阶段	(6)	(36)	42	-
本年净增加	185	52	413	650
其他变动	(7)	-	(25)	(32)
2020年12月31日余额	537	101	1,177	1,815

本行

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2021年1月1日余额	419	56	598	1,073
本年转移:				
-至第一阶段	-	-	-	-
-至第二阶段	(43)	43	-	-
-至第三阶段	-	(2)	2	-
本年净(减少)/增加	(50)	84	(311)	(277)
本年核销	-	-	(64)	(64)
其他变动	(8)	(1)	(5)	(14)
2021年12月31日余额	318	180	220	718

	第一阶段 12个月预期 信用损失	第二阶段 整个存续期预期 信用损失	第三阶段 整个存续期预期 信用损失	总计
2020年1月1日余额	292	41	414	747
本年转移:				
-至第一阶段	-	-	-	-
-至第二阶段	(2)	2	-	-
-至第三阶段	-	(36)	36	-
本年净增加	136	49	170	355
其他变动	(7)	-	(22)	(29)
2020年12月31日余额	419	56	598	1,073

15 投资联营企业及合营企业

	附注	本集团		本行	
		2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
合营企业	三、38(2)	2,513	2,127	2,513	2,127
联营企业	三、38(2)	306	274	-	-
合计		<u>2,819</u>	<u>2,401</u>	<u>2,513</u>	<u>2,127</u>

本集团

	2021年 1月1日	追加/(减少) 投资	按权益法 调整的 净损益	按权益法 调整的 其他综合收益	宣告 分配的 现金股利	其他变动	2021年 12月31日
浦银安盛基金 管理有限公司 (以下简称 “浦银安盛”)	1,384	-	186	-	(51)	-	1,519
浦发硅谷银行 有限公司 (以下简称 “浦发硅谷”)	743	250	4	1	-	(4)	994
其他	274	(1)	33	-	-	-	306
合计	<u>2,401</u>	<u>249</u>	<u>223</u>	<u>1</u>	<u>(51)</u>	<u>(4)</u>	<u>2,819</u>

	2020年 1月1日	追加投资	按权益法 调整的 净损益	宣告分派的 现金股利	其他变动	2020年 12月31日
浦银安盛基金管理 有限公司(以下 简称“浦银安盛”)	1,336	-	130	(82)	-	1,384
浦发硅谷银行有限 公司(以下简称 “浦发硅谷”)	505	250	-	-	(12)	743
其他	208	51	16	-	(1)	274
合计	<u>2,049</u>	<u>301</u>	<u>146</u>	<u>(82)</u>	<u>(13)</u>	<u>2,401</u>

16 固定资产

本集团

	房屋及 建筑物	运输工具	电子计算机 及其他设备	飞行及 船舶设备	在建工程	合计
原值						
2020年1月1日	13,715	447	8,306	17,279	3,973	43,720
本年购入	472	33	1,468	1,186	1,197	4,356
在建工程转入 / (转出)	-	-	10	-	(162)	(152)
本年处置	(3)	(27)	(910)	-	-	(940)
2020年12月31日	14,184	453	8,874	18,465	5,008	46,984
本年购入	26	33	1,737	4,954	2,437	9,187
在建工程转入 / (转出)	-	-	19	-	(224)	(205)
本年处置	(71)	(37)	(821)	-	-	(929)
2021年12月31日	14,139	449	9,809	23,419	7,221	55,037
累计折旧						
2020年1月1日	(4,353)	(358)	(6,367)	(2,259)	-	(13,337)
本年计提	(488)	(27)	(845)	(811)	-	(2,171)
本年处置	1	24	863	-	-	888
2020年12月31日	(4,840)	(361)	(6,349)	(3,070)	-	(14,620)
本年计提	(461)	(25)	(1,107)	(1,035)	-	(2,628)
本年处置	71	34	814	-	-	919
2021年12月31日	(5,230)	(352)	(6,642)	(4,105)	-	(16,329)
账面价值						
2021年12月31日	8,909	97	3,167	19,314	7,221	38,708
2020年12月31日	9,344	92	2,525	15,395	5,008	32,364

于2021年12月31日，本集团子公司浦银金融租赁股份有限公司（以下简称“浦银租赁”）经营租出的飞行及船舶设备账面价值为人民币193.14亿元（2020年12月31日：人民币153.95亿元）。

本行

	<u>房屋及建筑物</u>	<u>运输工具</u>	<u>电子计算机 及其他设备</u>	<u>在建工程</u>	<u>合计</u>
原值					
2020年1月1日	13,108	413	8,031	3,970	25,522
本年购入	472	29	1,436	944	2,881
在建工程转入 / (转出)	-	-	10	(145)	(135)
本年处置	(3)	(20)	(892)	-	(915)
2020年12月31日	13,577	422	8,585	4,769	27,353
本年购入	20	31	1,683	2,035	3,769
在建工程转入 / (转出)	-	-	19	(218)	(199)
本年处置	(71)	(36)	(770)	-	(877)
2021年12月31日	13,526	417	9,517	6,586	30,046
累计折旧					
2020年1月1日	(4,180)	(329)	(6,161)	-	(10,670)
本年计提	(459)	(25)	(813)	-	(1,297)
本年处置	1	18	845	-	864
2020年12月31日	(4,638)	(336)	(6,129)	-	(11,103)
本年计提	(430)	(23)	(1,052)	-	(1,505)
本年处置	71	34	765	-	870
2021年12月31日	(4,997)	(325)	(6,416)	-	(11,738)
账面价值					
2021年12月31日	8,529	92	3,101	6,586	18,308
2020年12月31日	8,939	86	2,456	4,769	16,250

于2021年12月31日，本集团及本行原值为人民币6.77亿元，净值为人民币5.17亿元的房屋及建筑物已在使用但产权登记正在办理中。

于2020年12月31日，本集团及本行原值为人民币9.06亿元，净值为人民币7.35亿元的房屋及建筑物已在使用但产权登记正在办理中。

17 租赁

(1) 使用权资产

本集团

	房屋及 建筑物	设备及 其他	合计
原值			
2020年1月1日	16,097	427	16,524
本年增加	4,500	46	4,546
本年减少	(4,136)	(295)	(4,431)
2020年12月31日	16,461	178	16,639
本年增加	2,938	22	2,960
本年减少	(2,540)	(62)	(2,602)
2021年12月31日	16,859	138	16,997
累计折旧			
2020年1月1日	(8,488)	(319)	(8,807)
本年增加	(2,681)	(32)	(2,713)
本年减少	3,073	254	3,327
2020年12月31日	(8,096)	(97)	(8,193)
本年增加	(2,685)	(33)	(2,718)
本年减少	2,416	58	2,474
2021年12月31日	(8,365)	(72)	(8,437)
账面价值			
2021年12月31日	8,494	66	8,560
2020年12月31日	8,365	81	8,446

(2) 租赁负债

本集团于财务状况表日按剩余到期日的分析如下：

项目	2021年12月31日	2020年12月31日
3个月以内	793	766
3个月到1年	2,152	1,991
1年至5年	5,576	5,688
5年以上	634	890
未折现租赁负债合计	9,155	9,335
年末租赁负债账面价值	8,451	8,544

18 无形资产

本集团

	土地使用权	软件及其他	品牌及特许经营权	合计
原值				
2020年1月1日	6,800	5,662	2,236	14,698
本年增加	-	1,425	-	1,425
本年处置	-	(1)	-	(1)
2020年12月31日	6,800	7,086	2,236	16,122
本年增加	-	1,570	-	1,570
本年处置	-	(30)	-	(30)
2021年12月31日	6,800	8,626	2,236	17,662
累计摊销				
2020年1月1日	(454)	(3,887)	-	(4,341)
本年摊销	(173)	(1,086)	-	(1,259)
本年处置	-	1	-	1
2020年12月31日	(627)	(4,972)	-	(5,599)
本年摊销	(173)	(1,382)	-	(1,555)
本年处置	-	30	-	30
2021年12月31日	(800)	(6,324)	-	(7,124)
账面价值				
2021年12月31日	6,000	2,302	2,236	10,538
2020年12月31日	6,173	2,114	2,236	10,523

本行

	<u>土地使用权</u>	<u>软件及其他</u>	<u>合计</u>
原值			
2020年1月1日	6,797	4,852	11,649
本年增加	-	1,400	1,400
本年处置	-	(1)	(1)
2020年12月31日	6,797	6,251	13,048
本年增加	-	1,541	1,541
本年处置	-	(1)	(1)
2021年12月31日	6,797	7,791	14,588
累计摊销			
2020年1月1日	(454)	(3,128)	(3,582)
本年摊销	(173)	(1,060)	(1,233)
本年处置	-	1	1
2020年12月31日	(627)	(4,187)	(4,814)
本年摊销	(173)	(1,363)	(1,536)
本年处置	-	1	1
2021年12月31日	(800)	(5,549)	(6,349)
账面价值			
2021年12月31日	5,997	2,242	8,239
2020年12月31日	6,170	2,064	8,234

19 商誉

	<u>2021年 12月31日</u>	<u>2020年 12月31日</u>
商誉		
- 上海国际信托有限公司 (以下简称“上海信托”)	6,981	6,981
减: 减值准备	-	-
合计	6,981	6,981

商誉为本行于2016年3月发行普通股收购上海信托97.33%的股权产生的。

本集团的所有商誉已于购买日分摊至相关的资产组或资产组组合，分摊情况根据经营分部汇总如下：

	2021年及2020年 12月31日
上海信托	4,739
上海信托子公司	2,242
合计	6,981

在进行商誉减值测试时，本集团将相关资产或资产组组合（含商誉）的账面价值与其可收回金额进行比较，如果可收回金额低于账面价值，相关差额计入当期损益。本集团的商誉分摊本年度未发生变化。

于2021年12月31日，上海信托个别子公司资产组和资产组组合的可收回余额，按照其公允价值减去处置费用后的净额确定。相关公允价值由管理层根据治理层决议和已签署的相关文件作为依据确定。

除上述情况外，其他资产组和资产组组合的可收回金额是依据管理层批准的五年期预算，采用现金流量预测方法计算。本集团根据历史经验及对市场发展的预测确定增长率，并采用能够反映相关资产组和资产组组合的特定风险的税前利率为折现率。稳定期增长率为本集团预测五年期预算后的现金流量所采用的加权平均增长率。

20 递延所得税

20.1 本集团及本行互抵后的递延所得税资产和负债列示如下：

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
递延所得税资产	58,962	52,358	57,542	51,049
递延所得税负债	(638)	(689)	-	-

20.2 互抵前的递延所得税资产和负债及对应的暂时性差异列示如下：

本集团

	2021年12月31日		2020年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
资产减值准备	227,429	56,857	197,668	49,400
衍生金融负债公允价值变动	29,528	7,382	61,146	15,286
应付职工薪酬	7,770	1,943	7,425	1,856
预计负债	6,275	1,569	5,280	1,320
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	5,026	1,218	1,039	260
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	1,466	357	2,685	671
贵金属公允价值变动	-	-	620	155
其他	6,004	1,501	6,029	1,509
小计	283,498	70,827	281,892	70,457
互抵金额		(11,865)		(18,099)
互抵后的递延所得税资产金额		58,962		52,358

	2021年12月31日		2020年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
衍生金融资产公允价值变动	(33,773)	(8,443)	(63,589)	(15,897)
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	(7,051)	(1,763)	(4,179)	(1,045)
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	(6,302)	(1,571)	(3,596)	(899)
非同一控制下企业合并形成的 可辨认净资产公允价值与 账面价值差异	(2,544)	(636)	(2,888)	(689)
贵金属公允价值变动	(354)	(88)	(900)	(225)
其他	(8)	(2)	(144)	(33)
小计	(50,032)	(12,503)	(75,296)	(18,788)
互抵金额		11,865		18,099
互抵后的递延所得税负债金额		(638)		(689)

本行

	2021年12月31日		2020年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
资产减值准备	223,468	55,867	193,692	48,423
衍生金融负债公允价值变动	29,507	7,377	61,137	15,284
应付职工薪酬	7,566	1,892	7,233	1,808
预计负债	6,272	1,568	5,276	1,319
以公允价值计量且其变动计入 其他综合收益的金融资产 公允价值变动	4,396	1,099	935	234
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	1,355	339	2,685	671
贵金属公允价值变动	-	-	620	155
其他	4,998	1,249	4,841	1,211
小计	<u>277,562</u>	<u>69,391</u>	<u>276,419</u>	<u>69,105</u>
互抵金额		(11,849)		(18,056)
互抵后的递延所得税资产金额		<u>57,542</u>		<u>51,049</u>

	2021年12月31日		2020年12月31日	
	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)	可抵扣 / (应纳税) 暂时性差异	递延所得税 资产 / (负债)
衍生金融资产公允价值变动	(33,756)	(8,439)	(63,589)	(15,897)
以公允价值计量且其变动计入 其他综合收益的金融资产公 允价值变动	(7,051)	(1,763)	(4,179)	(1,045)
以公允价值计量且其变动计入 损益的金融工具公允价值 变动	(6,236)	(1,559)	(3,447)	(862)
贵金属公允价值变动	(354)	(88)	(900)	(225)
其他	-	-	(108)	(27)
小计	<u>(47,397)</u>	<u>(11,849)</u>	<u>(72,223)</u>	<u>(18,056)</u>
互抵金额		11,849		18,056
互抵后的递延所得税负债金额		<u>-</u>		<u>-</u>

20.3 递延所得税的变动情况列示如下：

	附注	本集团		本行	
		2021年	2020年	2021年	2020年
年初净额		51,669	45,075	51,049	44,763
计入利润表的递延所得税	三、7	6,389	5,512	6,322	5,200
计入其他综合收益的递延所得税	三、34	266	1,082	171	1,086
年末净额		58,324	51,669	57,542	51,049

21 其他资产

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
待清算款项	66,394	57,674	66,384	57,661
存出保证金	14,355	10,480	14,355	10,480
其他应收款	4,983	7,487	3,842	6,046
预付土地及其他款项	4,256	4,770	2,150	2,353
应收利息	4,065	2,941	4,065	2,941
信托业保障基金代垫款	1,819	2,514	-	-
长期待摊费用	1,180	371	1,118	329
抵债资产	612	720	555	678
其他	830	5,253	294	4,900
合计	98,494	92,210	92,763	85,388

22 同业及其他金融机构存入和拆入款项

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
境内银行存放款项	208,531	282,404	215,512	290,180
境外银行存放款项	1,478	11,510	1,478	11,510
境内非银行金融机构存放 款项	702,353	872,880	703,484	874,951
境外非银行金融机构存放 款项	9,888	13,164	10,230	13,437
境内银行拆入款项	139,511	123,653	70,053	75,050
境外银行拆入款项	40,244	48,296	32,579	41,342
境内非银行金融机构拆入 款项	2,600	10,320	-	500
应计利息	2,170	3,345	1,942	3,086
合计	<u>1,106,775</u>	<u>1,365,572</u>	<u>1,035,278</u>	<u>1,310,056</u>

23 以公允价值计量且其变动计入当期损益的金融负债

	注	本集团		本行	
		2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
与贵金属相关的金融 负债		18,861	6,067	18,861	6,067
与债券卖空相关的金融 负债		1,093	-	1,093	-
合并结构化主体中其 他份额持有人权益 (1)	(1)	11,326	9,990	-	-
合计		<u>31,280</u>	<u>16,057</u>	<u>19,954</u>	<u>6,067</u>

- (1) 本集团将纳入合并财务报表范围的结构化主体的其他份额持有人权益指定为以公允价值计量且其变动计入当期损益的金融负债。于2021年12月31日及2020年12月31日，上述公允价值未发生由于信用风险变化导致的重大变动。

24 卖出回购金融资产款

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
债券	130,170	125,010	125,989	118,089
票据	44,016	107,273	44,016	107,273
应计利息	33	63	33	63
合计	<u>174,219</u>	<u>232,346</u>	<u>170,038</u>	<u>225,425</u>

25 吸收存款

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
活期存款				
-公司	1,745,409	1,606,179	1,738,847	1,598,391
-个人	340,312	304,281	337,563	301,612
定期存款				
-公司	1,631,948	1,508,210	1,628,886	1,505,404
-个人	682,684	655,153	664,599	637,444
其他存款	2,703	2,661	2,676	2,626
小计	<u>4,403,056</u>	<u>4,076,484</u>	<u>4,372,571</u>	<u>4,045,477</u>
应计利息	60,552	45,923	59,404	44,864
合计	<u>4,463,608</u>	<u>4,122,407</u>	<u>4,431,975</u>	<u>4,090,341</u>

26 已发行债务证券

注	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
发行存款证及同业存单 (1)	900,375	780,410	900,375	780,410
已发行债券				
11 次级债券 (2)	-	18,400	-	18,400
12 次级债券 (3)	12,000	12,000	12,000	12,000
绿色金融债 02 (4)	-	15,000	-	15,000
绿色金融债 03 (5)	-	15,000	-	15,000
18 浦发银行二级 01 (6)	20,000	20,000	20,000	20,000
18 浦发银行二级 02 (7)	20,000	20,000	20,000	20,000
19 浦发银行小微债 01 (8)	50,000	50,000	50,000	50,000
20 浦发银行二级 01 (9)	32,000	32,000	32,000	32,000
20 浦发银行二级 02 (10)	8,000	8,000	8,000	8,000
20 浦发银行二级 03 (11)	30,000	30,000	30,000	30,000
20 浦发银行二级 04 (12)	10,000	10,000	10,000	10,000
20 浦发银行 01 (13)	50,000	50,000	50,000	50,000
21 浦发银行 01 (14)	60,000	-	60,000	-
21 浦发银行 02 (15)	40,000	-	40,000	-
香港中期票据 (16)	11,513	8,829	11,513	8,829
新加坡中期票据 (17)	1,912	1,962	1,912	1,962
伦敦中期票据 (18)	1,912	1,962	1,912	1,962
浦发转债 (19)	49,998	49,999	49,998	49,999
18 浦银租赁债 (20)	-	5,000	-	-
19 浦银租赁债 01 (21)	2,000	2,000	-	-
19 浦银租赁债 02 (22)	2,000	2,000	-	-
20 浦银租赁二级 (23)	1,100	1,100	-	-
20 浦银租赁债 (24)	3,000	3,000	-	-
21 浦银租赁绿色债 (25)	3,000	-	-	-
21 浦银租赁债 01 (26)	2,000	-	-	-
小计	410,435	356,252	397,335	343,152
加/(减): 待摊销金额	459	(975)	479	(961)
已发行债券	410,894	355,277	397,814	342,191
应计利息	5,852	4,966	5,702	4,778
合计	1,317,121	1,140,653	1,303,891	1,127,379

- (1) 于2021年12月31日，本集团及本行在全国银行间债券市场公开发行但尚未到期的同业存单共计191笔，最长期限为365天，利率区间为2.30%至3.18%(于2020年12月31日，本集团及本行在银行间市场公开发行但尚未到期的同业存单共计323笔，最长期限为365天，利率区间为1.40%至3.36%)。

本集团发行的存款证均由本集团境外机构发行。于2021年12月31日，本集团公开发行但尚未到期的存款证共计77笔，最长期限为365天，利率区间为0%到3.15%(于2020年12月31日，本集团公开发行但尚未到期的存款证共计72笔，最长期限为365天，利率区间为0%到2.06%)。

- (2) 2011年10月11日，本行在全国银行间债券市场发行总额为人民币184亿元的次级债券。该期债券期限为15年，本行具有在第10年末有条件按面值赎回全部次级债券的选择权，票面年利率固定为6.15%。本行已行使上述赎回选择权。
- (3) 2012年12月27日，本行在全国银行间债券市场发行总额为人民币120亿元的次级债券。该期债券期限为15年，本行具有在第10年末按面值赎回全部次级债券的选择权，票面年利率固定为5.20%。
- (4) 2016年3月25日，本行在全国银行间债券市场公开发行总额为人民币150亿元的“2016年第二期绿色金融债券”。该期债券期限为5年，票面年利率固定为3.20%。
- (5) 2016年7月14日，本行在全国银行间债券市场公开发行总额为人民币150亿元的“2016年第三期绿色金融债券”。该期债券期限为5年，票面年利率固定为3.40%。
- (6) 2018年9月5日，本行在全国银行间债券市场发行总额为人民币200亿元的二级资本工具。该债券期限为10年，本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为4.96%。
- (7) 2018年9月14日，本行在全国银行间债券市场发行总额为人民币200亿元的二级资本工具。该债券期限为10年，本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为4.96%。
- (8) 2019年3月25日，本行在全国银行间债券市场公开发行总额为人民币500亿元的“2019年第一期小型微型企业贷款专项金融债券”。该债券期限为3年，票面年利率固定为3.50%。
- (9) 2020年7月30日，本行在全国银行间债券市场发行总额为人民币320亿元的二级资本工具。该债券期限为10年，本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为3.87%。
- (10) 2020年7月30日，本行在全国银行间债券市场发行总额为人民币80亿元的二级资本工具。该债券期限为15年，本行具有在第10年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为4.18%。
- (11) 2020年9月15日，本行在全国银行间债券市场发行总额为人民币300亿元的二级资本工具。该债券期限为10年，本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为4.27%。

- (12) 2020年9月15日,本行在全国银行间债券市场发行总额为人民币100亿元的二级资本工具。该债券期限为15年,本行具有在第10年末有条件按面值一次性赎回全部或部分债券的选择权,票面年利率固定为4.52%。
- (13) 2020年4月27日,本行在全国银行间债券市场公开发行总额为人民币500亿元的“2020年第一期金融债券”。该期债券期限为3年,票面年利率固定为2.08%。
- (14) 2021年3月23日,本行在全国银行间债券市场公开发行总额为人民币600亿元的“2021年第一期金融债券”。该期债券期限为3年,票面年利率固定为3.48%。
- (15) 2021年12月2日,本行在全国银行间债券市场公开发行总额为人民币400亿元的“2021年第二期金融债券”。该期债券期限为3年,票面年利率固定为2.97%。
- (16) 2017年7月13日,本行在香港联交所发行总额为3.5亿美元的中期票据;该票据期限为5年,票面年利率浮动为3ML+95BPS。2018年9月24日,本行在香港联交所发行总额为5亿美元的中期票据;该票据期限为3年,票面年利率浮动为3ML+84BPS,本年已到期。2020年7月27日,本行在香港联交所发行总额为5亿美元的中期票据;该票据期限为3年,票面年利率浮动为3ML+85BPS。2021年7月13日,本行在香港联交所同步发行了总额为20亿港币的中期票据和总额为7亿美元的中期票据;上述票据期限分别为2年和3年,票面利率分别为固定利率0.600%和固定利率0.875%。
- (17) 2018年11月26日,本行在新加坡交易所发行总额为3亿美元的中期票据;该票据期限为3年,票面年利率浮动为3ML+87BPS,本年已到期。2021年1月19日,本行在新加坡交易所发行总额为3亿美元的中期票据;该票据期限为3年,票面年利率固定为1.056%。
- (18) 2019年10月29日,本行在伦敦交易所发行总额为3亿美元的中期票据;该票据期限为3年,票面年利率浮动为3ML+70BPS。
- (19) 本行可转换公司债券发行规模为人民币500亿元,于2019年11月15日在上海证券交易所上市,存续的起止日期为2019年10月28日至2025年10月27日,存续期间共六年,第一年债券利率为0.20%、第二年债券利率为0.80%、第三年债券利率为1.50%、第四年债券利率为2.10%、第五年债券利率为3.20%、第六年债券利率为4.00%。本债券采用每年付息一次的付息方式,到期归还本金和最后一年利息。本债券转股期自债券发行结束之日满六个月后的第一个交易日起至可转债到期日止,即为2020年5月4日至2025年10月27日。

本债券的初始转股价格为15.05元/股,在本次发行之后,当本行出现因派送股票股利、转增股本、增发新股或配股等情况(不包括因本次发行的可转债转股而增加的股本)使本行股份发生变化或派送现金股利时,本行将按一定公式进行转股价格的调整。本债券持有人在转股期内申请转股,转股数量的计算方式为本债券持有人申请转股的本债券票面总金额除以申请转股当日有效的转股价格。在本行发行的可转债期满后五个交易日内,本行将以本债券可转债面值的110%(含最后一年利息)赎回全部未转股的可转债。本债券具体发行条款参见相关发行公告。

截止2021年12月31日，累计已有人民币1,290,000元浦发转债转为公司普通股，累计转股股数87,609股，占浦发转债转股前公司已发行普通股股份总额的0.0003%。上述转债对本行其他权益工具的累积影响不重大。

本集团及本行已发行可转换公司债券的负债和权益成份分拆如下：

	负债成份	权益成份 (附注三、30)	合计
可转换公司债券发行金额	47,214	2,786	50,000
直接交易费用	(78)	(4)	(82)
于发行日余额	47,136	2,782	49,918
年初累计摊销	1,989	-	1,989
年初累计转股	(1)	-	(1)
于2021年1月1日余额	49,124	2,782	51,906
本年摊销	1,442	-	1,442
本年转股	(1)	-	(1)
于2021年12月31日余额	50,565	2,782	53,347

- (20) 2018年7月19日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币50亿元的“2018年金融债券”。该期债券期限为3年，票面年利率固定为4.49%。
- (21) 2019年7月23日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币20亿元的“2019年第一期金融债券”。该期债券期限为3年，票面年利率固定为3.62%。
- (22) 2019年8月20日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币20亿元的“2019年第二期金融债券”。该期债券期限为3年，票面年利率固定为3.45%。
- (23) 2020年8月11日，本行子公司浦银金融租赁有限公司在全国银行间债券市场发行总额为人民币11亿元的二级资本工具。该债券期限为10年，本行具有在第5年末有条件按面值一次性赎回全部或部分债券的选择权，票面年利率固定为4.20%。
- (24) 2020年11月17日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币30亿元的“2020年金融债券”。该期债券期限为3年，票面年利率固定为3.88%。
- (25) 2021年7月6日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币30亿元的“2021年绿色金融债券”。该期债券期限为3年，票面年利率固定为3.38%。
- (26) 2021年10月21日，本行子公司浦银金融租赁有限公司在全国银行间债券市场公开发行总额为人民币20亿元的“2021年第一期金融债券”。该期债券期限为3年，票面年利率固定为3.30%。

27 预计负债

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
财务担保合同和贷款承诺				
减值准备	6,274	5,280	6,271	5,276
其他	1	-	1	-
合计	<u>6,275</u>	<u>5,280</u>	<u>6,272</u>	<u>5,276</u>

28 其他负债

	本集团		本行	
	2021年 12月31日	2020年 12月31日	2021年 12月31日	2020年 12月31日
待清算款项	25,001	24,084	24,998	24,079
应付职工薪酬	14,865	13,822	13,068	12,183
应交增值税及其他税费	5,259	3,889	4,202	3,089
预收履约款及保证金	3,288	9,739	202	5,777
合同负债	3,140	2,832	2,545	1,954
预提费用	2,758	1,406	2,748	1,391
其他	4,846	6,325	2,313	3,450
合计	<u>59,157</u>	<u>62,097</u>	<u>50,076</u>	<u>51,923</u>

29 股本

本集团及本行

	2021年 12月31日	2020年 12月31日
境内上市人民币普通股 (A 股)	<u>29,352</u>	<u>29,352</u>

本行发行的 A 股股本均为普通股，每股面值人民币 1 元，享有同等权益。

30 其他权益工具

本集团及本行

	注	2021年 12月31日	2020年 12月31日
计入本行一级资本的其他权益工具			
—浦发转债权益成份	(1)	2,782	2,782
计入本行其他一级资本的其他权益工具	(2)	109,909	109,909
合计		112,691	112,691

(1) 于2021年12月31日，本行发行的可转换公司债券权益成份为人民币27.82亿元（2020年：人民币27.82亿元），具体信息参见附注三、26.(19)。

(2) 计入本行其他一级资本的其他权益工具

发行在外的 其他权益工具	付息率	发行 价格(元)	数量	年初 金额	本年 变动	年末 金额	到期日或 续期情况	转换情况
浦发优1(a)	第一个5年的股息 率为6%； 第二个5年的股息 率为5.58%	100	1.5亿	15,000	-	15,000	无到期日	未发生转换
浦发优2(a)	第一个5年的股息 率为5.5%； 第二个5年的股息 率为4.81%	100	1.5亿	15,000	-	15,000	无到期日	未发生转换
19 浦发银行 永续债(b)	前5年的股息率为 4.73%	100	3.0亿	30,000	-	30,000	无到期日	未发生转换
20 浦发银行 永续债(b)	前5年的股息率为 4.75%	100	5.0亿	50,000	-	50,000	无到期日	未发生转换
减：发行费用				(91)	-	(91)		
账面价值				109,909	-	109,909		

(a) 于2014年11月28日和2015年3月6日，本行向境内投资者发行票面金额合计人民币300亿元的非累积优先股，本行按扣除发行费用后的金额计人民币299.20亿元计入其他权益工具。在优先股存续期间，在满足相关要求的情况下，如得到银保监会的批准，本行有权在优先股发行日期满5年之日起于每年的优先股股息支付日行使赎回权，赎回全部或部分本次发行的优先股，优先股股东无权要求本行赎回优先股。发行的优先股采用分阶段调整的票面股息率，即在一个5年的股息率调整期内以固定股息率每年一次以现金方式支付股息。本行有权全部或部分取消优先股股息的宣派和支付。

当本行发生下述强制转股触发事件时，经银保监会批准，本行发行并仍然存续的优先股将全部或部分转为本行普通股：

- 3、 当本行核心一级资本充足率降至5.125%（或以下）时，由本行董事会决定，本次发行的优先股应按照强制转股价格全额或部分转为本行A股普通股，并使本行的核心一级资本充足率恢复至5.125%以上；

- 4、 当本行发生二级资本工具触发事件时，发行的优先股应按照强制转股价格全额转为本行 A 股普通股。

当满足强制转股触发条件时，仍然存续的优先股将在监管部门批准的前提下以人民币 7.62 元/股的价格全额或部分转换为 A 股普通股。在董事会决议日后，当本行发生送红股、转增股本、增发新股（不包括因本行发行的带有可转为普通股条款的融资工具，如优先股、可转换公司债券等转股而增加的股本）和配股等情况时，本行将按上述条件出现的先后顺序，依次对转股价格按照既定公式进行累计调整。

依据适用的法律法规和“中国银监会关于浦发银行非公开发行优先股及修改公司章程的批复”（银监复 [2014] 564 号），优先股募集资金用于补充本行其他一级资本。

在本行清算时，本行优先股股东优先于普通股股东分配，其所获得的清偿金额为票面金额，如本行剩余财产不足以支付的，按照优先股股东持股比例分配。

- (b) 于 2019 年 7 月和 2020 年 11 月，本行在全国银行间债券市场分别发行“上海浦东发展银行股份有限公司 2019 年无固定期限资本债券”（发行规模为人民币 300 亿元）和“上海浦东发展银行股份有限公司 2020 年无固定期限资本债券”（发行规模为人民币 500 亿元），本行按扣除发行费用后合计的金额计入其他权益工具。上述无固定期限资本债的存续期与本行持续经营存续期一致。在满足相关要求的情况下，如得到银保监会的批准，本行有权在无固定期限资本债发行日期满 5 年之日起于每年的无固定期限资本债利息支付日行使赎回权，赎回全部或部分本次发行的无固定期限资本债，无固定期限资本债持有人无权要求本行赎回无固定期限资本债。本行有权全部或部分取消无固定期限资本债利息的宣派和支付。

依据适用的法律法规、“中国银保监会关于浦发银行发行无固定期限资本债券的批复”（[2019] 596 号）及“中国银保监会关于浦发银行发行无固定期限资本债券的批复”（银保监复 [2020] 595 号），本行固定期限资本债募集资金用于补充本行其他一级资本。

本行无固定期限资本债的受偿顺序在存款人、一般债权人和处于高于本无固定期限资本债顺位的次级债务之后、本行股东持有的所有类别股份之前；本行无固定期限资本债与发行人其他偿还顺序相同的其他一级资本工具同顺位受偿。

对于“上海浦东发展银行股份有限公司 2019 年无固定期限资本债券”，当本行发生银保监会或相关部门认为的下述触发事件并获得监管部门批准前提下，本行有权在无需获得本无固定期限资本债投资者同意的情况下对本次债券进行减记。

- 3、 当其他一级资本工具触发事件发生时，即本行核心一级资本充足率降至 5.125%（或以下），本行有权在报银保监会并获得同意、但无需获得债券持有人同意的情况下，将届时已发行且存续的本无固定期限资本债按照票面总金额全部或部分减记，促使核心一级资本充足率恢复到 5.125% 以上；
- 4、 当二级资本工具触发事件发生时，本行有权在无需获得债券持有人同意的情况下将届时已发行且存续的本无固定期限资本债按照票面总金额全部减记。

对于“上海浦东发展银行股份有限公司 2020 年无固定期限资本债券”，当无法生存触发事件发生时，本行有权在无需获得债券持有人同意的情况下，将本次债券的本金进行部分或全部减记。

无法生存触发事件是指以下两种情形的较早发生者：(1) 银保监会认定若不进行减记发行人将无法生存；(2) 相关部门认定若不进行公共部门注资或提供同等效力的支持，发行人将无法生存。

31 资本公积

	本集团		本行	
	2021 年 12 月 31 日	2020 年 12 月 31 日	2021 年 12 月 31 日	2020 年 12 月 31 日
股本溢价	81,691	81,690	81,691	81,690
其他资本公积				
-子公司增资变动	50	50	-	-
-其他	21	21	21	21
合计	81,762	81,761	81,712	81,711

如附注三、26(19)所述，经银保监会等相关机构批准，本行于 2019 年公开发行票面金额为人民币 500 亿元 A 股可转换公司债券。截至 2021 年 12 月 31 日，约人民币 1,290,000 万元可转换公司债券转为 A 股普通股，累积增加本行股本为 87,609 股，并相应增加了本行股本溢价。

32 盈余公积

本集团及本行

	2021 年 1 月 1 日	本年增加	2021 年 12 月 31 日
	法定盈余公积	22,206	-
任意盈余公积	120,533	16,553	137,086
合计	142,739	16,553	159,292

	2020 年 1 月 1 日	本年增加	2020 年 12 月 31 日
	法定盈余公积	22,206	-
任意盈余公积	103,599	16,934	120,533
合计	125,805	16,934	142,739

根据有关规定，本行应当按照法定财务报表税后利润的 10%提取法定盈余公积。当本行法定盈余公积金累计额达到本行股本的 50%时，可不再提取。在提取法定盈余公积金后，可提取任意盈余公积金。

33 一般风险准备

本集团

	<u>2021年 1月1日</u>	<u>本年增加</u>	<u>2021年 12月31日</u>
一般风险准备	<u>79,640</u>	<u>11,353</u>	<u>90,993</u>

	<u>2020年 1月1日</u>	<u>本年增加</u>	<u>2020年 12月31日</u>
一般风险准备	<u>76,249</u>	<u>3,391</u>	<u>79,640</u>

本行

	<u>2021年 1月1日</u>	<u>本年变动</u>	<u>2021年 12月31日</u>
一般风险准备	<u>78,000</u>	<u>11,000</u>	<u>89,000</u>

	<u>2020年 1月1日</u>	<u>本年变动</u>	<u>2020年 12月31日</u>
一般风险准备	<u>74,900</u>	<u>3,100</u>	<u>78,000</u>

本行按财政部《金融企业准备金计提管理办法》(财金[2012] 20号)的规定提取一般准备。

本集团一般风险准备还包括本行下属子公司根据其所属行业或所属地区的法规提取的其他一般准备。

34 其他储备

本集团

	归属于母公司股 东的其他综合 收益年初余额	2021年				税后归属于 非控制性权益	归属于母公司股 东的其他综合 收益年末余额
		本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后归属于 母公司		
将重分类进损益的其他综合收益							
以公允价值计量且其变动计入其 他综合收益的债务工具							
- 公允价值变动	1,479	669	(1,214)	108	(440)	3	1,039
- 减值准备	2,081	(779)	(64)	170	(664)	(9)	1,417
外币报表折算差额	85	(101)	-	-	(100)	(1)	(15)
现金流量套期储备	(3)	31	-	(2)	20	9	17
其他	-	1	-	-	1	-	1
不能重分类进损益的其他综合收益							
以公允价值计量且其变动计入 其他综合收益的权益工具							
- 公允价值变动	334	38	-	(10)	28	-	362
	<u>3,976</u>	<u>(141)</u>	<u>(1,278)</u>	<u>266</u>	<u>(1,155)</u>	<u>2</u>	<u>2,821</u>

	归属于母公司股 东的其他综合 收益年初余额	2020年					归属于母公司股 东的其他综合 收益年末余额
		本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后归属于 母公司	税后归属于 非控制性权益	
将重分类进损益的其他综合收益							
以公允价值计量且其变动计入其 他综合收益的债务工具							
- 公允价值变动	5,000	(1,936)	(2,741)	1,148	(3,521)	(8)	1,479
- 减值准备	1,334	937	-	(182)	747	8	2,081
外币报表折算差额	255	(184)	-	-	(170)	(14)	85
现金流量套期储备	(1)	(5)	-	1	(2)	(2)	(3)
不能重分类进损益的其他综合收益							
以公允价值计量且其变动计入 其他综合收益的权益工具							
- 公允价值变动	679	(460)	-	115	(345)	-	334
	<u>7,267</u>	<u>(1,648)</u>	<u>(2,741)</u>	<u>1,082</u>	<u>(3,291)</u>	<u>(16)</u>	<u>3,976</u>

本行

	其他综合收益 年初余额	2021年			税后净额	其他综合收益 年末余额
		本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用		
将重分类进损益的其他综合收益						
以公允价值计量且其变动计入其他综合收益 的债务工具						
- 公允价值变动	1,676	1,007	(1,143)	34	(102)	1,574
- 减值准备	1,368	(523)	(64)	148	(439)	929
外币报表折算差额	(31)	7	-	-	7	(24)
现金流量套期储备	2	6	-	(1)	5	7
其他	-	1	-	-	1	1
不能重分类进损益的其他综合收益						
以公允价值计量且其变动计入其他综合收益 的权益工具						
- 公允价值变动	334	38	-	(10)	28	362
	<u>3,349</u>	<u>536</u>	<u>(1,207)</u>	<u>171</u>	<u>(500)</u>	<u>2,849</u>

	2020年					其他综合收益 年末余额
	其他综合收益 年初余额	本年所得税 前发生额	减：其他综合 收益本年转出	减：所得税费用	税后净额	
将重分类进损益的其他综合收益						
以公允价值计量且其变动计入其他综合收益 的债务工具						
- 公允价值变动	5,077	(2,047)	(2,487)	1,133	(3,401)	1,676
- 减值准备	884	645	-	(161)	484	1,368
外币报表折算差额	30	(61)	-	-	(61)	(31)
现金流量套期储备	-	3	-	(1)	2	2
不能重分类进损益的其他综合收益						
以公允价值计量且其变动计入其他综合收益 的权益工具						
- 公允价值变动	679	(460)	-	115	(345)	334
	<u>6,670</u>	<u>(1,920)</u>	<u>(2,487)</u>	<u>1,086</u>	<u>(3,321)</u>	<u>3,349</u>

35 利润分配

(1) 2020 年度利润分配

于 2021 年 6 月 11 日，股东大会批准的本行 2020 年度利润分配方案如下：

- (i) 按当年税后利润 30%的比例提取任意盈余公积，共计人民币 165.53 亿元；
- (ii) 提取一般准备人民币 110 亿元；
- (iii) 以实施利润分配股权登记日普通股总股本为基数，向全体普通股股东每 10 股派发现金股利人民币 4.8 元(含税)。

(2) 2019 年度利润分配

于 2020 年 6 月 19 日，股东大会批准的本行 2019 年度利润分配方案如下：

- (i) 按当年税后利润 30%的比例提取任意盈余公积，共计人民币 169.34 亿元；
- (ii) 提取一般准备人民币 31 亿元；
- (iii) 以实施利润分配股权登记日普通股总股本为基数，向全体普通股股东每 10 股派发现金股利人民币 6 元(含税)。

(3) 优先股股利分配

于 2021 年 11 月 19 日，本行董事会审议通过浦发优 1 股息发放方案。按照浦发优 1 票面股息率 5.58%计算，发放股息共计人民币 8.37 亿元 (含税)，股息发放日为 2021 年 12 月 3 日。

于 2021 年 2 月 24 日，本行董事会审议通过浦发优 2 股息发放方案。按照浦发优 2 票面股息率 4.81%计算，发放股息共计人民币 7.215 亿元 (含税)，股息发放日为 2021 年 3 月 11 日。

于 2020 年 11 月 18 日，本行董事会审议通过浦发优 1 股息发放方案。按照浦发优 1 票面股息率 5.58%计算，发放股息共计人民币 8.37 亿元 (含税)，股息发放日为 2020 年 12 月 3 日。

于 2020 年 2 月 28 日，本行董事会审议通过浦发优 2 股息发放方案。按照浦发优 2 票面股息率 5.5%计算，发放股息共计人民币 8.25 亿元 (含税)，股息发放日为 2020 年 3 月 11 日。

(4) 无固定期限资本债付息

于 2021 年 11 月，本行按照 2020 年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币 23.75 亿元。

于 2021 年 7 月，本行按照 2019 年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币 14.19 亿元。

于 2020 年 7 月，本行按照 2019 年无固定期限资本债券的相关发行条款确认发放无固定期限资本债利息人民币 14.19 亿元。

36 金融资产转移

在日常业务中，本集团进行的某些交易会将已确认的金融资产转让给第三方或特殊目的信托。这些金融资产转移若全部或部分符合终止确认条件，相关金融资产全部或部分终止确认。当本集团保留了已转让资产的绝大部分风险与报酬时，相关金融资产转移不符合终止确认条件，本集团继续在财务状况表上确认上述资产。

资产证券化交易

本集团进行的部分证券化交易会使本集团终止确认全部转移的金融资产。2021年度，本集团通过该类资产证券化交易转移的金融资产账面原值人民币184.64亿元，符合完全终止确认条件（2020年度：人民币239.48亿元）。

除上述证券化交易外，截至2021年12月31日，本集团将账面原值为人民币358.74亿元（2020年12月31日：人民币222.76亿元）的信贷资产转让给证券化实体，本集团在上述交易中既没有转移也没有保留与所转让信贷资产所有权有关的几乎所有风险和报酬，且保留了对该信贷资产的控制。本集团在财务状况表上会按照本集团的继续涉入程度确认该项资产，其余部分终止确认。截至2021年12月31日，本集团继续确认的资产价值为人民币46.50亿元（2020年12月31日：人民币26.39亿元）。

信贷资产转让

2021年度，本集团直接向第三方转让信贷资产人民币85.14亿元，均为向资产管理公司转让不良贷款，且均已终止确认（2020年度，本集团直接向第三方转让信贷资产人民币96.74亿元，均为向资产管理公司转让不良贷款，且均已终止确认）。

证券借出交易

于证券借出交易中，交易对手在本集团无任何违约的情况下，可以将上述证券出售或再次用于担保，但同时需承担在协议规定的到期日将上述证券归还于本集团的义务。对于上述业务，本集团认为本集团保留了相关证券的绝大部分风险和报酬，故未对相关证券进行终止确认。在2021年12月31日，本集团在证券借出交易中转让资产的账面价值为人民币406.39亿元（2020年12月31日：人民币396.80亿元）。

37 在未纳入合并财务报表范围的结构化主体中的权益

(1) 在第三方机构发起设立的结构化主体中享有的权益

本集团通过直接持有投资而在第三方机构发起设立的结构化主体中享有权益。这些结构化主体未纳入本集团的合并财务报表范围，主要包括基金投资、资金信托及资产管理计划、资产支持证券以及其他投资。这些结构化主体的性质和目的主要是管理投资者的资产并赚取管理费，其融资方式是向投资者发行投资产品。

本集团通过直接持有投资而在第三方机构发起设立的结构化主体中享有的权益的账面价值及最大损失敞口列示如下

账面价值	本集团	
	2021年12月31日	2020年12月31日
以公允价值计量且其变动计入当期损益的金融投资		
基金投资	398,560	428,491
资金信托及资产管理计划	14,720	14,739
资产支持证券	6,518	459
他行理财产品	10	-
其他投资	6,467	5,971
以摊余成本计量的金融投资		
资金信托及资产管理计划	433,573	360,756
资产支持证券	127	280
以公允价值计量且其变动计入其他综合收益的		
金融投资		
资产管理计划	9,198	44,424
资产支持证券	5,134	7,818
其他权益投资	828	817

资金信托及资产管理计划和资产支持证券的最大损失敞口按其在财务状况表中确认的分类为其在报告日的公允价值或摊余成本。基金投资和其他投资的最大损失敞口为其在报告日的公允价值。

(2) 在本集团作为发起人但未纳入合并财务报表范围的结构化主体中享有的权益

本集团发起设立的未纳入合并财务报表范围的结构化主体主要为本集团发行的非保本理财产品、信托计划、基金投资及资产支持证券等。这些结构化主体的性质和目的主要是管理投资者的资产并收取管理费，其融资方式是向投资者发行投资产品。本集团在这些未纳入合并财务报表范围的结构化主体中享有的权益主要包括直接持有投资或通过管理这些结构化主体收取管理费收入。于2021年12月31日，本集团因直接持有投资以及应收手续费而在财务状况表中反映的资产项目的账面价值金额不重大。

截至2021年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的非保本理财产品投资的资产规模为人民币11,704.05亿元（2020年12月31日：人民币13,455.00亿元）。

于2021年度，本集团无通过买入返售的方式向自身发起设立的非保本理财产品提供的融资交易（2020年度：人民币0.59亿元）。这些交易是根据正常的商业交易条款和条件进行的。

截至2021年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的信托计划总规模为人民币3,879.01亿元（2020年12月31日：人民币4,708.37亿元）。

截至2021年12月31日，本集团发起设立但未纳入本集团合并财务报表范围的基金投资总规模为人民币2,651.35亿元（2020年12月31日：人民币3,696.33亿元）。

截至 2021 年 12 月 31 日，本集团发起设立但未纳入本集团合并财务报表范围的资产支持证券总规模为人民币 1,971.36 亿元 (2020 年 12 月 31 日：人民币 1,080.34 亿元)。

- (3) 本集团于本年度发起但于 2021 年 12 月 31 日已不再享有权益的未纳入合并财务报表范围的结构化主体

本集团于 2021 年 1 月 1 日之后发行，并于 2021 年 12 月 31 日之前已到期的非保本理财产品发行总量共计人民币 63.69 亿元 (2020 年 1 月 1 日之后发行，并于 2020 年 12 月 31 日之前已到期的非保本理财产品发行量共计人民币 654.45 亿元)。

本集团于 2021 年 1 月 1 日之后发行，并于 2021 年 12 月 31 日之前已到期的资产支持证券发行总量共计人民币 5.93 亿元 (本集团于 2020 年 1 月 1 日之后发行，并于 2020 年 12 月 31 日之前已到期的资产支持证券发行总量共计人民币 6.25 亿元)。

本集团无于 2021 年 1 月 1 日之后发行，并于 2021 年 12 月 31 日之前已到期的信托计划与基金投资。

于 2021 年度，本集团于上述结构化主体中赚取的收入不重大 (2020 年度：不重大)。

38 在其他主体中的权益

(1) 在主要子公司中的权益

(i) 集团内主要子公司

子公司名称	主要经营地	注册地	取得方式	持股比例 (直接)
浦银金融租赁股份有限公司	上海	上海	设立	61.02%
上海信托	上海	上海	收购	97.33%
浦银国际控股有限公司	香港	香港	收购	100.00%
绵竹浦发村镇银行有限责任公司	四川绵竹	四川绵竹	设立	55.00%
溧阳浦发村镇银行股份有限公司	江苏溧阳	江苏溧阳	设立	51.00%
巩义浦发村镇银行股份有限公司	河南巩义	河南巩义	设立	51.00%
上海奉贤浦发村镇银行股份有限公司	上海奉贤	上海奉贤	设立	51.00%
资兴浦发村镇银行股份有限公司	湖南资兴	湖南资兴	设立	51.00%
重庆巴南浦发村镇银行股份有限公司	重庆巴南	重庆巴南	设立	51.00%
邹平浦发村镇银行股份有限公司	山东邹平	山东邹平	设立	51.00%
泽州浦发村镇银行股份有限公司	山西晋城	山西晋城	设立	51.00%
大连甘井子浦发村镇银行股份有限公司	辽宁甘井子	辽宁甘井子	设立	51.00%
韩城浦发村镇银行股份有限公司	陕西韩城	陕西韩城	设立	51.00%
江阴浦发村镇银行股份有限公司	江苏江阴	江苏江阴	设立	51.00%
浙江平阳浦发村镇银行股份有限公司	浙江平阳	浙江平阳	设立	51.00%
浙江新昌浦发村镇银行股份有限公司	浙江新昌	浙江新昌	设立	51.00%
沅江浦发村镇银行股份有限公司	湖南沅江	湖南沅江	设立	51.00%
茶陵浦发村镇银行股份有限公司	湖南株洲	湖南株洲	设立	51.00%
临川浦发村镇银行股份有限公司	江西抚州	江西抚州	设立	51.00%
临武浦发村镇银行股份有限公司	湖南郴州	湖南郴州	设立	51.00%
衡南浦发村镇银行股份有限公司	湖南衡阳	湖南衡阳	设立	51.00%
哈尔滨呼兰浦发村镇银行股份有限公司	黑龙江哈尔滨	黑龙江哈尔滨	设立	51.00%
公主岭浦发村镇银行股份有限公司	吉林四平	吉林四平	设立	51.00%
榆中浦发村镇银行股份有限公司	甘肃兰州	甘肃兰州	设立	51.00%
富民浦发村镇银行股份有限公司	云南富民	云南富民	设立	51.00%
宁波海曙浦发村镇银行股份有限公司	浙江宁波	浙江宁波	设立	51.00%
乌鲁木齐米东浦发村镇银行股份有限公司	新疆乌鲁木齐	新疆乌鲁木齐	设立	51.00%
天津宝坻浦发村镇银行股份有限公司	天津宝坻	天津宝坻	设立	49.00%
重庆铜梁浦发村镇银行股份有限公司	重庆铜梁	重庆铜梁	设立	51.00%
黔西南义龙浦发村镇银行股份有限公司	贵州义龙	贵州义龙	设立	51.00%
扶风浦发村镇银行股份有限公司	陕西宝鸡	陕西宝鸡	设立	51.00%

根据本行与天津宝坻浦发村镇银行股份有限公司其他股东的相关约定，本行在天津宝坻浦发村镇银行股份有限公司股东大会中持有 51%的表决权，故本行认为能够对其实施控制。

上述子公司均为非上市公司，全部纳入本行合并报表的合并范围。

(ii) 重要非全资子公司的相关信息

本行评估了每一家子公司的非控制性权益，认为每一家子公司的非控制性权益对本集团均不重大。

(2) 在合营企业和联营企业中的权益

(i) 主要合营企业和联营企业的基础信息

<u>被投资单位名称</u>	<u>注</u>	<u>主要经营地</u>	<u>注册地</u>	<u>对集团是否 具有战略性</u>	<u>持股比例 (直接)</u>	<u>业务性质</u>
合营企业：						
浦银安盛基金管理 有限公司	(a)	上海	上海	是	51%	金融业
浦发硅谷银行有限公司		上海	上海	是	50%	金融业

本集团对上述股权投资均采用权益法核算。

(a) 根据浦银安盛的章程，涉及决定公司的战略计划和公司自有资金的投资计划、授权董事会批准公司的年度财务预算方案与决算方案、批准公司的利润分配方案与弥补亏损方案、批准公司的任何股权转让和批准修改章程等事项的股东会决议须以特别决议的形式，经持有与会股东代表所持表决权三分之二以上的股东代表同意才能通过，因此虽然本集团持有浦银安盛 51% 的表决权股份，但仍无法单独对其施加控制。

(ii) 主要合营企业和联营企业的主要财务信息

本集团的合营及联营企业均为非上市公司。上述合营企业及联营企业的净利润和净资产对本集团影响均不重大。

四 分部报告

本集团高级管理层按照本行各地分行及子公司所处的不同经济地区审阅本集团的经营情况。本行的各地分行及子公司主要服务于当地客户和极少数其他地区客户，因此经营分部以资产所在地为依据。

本集团各经营分部的主要收入来源于向客户提供各种商业银行服务及投资业务，包括存贷款、票据、贸易融资、货币市场拆借及证券投资等。

本集团的地区经营分部如下：

总行：	总行本部（总行本部及直属机构）
长三角地区：	上海、江苏、浙江、安徽地区分行
珠三角及海西地区：	广东、福建地区分行
环渤海地区：	北京、天津、河北、山东地区分行
中部地区：	山西、河南、湖北、湖南、江西、海南地区分行
西部地区：	重庆、四川、贵州、云南、广西、陕西、甘肃、青海、宁夏、 新疆、内蒙古、西藏地区分行
东北地区：	辽宁、吉林、黑龙江地区分行
境外及附属机构：	境外分行及境内外子公司

2021年										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
利息收入	125,008	86,125	32,841	40,724	29,620	27,998	9,274	9,131	(60,028)	300,693
其中：外部利息收入	112,699	65,294	24,582	26,575	29,458	25,039	8,413	8,633	-	300,693
分部间利息收入	12,309	20,831	8,259	14,149	162	2,959	861	498	(60,028)	-
利息支出	(83,766)	(49,695)	(21,428)	(26,759)	(13,817)	(18,583)	(5,546)	(5,169)	60,028	(164,735)
其中：外部利息支出	(64,225)	(41,349)	(12,327)	(20,525)	(9,736)	(7,358)	(4,500)	(4,715)	-	(164,735)
分部间利息支出	(19,541)	(8,346)	(9,101)	(6,234)	(4,081)	(11,225)	(1,046)	(454)	60,028	-
利息净收入	41,242	36,430	11,413	13,965	15,803	9,415	3,728	3,962	-	135,958
手续费及佣金净收入	19,495	2,297	2,085	823	(424)	(166)	200	4,824	-	29,134
净交易损益	15,392	1,251	363	653	376	419	86	1,575	-	20,115
金融投资净损益	2,332	-	-	-	-	-	-	(56)	-	2,276
其他营业净收入	135	151	25	106	35	84	10	2,871	-	3,417
营业费用	(17,395)	(11,313)	(3,862)	(5,264)	(3,803)	(4,663)	(1,882)	(5,526)	-	(53,708)
资产减值损失	(30,718)	(6,144)	(3,185)	(4,397)	(3,967)	(24,940)	(3,739)	(1,254)	-	(78,344)
联营企业及合营企业投资 净损益	190	-	-	-	-	-	-	33	-	223
分部税前利润/(亏损) 总额	30,673	22,672	6,839	5,886	8,020	(19,851)	(1,597)	6,429	-	59,071

2021年12月31日										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
发放贷款和垫款 分部资产总额	568,205	1,464,815	567,961	608,632	544,401	570,532	194,080	174,862	(2,534)	4,690,954
	3,994,931	2,305,152	698,256	984,964	571,081	602,101	236,826	380,013	(1,636,567)	8,136,757
吸收存款 分部负债总额	142,215	1,882,049	575,921	777,332	447,288	368,530	182,747	88,819	(1,293)	4,463,608
	3,364,271	2,282,428	691,343	978,645	562,974	622,151	238,382	354,912	(1,636,567)	7,458,539
分部资产负债净头寸	630,660	22,724	6,913	6,319	8,107	(20,050)	(1,556)	25,101	-	678,218

2020年										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
利息收入	258,764	147,720	45,593	56,612	44,048	37,794	15,584	10,645	(321,775)	294,985
其中：外部利息收入	115,814	61,512	22,009	25,674	27,827	23,303	9,089	9,757	-	294,985
分部间利息收入	142,950	86,208	23,584	30,938	16,221	14,491	6,495	888	(321,775)	-
利息支出	(213,208)	(111,269)	(35,038)	(42,536)	(28,678)	(28,914)	(11,280)	(7,256)	321,775	(156,404)
其中：外部利息支出	(62,735)	(38,580)	(11,846)	(17,395)	(8,652)	(6,556)	(4,117)	(6,523)	-	(156,404)
分部间利息支出	(150,473)	(72,689)	(23,192)	(25,141)	(20,026)	(22,358)	(7,163)	(733)	321,775	-
利息净收入	45,556	36,451	10,555	14,076	15,370	8,880	4,304	3,389	-	138,581
手续费及佣金净收入	24,608	1,176	1,703	955	(154)	516	529	4,613	-	33,946
净交易损益	12,730	282	417	461	332	240	19	3,139	-	17,620
金融投资净损益	3,208	-	-	-	-	-	-	11	-	3,219
其他营业净收入	235	135	65	97	36	100	14	2,373	-	3,055
营业费用	(16,592)	(10,705)	(3,429)	(4,941)	(3,783)	(4,102)	(1,871)	(5,002)	-	(50,425)
资产减值损失	(33,555)	(4,966)	(711)	(3,859)	(9,200)	(23,270)	(1,480)	(2,512)	-	(79,553)
联营企业及合营企业投资 净损益	130	-	-	-	-	-	-	16	-	146
分部税前利润/(亏损) 总额	36,320	22,373	8,600	6,789	2,601	(17,636)	1,515	6,027	-	66,589

2020年12月31日										
	总行	长三角地区	珠三角及 海西地区	环渤海地区	中部地区	西部地区	东北地区	境外及 附属机构	地区间抵销	合计
发放贷款和垫款	622,092	1,365,333	491,756	562,422	519,030	525,264	179,284	165,749	(702)	4,430,228
分部资产总额	4,104,531	2,193,480	636,595	901,649	567,591	574,494	229,368	373,707	(1,623,258)	7,958,157
吸收存款	121,828	1,739,815	535,105	680,717	423,622	340,547	188,168	94,352	(1,747)	4,122,407
分部负债总额	3,505,983	2,170,863	627,999	894,693	564,949	592,335	227,855	351,522	(1,623,258)	7,312,941
分部资产负债净头寸	598,548	22,617	8,596	6,956	2,642	(17,841)	1,513	22,185	-	645,216

五 或有事项及承诺

1 信用承诺

本集团信用承诺明细如下：

	2021年 12月31日	2020年 12月31日
银行承兑汇票	617,735	553,527
开出信用证	192,522	176,517
开出保函	113,363	112,564
信用卡及贷款承诺	647,121	525,923
合计	<u>1,570,741</u>	<u>1,368,531</u>

2 凭证式国债兑付承诺

本集团受财政部委托作为其代理人发行凭证式国债。凭证式国债持有人可以要求在到期日前的任何时间兑付持有的凭证式国债，而本集团亦有义务履行兑付责任，兑付金额为凭证式国债本金及兑付日的应付利息。

于2021年12月31日，本集团代理发行的尚未到期、尚未兑付的凭证式国债的本金余额为人民币29.21亿元(2020年12月31日：人民币40.25亿元)。

财政部对提前兑付的凭证式国债不会即时兑付，但会在到期时兑付本金及利息。管理层认为在该等凭证式国债到期日前，本集团所需兑付的凭证式国债金额并不重大。

3 资本性承诺

截至2021年12月31日止，本集团已签订合同但尚未支付的资本支出为人民币101.41亿元(2020年12月31日：人民币38.97亿元)。此外，本行子公司已签订合同但尚未支付的融资租赁承诺和经营性固定资产采购计划为人民币53.31亿元(2020年12月31日：人民币62.18亿元)。

截至2021年12月31日止，本集团已批准但未签订合同的资本支出为人民币51.31亿元(2020年12月31日：人民币35.95亿元)。此外，本行子公司已批准但未签订合同的融资租赁承诺和经营性固定资产采购计划为人民币5.06亿元(2020年12月31日：人民币1.77亿元)。

4 诉讼事项

于2021年12月31日，本集团作为被告被起诉尚未判决的诉讼案件有148笔，涉及金额约人民币13.71亿元，本集团作为第三人被起诉尚未判决的诉讼案件有198笔，涉及金额约人民币5.11亿元，预计赔付可能性均不大(于2020年12月31日，本集团作为被告被起诉尚未判决的诉讼案件有148笔，涉及金额约人民币17.46亿元，本集团作为第三人被起诉尚未判决的诉讼案件有126笔，涉及金额约人民币6.77亿元，其中除对个别案件已计提预计损失人民币5.20亿元外，其余案件预计赔付可能性均不大)。

六 委托贷款业务

本集团向第三方提供委托贷款业务。因委托贷款业务而持有的资产未包括在财务报表中。于2021年12月31日，本集团的委托贷款余额为人民币764.27亿元(2020年12月31日：人民币1,071.47亿元)。

七 关联方关系及其交易

1 持有本行5%及以上股份的主要股东

于2021年12月31日和2020年12月31日，持有本行5%及以上普通股份的主要股东包括：

	<u>直接持股比例</u>	<u>主营业务</u>
上海国际集团有限公司	21.57%	投资管理
中国移动通信集团广东有限公司	18.18%	移动通信
富德生命人寿保险股份有限公司—传统	9.47%	保险业务
富德生命人寿保险股份有限公司—资本金	6.01%	保险业务

2 对本行施加重大影响的其他股东

于2021年12月31日及2020年12月31日，对本行施加重大影响的其他主要股东包括：

	<u>主营业务</u>
中国烟草总公司江苏省公司	烟草制品

3 子公司

子公司的基本情况及相关信息详见附注三、38.(1)在其他主体中的权益。

4 合营企业和联营企业

合营企业和联营企业的基本情况及相关信息详见附注三、38.(2)在其他主体中的权益。

5 其他主要关联方

其他关联方主要包括持有本行5%及以上普通股股份主要股东所属集团，其他对本集团施加重大影响的主要股东及其所属集团，本行关键管理人员(包括董事、监事和高级管理层)及与其关系密切的家庭成员以及该等关键管理人员或与其关系密切的家庭成员能控制、共同控制的公司以及担任董事、高级管理人员的公司。

此外，本行依据相关规定，已向上海证券交易所就豁免披露本行与本行独立董事及外部监事兼职企业的交易进行了报备。

6 关联方交易及余额

本集团与关联方进行的主要交易的金额及于报告期末的主要往来款项余额如下：

	<u>主要股东</u>	<u>合营企业 及联营企业</u>	<u>其他主要关联方- 主要股东 所属集团 (不含股东)</u>	<u>其他主要关联方- 关键管理人员及 其近亲属有重大 影响的企业 (不含股东)</u>	<u>其他主要关联方- 关联自然人</u>	<u>合计</u>	<u>占有关同类 交易金额 / 余额的比例</u>
2021年进行的主要交易金额如下：							
利息收入	-	3	79	66	1	149	0.05%
利息支出	(527)	(27)	(1,194)	(505)	(1)	(2,254)	1.37%
手续费及佣金收入	1	124	4	5	-	134	0.34%
净交易损益	-	(14)	-	103	-	89	0.44%
联营企业及合营企业投资净损益	-	223	-	-	-	223	100.00%
营业费用	(7)	-	(109)	-	-	(116)	0.22%
其他综合收益	-	-	-	(17)	-	(17)	1.47%

	主要股东	合营企业 及联营企业	其他主要关联方- 主要股东所属集团 (不含股东)	其他主要关联方- 关键管理人员及其近亲属 有重大影响的企业(不含股东)	其他主要关联方- 关联自然人	合计	占有关同类 交易金额 / 余额的比例
于2021年12月31日							
主要往来款项的余额如下:							
存放和拆放同业及其他金融 机构款项	-	-	426	1,559	-	1,985	0.46%
发放贷款和垫款	-	-	1,191	1,843	19	3,053	0.07%
衍生金融资产	-	1	-	607	-	608	1.80%
金融投资:							
-以公允价值计量且其变动计入 当期损益的金融投资	-	-	1	1,587	-	1,588	0.30%
-以摊余成本计量的金融投资	-	-	-	449	-	449	0.03%
-以公允价值计量且其变动计入 其他综合收益的金融投资	-	-	-	1,572	-	1,572	0.32%
投资联营企业及合营企业	-	2,819	-	-	-	2,819	100.00%
同业及其他金融机构存入和 拆入款项	-	(1,563)	(28,154)	(8,435)	-	(38,152)	3.45%
衍生金融负债	-	(13)	-	(391)	-	(404)	1.37%
吸收存款	(3,614)	(3,882)	(71,961)	(21,639)	(24)	(101,120)	2.27%

于2021年12月31日

重大表外项目如下:

开出保函	-	-	51	-	-	51	0.04%
信用卡承诺	-	-	-	-	12	12	0.01%
委托贷款	-	-	82	-	-	82	0.11%
提供信贷业务担保	-	-	2,224	2,749	-	4,973	0.18%
银行承兑汇票	-	-	19	-	-	19	0.00%
发行理财产品资金投向	-	-	-	2,006	-	2,006	0.17%

注 (1): 于2021年12月31日, 本行关键管理人员持有本行所发行的普通股共计 1,290,600 股, 并定期获取相应的现金股利分红。

注 (2): 于2021年12月31日, 上海国际集团有限公司及其子公司合计持有本行发行的可转换公司债券中 8.67% 的份额, 中国移动通信集团广东有限公司直接持有本行发行的可转换公司债券中 18.17% 的份额。

	<u>主要股东</u>	<u>合营企业 及联营企业</u>	<u>其他主要关联方- 主要股东 所属集团 (不含股东)</u>	<u>其他主要关联方- 关键管理人员及 其近亲属有重大 影响的企业 (不含股东)</u>	<u>其他主要关联方- 关联自然人</u>	<u>合计</u>	<u>占有关同类 交易金额 / 余额的比例</u>
2020 年进行的主要交易金额如下:							
利息收入	-	-	66	53	1	120	0.04%
利息支出	(643)	(61)	(1,038)	(336)	(1)	(2,079)	1.33%
手续费及佣金收入	-	359	20	22	-	401	0.91%
净交易损益	-	-	-	24	-	24	0.14%
联营企业及合营企业投资净损益	-	146	-	-	-	146	100.00%
营业费用	(7)	-	(218)	-	-	(225)	0.45%
其他综合收益	-	-	-	1	-	1	-0.03%

	主要股东	合营企业 及联营企业	其他主要关联方- 主要股东 所属集团 (不含股东)	其他主要关联方- 关键管理人员及 其近亲属有重大 影响的企业 (不含股东)	其他主要关联方- 关联自然人	合计	占有关同类 交易金额 / 余额的比例
于2020年12月31日							
主要往来款项的余额如下：							
存放和拆放同业及其他金融							
机构款项	-	-	2,356	1,618	-	3,974	1.03%
发放贷款和垫款	-	-	848	1,099	19	1,966	0.04%
衍生金融资产	-	1	-	471	-	472	0.74%
金融投资：							
-以公允价值计量且其变动计入							
其他综合收益的金融投资	-	-	-	446	-	446	0.08%
投资联营企业及合营企业	-	2,401	-	-	-	2,401	100.00%
同业及其他金融机构存入和 拆入款项	-	(1,353)	(43,134)	(6,016)	-	(50,503)	3.70%
衍生金融负债	-	-	-	(357)	-	(357)	0.58%
吸收存款	(6,533)	(551)	(45,166)	(8,924)	(33)	(61,207)	1.48%

于2020年12月31日

重大表外项目如下：

开出保函	-	-	15	-	-	15	0.01%
信用卡承诺	-	-	-	-	15	15	0.01%
委托贷款	-	-	97	1,600	-	1,697	1.58%
提供信贷业务担保	-	2	2,371	963	-	3,336	0.12%
发行理财产品资金投向	-	-	960	2,700	-	3,660	0.25%

注 (1)：于2020年12月31日，本行关键管理人员持有本行所发行的普通股共计 885,100 股，并定期获取相应的现金股利分红。

注 (2)：于2020年12月31日，上海国际集团有限公司及其子公司合计持有本行发行的可转换公司债券中 8.69% 的份额，中国移动通信集团广东有限公司直接持有本行发行的可转换公司债券中 18.17% 的份额。

7 存在控制关系的关联方

与本行存在控制关系的关联方为本行的控股子公司。与控股子公司之间的重大往来余额及交易均已在合并财务报表中抵销，主要交易的详细情况如下：

年末余额：	<u>2021年</u> <u>12月31日</u>	<u>2020年</u> <u>12月31日</u>
存放和拆放同业及其他金融机构款项	2,559	5,123
发放贷款和垫款	1,388	702
同业及其他金融机构存放款项	8,473	10,155
吸收存款	1,293	1,747
其他往来款	32	23
报告期间交易：	<u>2021年</u>	<u>2020年</u>
存放和拆放同业及其他金融机构款项利息收入	49	166
发放贷款和垫款利息收入	60	31
同业及其他金融机构存放款项利息支出	265	250
吸收存款利息支出	12	68
手续费及佣金收入	54	66
手续费及佣金支出	111	126
其他业务收入	-	2

8 关键管理人员薪酬

关键管理人员是指有权利及责任直接或间接地计划、指令和控制本集团活动的人员，包括董事、监事和高级管理人员。

关键管理人员各期薪酬（不包括由本行承担的社会保险费）如下：

	<u>2021年</u>	<u>2020年</u>
支付关键管理人员薪酬	<u>22</u>	<u>39</u>

2021年度关键管理人员薪酬为在过去12个月或者根据相关协议安排在未来12个月内在本行任职的董事、监事及高级管理人员于本年度获得由本行发放的除本行承担的社会保险费外的全部薪酬。

9 与年金计划的交易

本集团设立的企业年金基金除正常的供款外，于报告期内均未发生其他关联交易。

10 重大关联授信

重大关联交易是指本行与一个关联方之间单笔交易金额占本行最近一期净资产值 1%以上，或本行与一个关联方发生交易后本行与该关联方的交易余额占本行最近一期净资产值 5%以上的交易。

于 2021 年，本行与集团外关联方开展的重大关联交易中新增重大关联授信情况如下（不含已向上海证券交易所申请豁免披露的交易对手）：

<u>关联公司名称</u>	<u>对关联公司及其集团内其他公司的授信总额度</u>
国泰君安证券股份有限公司	24,600
上海久事（集团）有限公司	24,500
申能（集团）有限公司	20,000
东方证券股份有限公司	19,500
上海国际集团有限公司	15,500
百联集团有限公司	13,000

与本行授信相关的重大关联交易具体情况请参见本行公开披露的相关董事会决议。

八 金融风险管理

本集团的经营活动面临多种金融风险，本集团分析、评估、接受和管理某种程度的风险或风险组合。管理金融风险对于金融行业至关重要，同时商业运营也必然会带来金融风险。本集团的目标是达到风险与收益之间恰当的平衡，同时尽量减少对本集团财务报表的不利影响。

本集团制定金融风险管理政策的目的是为了识别并分析相关风险，以制定适当的风险限额和控制程序，并通过可靠的信息系统对风险及其限额进行监控。

本集团面临的主要金融风险为信用风险、市场风险和流动性风险。其中市场风险包括汇率风险、利率风险和商品价格风险。

本行董事会确定本集团的风险偏好。本行高级管理层根据董事会确定的风险偏好，在信用风险、市场风险和流动性风险等领域制定相应的风险管理政策及程序，经董事会批准后由总行各部门负责执行。

1 信用风险

信用风险是债务人或交易对手未能或不愿履行其义务或承诺而造成损失的风险。当所有交易对手集中在单一行业或地区中，信用风险则较高。这是由于原本不同的交易对手会因处于同一行业或地区而受到同样的经济发展影响，最终影响其还款能力。

(1)信用风险管理

(i) 贷款

本集团管理、限制以及控制所发现的信用风险集中度，特别是集中于单一借款人、集团、行业和区域。

本集团对同一借款人、集团、区域和行业设定限额，以优化信用风险结构。本集团适时监控上述风险，必要之时增加审阅的频率。

本集团通过定期分析借款人偿还本金和利息的能力管理信贷风险暴露，并据此适时地更新借款额度。

本集团制定了一系列政策，采取各种措施缓释信用风险。其中获取抵质押物、保证金以及取得公司或个人的担保是本集团控制信用风险的重要手段之一。本集团规定了可接受的特定抵质押物的种类，主要包括以下几个类型：

- 住宅，土地使用权
- 商业资产，如商业房产、存货和应收款项
- 金融工具，如债券和股票

抵质押物公允价值一般需经过本集团指定的专业评估机构的评估。当有迹象表明抵质押物发生减值时，本集团会重新审阅该等抵质押物是否能够充分覆盖相应贷款的信用风险。为降低信用风险，本集团规定了不同抵质押物的最高抵押率（贷款额与抵质押物公允价值的比例），企业贷款和零售贷款的主要抵质押物种类及其对应的最高抵押率如下：

<u>抵质押物</u>	<u>最高抵押率</u>
定期存单	90% - 100%
国债	90% - 100%
金融债	95%
公司类债券 (含金融机构)	80%
收费权	60% - 70%
特许经营权	50%
商业用房、标准厂房	60%
商品住宅	70%
土地使用权	50% - 60%

管理层基于最新的外部估价评估抵质押物的公允价值，同时根据经验、当前的市场情况和处置费用对公允价值进行调整。

对于由第三方担保的贷款，本集团会评估担保人的财务状况，历史信用及其代偿能力。

(ii) 债券及其他票据

本集团通过控制投资规模、设定发行主体准入名单、评级准入、投后管理等机制管理债券及其他票据的信用风险敞口。一般情况下，外币债券要求购买时的发行主体外部信用评级（以标准普尔或同等评级机构为标准）在BBB-或以上。境外人民币债券要求购买时发行主体的外部信用评级（中央银行认定的信用评级机构）在BBB+或以上。境内中长期人民币债券评级（中央银行认定的信用评级机构）为AA或以上，短期债券评级（中央银行认定的信用评级机构）为A-1。

(iii) 以摊余成本计量的其他金融资产

以摊余成本计量的其他金融资产主要包括资金信托及资产管理计划。本集团对合作的信托公司、证券公司和基金公司实行评级准入制度，对信托计划及资产管理计划最终融资方设定授信额度，并定期进行后续风险管理。

(iv) 同业往来

本集团对单个金融机构的信用风险进行定期的审阅和管理。对于与本集团有资金往来的单个银行或非银行金融机构均设定有信用额度。

(v) 衍生金融工具

本集团对衍生金融工具的交易进行额度限制。对于企业客户，本集团还通过收取保证金来缓释衍生金融工具相关的信用风险。

(vi) 信用承诺

信用承诺的主要目的是确保客户能够获得所需的资金。承兑汇票、信用证和开出保函等信用承诺为本集团作出的不可撤销的承诺，即本集团承诺代客户向第三方付款或在客户无法履行其对第三方的付款义务时将代其履行支付义务，本集团承担与贷款相同的信用风险。在客户申请的信用承诺金额超过其原有授信额度的情况下，本集团将收取保证金以降低提供该项服务所承担的信用风险。本集团面临的潜在信用风险的金额等同于信用承诺的总金额。此外，本集团授予客户信用卡额度和贷款承诺，客户在未来支用信用卡额度和贷款承诺时会产生现金流出。

(vii) 受托管理信托计划

受托管理信托计划的信用风险主要表现为，在交易过程中交易对手不履行承诺，不能或不愿履行合约承诺而使信托财产或固有财产遭受潜在损失的可能性。本集团对受托管理信托计划严格实行“贷前调查、贷中审查、贷后检查”。在产品交易结构设计上，通过引入金融机构信用、财产抵押、权利质押等担保方式，综合运用规避、预防、分散、转移、补偿等手段管理风险，分散、转移融资主体的信用风险，尽力降低信用风险敞口。

(2) 信用风险衡量

本集团根据《贷款风险分类指引》(银监发[2007] 54号)制定了信贷资产五级分类系统,用以衡量及管理本集团信贷资产的质量。本集团的信贷资产五级分类系统和《贷款风险分类指引》要求将表内信贷资产分为正常、关注、次级、可疑、损失五类,其中后三类贷款被视为不良信贷资产。

《贷款风险分类指引》对信贷资产分类的核心定义为:

- 正常类: 借款人能够履行合同,没有足够理由怀疑贷款本息不能按时足额偿还。
- 关注类: 尽管借款人目前有能力偿还贷款本息,但存在一些可能对偿还产生不利影响的因素。
- 次级类: 借款人还款能力出现明显问题,完全依靠其正常收入无法足额偿还贷款本息,即使执行担保,也可能会造成一定损失。
- 可疑类: 借款人无法足额偿还贷款本息,即使执行担保,也肯定要造成较大损失。
- 损失类: 在采取所有可能措施或一切必要的法律程序之后,本息仍然无法收回,或只能收回极少部分。

(3) 预期信用损失计量方法

本集团根据新准则要求将需要确认预期信用损失准备的金融工具划分为三个阶段,第一阶段是“信用质量正常”阶段,仅需计算未来一年预期信用损失,第二阶段是“信用风险显著增加”阶段,以及第三阶段是“已发生信用减值”阶段,需计算整个生命周期的预期信用损失。本集团按新准则要求开发了减值模型来计算预期信用损失,采用自上而下的开发方法,建立了国内生产总值、居民消费价格指数等宏观指标与风险参数回归模型,并定期预测乐观、基准和悲观共三种宏观情景,应用减值模型计算多情景下的预期信用损失。

信用风险评级

本集团采用内部信用风险评级反映单个交易对手的违约概率评估结果,且对不同类别的交易对手采用不同的内部评级模型。在贷款申请时收集的借款人及特定贷款信息(例如:可支配收入、零售敞口的担保率、公司借款人的销售收入和行业分类)都被纳入评级模型。同时,本集团还将征信机构借款人评分等外部数据作为补充信息。此外,本模型还将信用风险管理人员的专家判断纳入到逐笔信用敞口的最终内部信用评级中,从而将可能未被其他来源考虑的因素纳入评级模型。

本集团无按照企业会计准则相关要求认定为“低风险”并进行信用风险管理的金融资产。

阶段划分

信用风险显著增加

本集团在每个财务状况表日评估相关金融资产的信用风险自初始确认后是否已显著增加。本集团进行金融资产的预期信用损失阶段划分时充分考虑反映其信用风险是否出现显著变化的各种合理且有依据的信息,包括前瞻性信息。主要考虑因素有监管及经营环境、内外部信用评级、偿债能力、经营能力、贷款合同条款、还款行为等。

当触发以下一个或多个定量、定性或上限标准时，本集团认为金融工具的信用风险已发生显著增加：

定量标准：

本集团通过信用风险评级是否下跌到一定等级如企业贷款和金融投资交易对手在报告日的信用风险评级较初始确认时的信用风险评级下降达到 **B** 级及以下或违约概率较初始确认的违约概率是否大幅上升如个人贷款交易对手在报告日违约概率达到初始违约概率的 **8-10** 倍等表明信用风险显著增加的情况，判断金融资产的信用风险自初始确认后是否发生显著增加。

定性标准：

对于企业贷款和金融投资，如果借款人在风险监控清单上和 / 或该工具满足以下一个或多个标准：

- 信用利差显著上升
- 借款人出现业务、财务和/或经济状况的重大不利变化
- 实际或预期的宽限期或重组
- 借款人经营情况的实际或预期的重大不利变化
- 出现现金流/流动性问题的早期迹象，例如应付账款/贷款还款的延期

上限标准：

交易对手在合同付款日后逾期超过 **30** 天仍未付款。

根据监管机构相关通知政策，本集团审慎评估受新型冠状病毒肺炎疫情影响的借款人的贷款延期延付申请，为满足政策条件的借款人提供临时性延期还款便利，并依据延期还款的具体条款和借款人的还款能力等分析判断相关金融资产的信用风险是否自初始确认后显著增加。

违约和已发生信用减值

当金融资产发生减值时，本集团将该金融资产界定为已发生违约。当金融资产符合以下一项或多项条件时，本集团将该金融资产界定为已发生信用减值：

定性标准：

交易对手满足“难以还款”的标准，表明交易对手发生重大财务困难，示例包括：

- 发行方或债务人发生重大财务困难
- 债务人违反合同，如偿付利息或本金违约或逾期等
- 债权人出于债务人财务困难有关的经济或合同考虑，给予债务人在任何其他情况下都不会做出让步
- 债务人很可能破产或进行其他债务重组
- 发行方或债务人财务困难导致该金融资产的活跃市场消失
- 以大幅折扣购买或源生一项金融资产，该折扣反映了发生信用损失的事实

上限标准：

交易对手在合同付款日后逾期超过 90 天仍未付款。

上述标准适用于本集团所有的金融资产，且与内部信用风险管理目标保持一致。违约定义已被一致地应用于本集团的预期信用损失计算过程中对违约概率、违约损失率及违约风险敞口的模型建立。

对预期信用损失计量所使用的参数、假设及估计技术的说明

根据信用风险是否显著增加或已发生信用减值，本集团对不同的资产分别以 12 个月或整个存续期的预期信用损失计量准备损失。预期信用损失是违约概率、违约风险敞口及违约损失率三者的乘积。相关定义如下：

- 违约概率是指债务人在未来 12 个月或在整个剩余存续期发生违约的可能性。
- 违约风险敞口是指发生违约时某一债项应被偿付的金额。
- 违约损失率是指某一债项违约导致的损失金额占该违约债项风险暴露的比例。

本集团通过预计未来各单个敞口的违约概率、违约损失率和违约风险敞口，来确定预期信用损失。这种做法可以有效地计算未来各月的预期信用损失。

整个存续期违约概率是基于到期信息由 12 个月违约概率推演而成。到期分析覆盖了贷款从初始确认到整个存续期结束的违约变化情况。到期组合的基础是可观察的历史数据，并假定同一组合和信用等级的资产的情况相同。上述分析以历史数据作为支持。

本集团根据对影响违约后回收的因素来确定违约损失率。不同产品类型的违约损失率有所不同。

在确定 12 个月及整个存续期预期信用损失时应考虑前瞻性经济信息。

本报告期内，估计技术或关键假设未发生重大变化。

预期信用损失模型中包括的前瞻性信息

信用风险显著增加的评估及预期信用损失的计算均涉及前瞻性信息。本集团通过进行历史数据分析，识别出影响各资产组合的信用风险及预期信用损失的关键经济指标。

本集团依据行业最佳实践结合集团内部专家判断，选择了一系列宏观经济指标（包含生产价格指数同比变动率、固定资产投资完成额同比变动率和居民消费价格指数同比变动率等），进而对各模型敞口建立实际违约概率与宏观因子间的统计学关系，并通过对宏观因子预测值计算得到实际违约概率的前瞻性结果。

除了提供基本经济情景外，本集团根据对每一个主要产品类型的分析，设定情景的数量。本集团在每一个报告日重新评估情景的数量及其特征。于2021年12月31日及2020年12月31日，本集团结合统计分析及专家判断来确定情景权重，并同时考虑了各情景所代表的可能结果的范围。本集团在判断信用风险是否发生显著增加时，使用了基准及其他情景下的整个存续期违约概率乘以情景权重，并考虑了定性和上限标准。在确定金融工具处于第一阶段、第二阶段或第三阶段时，也相应确定了应当按照12个月或整个存续期的预期信用损失计量损失准备。本集团以加权的12个月预期信用损失（第一阶段）或加权的整个存续期预期信用损失（第二阶段及第三阶段）计量相关的损失准备。

于2021年12月31日，本集团在预测前瞻性宏观经济指标和经济情景权重时，充分考虑了新型冠状病毒肺炎疫情影响下的宏观经济情况。

本集团认为这些预测体现了集团对可能结果的最佳估计，并分析了本集团不同组合的非线性及不对称特征，以确定所选择的情景能够适当地代表可能发生的情景。与其他经济预测类似，对预计值和发生可能性的估计具有的高度的固有不确定性，因此实际结果可能同预测存在重大差异。

评价预期信用风险的组合方法

在统计预期信用损失准备和宏观经济指标关联性时，本集团将具有类似信用风险特征的资产划入同一组合，在进行分组时，本集团获取了充分的信息，确保其统计上的可靠性。当无法从内部获取足够信息时，本集团参照内部/外部的补充数据用于建立模型。用于确定分组特征的信息以及补充数据列示如下：

企业贷款和金融投资

- 行业
- 担保类型

个人贷款

- 产品类型 (例如，住房贷款、消费贷款、信用卡)
- 还款方式
- 额度使用率区间
- 按照抵押率 (贷款余额 / 押品价值) 的区间

(4) 风险敞口

纳入减值评估范围的金融资产和担保承诺

下表对纳入预期信用损失评估范围的金融工具的信用风险敞口进行了分析。下列金融资产的账面价值即本集团就这些资产的最大信用风险敞口。

	2021年12月31日			合计
	第一阶段	第二阶段	第三阶段	
存放中央银行款项	415,526	-	-	415,526
存放和拆放同业及其他金融 机构款项	433,781	-	-	433,781
买入返售金融资产	117	-	-	117
发放贷款和垫款				
- 以摊余成本计量	4,034,450	99,520	26,643	4,160,613
- 以公允价值计量且其变动计入 其他综合收益	480,663	3,258	271	484,192
金融投资				
- 以摊余成本计量	1,226,771	27,295	52,122	1,306,188
- 以公允价值计量且其变动计入 其他综合收益	476,860	2,077	682	479,619
其他金融资产	88,197	109	3,311	91,617
合计	<u>7,156,365</u>	<u>132,259</u>	<u>83,029</u>	<u>7,371,653</u>

	2020年12月31日			合计
	第一阶段	第二阶段	第三阶段	
存放中央银行款项	483,732	-	-	483,732
存放和拆放同业及其他金融 机构款项	385,927	-	-	385,927
买入返售金融资产	36,526	-	-	36,526
发放贷款和垫款				
- 以摊余成本计量	3,863,316	101,305	24,819	3,989,440
- 以公允价值计量且其变动计入 其他综合收益	421,642	429	437	422,508
金融投资				
- 以摊余成本计量	1,135,691	4,372	29,714	1,169,777
- 以公允价值计量且其变动计入 其他综合收益	576,039	745	1,002	577,786
其他金融资产	79,696	357	1,043	81,096
合计	<u>6,982,569</u>	<u>107,208</u>	<u>57,015</u>	<u>7,146,792</u>

	2021年 <u>12月31日</u>	2020年 <u>12月31日</u>
	最大信用风险敞口	最大信用风险敞口
担保及承诺：		
银行承兑汇票	615,478	551,226
开出信用证	192,254	176,235
开出保函	113,132	112,372
信用卡及贷款承诺	<u>643,603</u>	<u>523,418</u>
合计	<u><u>1,564,467</u></u>	<u><u>1,363,251</u></u>

(5) 已发生信用减值的发放贷款和垫款

本集团密切监控已发生信用减值的金融资产对应的担保品，因为相较于其他担保品，本集团为降低潜在信用损失而没收这些担保品的可能性更大。于 2021 年 12 月 31 日，本集团已发生信用减值的发放贷款和垫款账面余额为人民币 886.71 亿元 (2020 年 12 月 31 日：人民币 904.97 亿元)，其中，有担保物覆盖的部分为人民币 399.22 亿元 (2020 年 12 月 31 日：人民币 405.98 亿元)。

(6) 债券及其他投资

下表列示了标准普尔或债券发行机构所在国家主要评级机构的评级对本集团持有债券及其他债项投资的评级情况。

	2021年12月31日			合计
	以公允价值计量 且其变动计入 当期损益的 金融投资	以摊余成本计 量的金融投资	以公允价值计量 且其变动计入 其他综合收益 的金融投资	
人民币				
中长期债券:				
AAA	20,194	512,174	145,954	678,322
AA+到 AA-	3,237	3,667	7,431	14,335
A+到 A-	279	11,248	4,147	15,674
A-以下	-	155	1,450	1,605
短期债券:				
AAA	18,084	16,775	-	34,859
AA+到 AA-	2,143	254	212	2,609
A及 A 以下	-	3,080	-	3,080
未评级	64,058	749,941	243,392	1,057,391
	<u>107,995</u>	<u>1,297,294</u>	<u>402,586</u>	<u>1,807,875</u>

	2021年12月31日			合计
	以公允价值变动 且其变动计入 当期损益的 金融投资	以摊余成本计 量的金融投资	以公允价值计量 且其变动计入 其他综合收益 的金融投资	
外币				
AAA	191	-	4,119	4,310
AA+到 AA-	40	-	2,673	2,713
A及 A 以下	3,061	7,038	39,312	49,411
未评级	1,026	1,856	30,929	33,811
	<u>4,318</u>	<u>8,894</u>	<u>77,033</u>	<u>90,245</u>

2020年12月31日				
人民币	以公允价值计量 且其变动计入 当期损益的 <u>金融投资</u>	以摊余成本计 量的 <u>金融投资</u>	以公允价值计量 且其变动计入 其他综合收益 的 <u>金融投资</u>	<u>合计</u>
	中长期债券:			
AAA	11,203	210,615	140,739	362,557
AA+到 AA-	255	297	5,426	5,978
A+到 A-	-	-	56	56
C	-	211	-	211
短期债券:				
A-1	-	-	103	103
未评级	95,524	952,295	356,528	1,404,347
	106,982	1,163,418	502,852	1,773,252

2020年12月31日				
外币	以公允价值变动 且其变动计入 当期损益的 <u>金融投资</u>	以摊余成本计 量的 <u>金融投资</u>	以公允价值计量 且其变动计入 其他综合收益 的 <u>金融投资</u>	<u>合计</u>
	AAA	74	-	2,942
AA	59	-	738	797
A及A以下	582	1,588	42,723	44,893
未评级	1,825	4,771	28,531	35,127
	2,540	6,359	74,934	83,833

2 市场风险

市场风险是指因市场价格(利率、汇率、股票价格和商品价格)的不利变动而使银行表内和表外业务发生损失的风险。本集团面临的市场风险存在于本集团的交易账户与银行账户中,主要包括利率风险和汇率风险,以及商品价格风险。本集团认为本集团面临的商品价格风险并不重大。

董事会承担对市场风险管理实施监控的最终责任,确保集团有效地识别、计量、监测和控制各项业务所承担的各类市场风险。在董事会的授权下,高级管理层负责集团市场风险管理体的建设,建立分工明确的市场风险管理组织结构、权限结构和责任机制。执行层各部门负责从政策流程、计量方法、计量模型、分析报告、限额管控等方面落实集团市场风险管理的执行工作,及时准确地识别、计量、监测与控制所辖领域内的市场风险,并向董事会和高级管理层进行汇报。同时,集团市场风险管理遵照内部控制与外部督查相结合的原则,各业务经营部门承担有关市场风险管理的日常内控职责,并与市场风险管理部门和合规部门,以及审阅部门构成市场风险管理的三道防线。

本集团按照既定标准和当前管理能力测度市场风险,其主要的测度方法包括压力测试、风险价值分析、返回检验、缺口分析、敏感性分析等。在新产品或新业务上线前,该产品和业务中的市场风险将按照规定流程予以辨识。

(1) 汇率风险

本集团主要在中华人民共和国境内经营，主要经营人民币业务，外币业务以美元为主。下表汇总了本集团于财务状况表日的外币汇率风险敞口分布，各原币金融资产和金融负债的账面价值已折合为人民币金额：

	2021年12月31日				
	人民币	美元 折合人民币	港币 折合人民币	其他币种 折合人民币	本外币 折合人民币 合计
现金及存放中央银行 款项	372,580	44,434	3,735	247	420,996
存放和拆放同业及其他 金融机构款项	247,212	155,336	10,098	21,135	433,781
衍生金融资产	32,764	852	2	155	33,773
买入返售金融资产	16	101	-	-	117
发放贷款和垫款	4,504,671	141,074	26,517	18,692	4,690,954
金融投资：					
以公允价值计量且其 变动计入当期损益 的金融投资	515,612	10,415	-	7	526,034
以摊余成本计量的 金融投资	1,297,294	8,685	-	209	1,306,188
以公允价值计量且其 变动计入其他综合 收益的金融投资	409,668	69,629	4,102	3,302	486,701
其他金融资产	37,637	44,025	5,954	4,001	91,617
金融资产总额	7,417,454	474,551	50,408	47,748	7,990,161
向中央银行借款	236,317	-	-	-	236,317
同业及其他金融机构存 入和拆入款项	990,256	85,435	15,460	15,624	1,106,775
以公允价值计量且其变 动计入当期损益的 金融负债	31,089	191	-	-	31,280
衍生金融负债	28,428	1,072	3	25	29,528
卖出回购金融资产款	162,260	11,959	-	-	174,219
吸收存款	4,193,282	242,273	17,889	10,164	4,463,608
已发行债务证券	1,271,348	42,187	3,585	1	1,317,121
租赁负债	7,488	-	900	63	8,451
其他金融负债	30,421	1,097	364	462	32,344
金融负债总额	6,950,889	384,214	38,201	26,339	7,399,643
金融工具净头寸	466,565	90,337	12,207	21,409	590,518
货币衍生合约	103,683	(86,027)	(5,285)	(10,221)	2,150
信用承诺	1,510,578	44,642	697	8,550	1,564,467

	2020年12月31日				
	人民币	美元 折合人民币	港币 折合人民币	其他币种 折合人民币	本外币 折合人民币 合计
现金及存放中央银行 款项	447,135	38,896	2,759	298	489,088
存放和拆放同业及其他 金融机构款项	223,478	129,504	16,696	16,249	385,927
衍生金融资产	63,271	277	4	37	63,589
买入返售金融资产	36,502	24	-	-	36,526
发放贷款和垫款	4,261,041	129,477	25,326	14,384	4,430,228
金融投资：					
以公允价值计量且其 变动计入当期损益 的金融投资	539,618	9,531	-	-	549,149
以摊余成本计量的 金融投资	1,163,418	6,224	-	135	1,169,777
以公允价值计量且其 变动计入其他综合 收益的金融投资	508,687	66,770	4,666	3,498	583,621
其他金融资产	33,962	40,692	3,466	2,976	81,096
金融资产总额	7,277,112	421,395	52,917	37,577	7,789,001
向中央银行借款	274,346	-	-	-	274,346
同业及其他金融机构存 入和拆入款项	1,239,336	91,774	21,028	13,434	1,365,572
以公允价值计量且其变 动计入当期损益的 金融负债	15,226	831	-	-	16,057
衍生金融负债	59,832	1,196	61	57	61,146
卖出回购金融资产款	221,122	11,224	-	-	232,346
吸收存款	3,868,117	227,133	19,312	7,845	4,122,407
已发行债务证券	1,102,174	34,464	3,774	241	1,140,653
其他金融负债	40,805	5,208	1,143	277	47,433
金融负债总额	6,820,958	371,830	45,318	21,854	7,259,960
金融工具净头寸	456,154	49,565	7,599	15,723	529,041
货币衍生合约	40,562	(39,727)	6,546	(4,052)	3,329
信用承诺	1,300,317	51,547	5,097	6,290	1,363,251

本集团采用敏感性分析衡量汇率变化对本集团净利润的可能影响。下表列出了于财务状况表日按当日金融资产和金融负债进行汇率敏感性分析结果。

净利润	2021年12月31日		2020年12月31日	
	汇率变动		汇率变动	
(减少)/ 增加	-1%	1%	-1%	1%
美元对人民币	(32)	32	(74)	74
其他外币对人民币	(136)	136	(202)	202

以上敏感性分析基于资产和负债具有静态的汇率风险结构，其计算了当其他因素不变时，外币对人民币汇率的合理可能变动对净利润的影响。有关的分析基于以下假设：(1) 各种汇率敏感度是指各币种对人民币于报告日当天收盘（中间价）汇率绝对值波动 1%造成的汇兑损益；(2) 其他外币汇率变动是指其他外币对人民币汇率同时同向波动；(3) 计算外汇敞口时，包含了即期外汇敞口和远期外汇敞口。由于基于上述假设，汇率变化导致本集团净利润出现的实际变化可能与此敏感性分析的结果不同。

(2) 利率风险

利率风险是指由于利率水平、期限结构等要素发生不利变动导致整体收益和经济价值遭受损失的风险，包括银行账簿的利率风险和交易账簿的利率风险。

银行账簿利率风险，是指利率水平、期限结构等不利变动导致银行账簿经济价值和整体收益遭受损失的风险。本集团已建立完善的银行账簿利率风险治理体系，本行董事会负责批准银行账簿利率风险偏好及重要的政策与程序，承担银行账簿利率风险管理的最终责任；本行高级管理层负责根据董事会批准的银行账簿利率风险偏好，制定适当的银行账簿利率风险管理机制、组织架构、制度与流程等，以保障管理目标的实现；本行总行资产负债管理部负责牵头组织实施日常风险识别、计量、监测、控制与缓释管理，本行总行审计部负责对银行账簿利率风险管理独立开展内部审计。

本集团主要采用重定价缺口分析、久期分析、敏感性分析、情景模拟等适当的计量方法与工具对利率风险进行计量、监测。报告期内，本集团秉承中性审慎的银行账簿利率风险偏好及风险策略管理，加强对国内外宏观政策及货币政策的研判，结合利率市场化、利率曲线变化趋势的影响，实行动态监测与前瞻性风险管理；报告期内，本集团通过资产负债主动配置工具、价格工具引导业务规模与期限结构按照风险管理策略及资产负债经营目标方向调整，保持利率风险指标在董事会风险偏好范围内并可持续运行。

本集团密切关注国际基准利率改革监管政策与同业动态，积极开展转换工作，相关工作有序进行。

本集团的利率风险敞口如下表列示。各项金融资产和金融负债按合同约定的重新定价日与到期日两者较早者，以账面价值列示。

	2021年12月31日						
	1个月以内	1至3个月	3个月至1年	1至5年	5年以上	不计息	合计
资产							
现金及存放中央银行款项	399,621	-	-	-	-	21,375	420,996
存放和拆放同业及其他金融机构款项	135,132	105,938	179,866	8,785	-	4,060	433,781
衍生金融资产	-	-	-	-	-	33,773	33,773
买入返售金融资产	16	101	-	-	-	-	117
发放贷款和垫款	1,138,363	697,229	1,860,021	901,167	79,173	15,001	4,690,954
金融投资：							
以公允价值计量且其变动计入当期							
损益的金融投资	11,201	10,781	25,068	31,413	15,441	432,130	526,034
以摊余成本计量的金融投资	73,483	77,900	144,072	533,147	460,092	17,494	1,306,188
以公允价值计量且其变动计入其他							
综合收益的金融投资	14,986	22,830	54,079	305,803	75,431	13,572	486,701
其他金融资产	4,067	-	13,744	-	-	73,806	91,617
金融资产总额	1,776,869	914,779	2,276,850	1,780,315	630,137	611,211	7,990,161
负债							
向中央银行借款	9,907	26,460	197,631	-	-	2,319	236,317
同业及其他金融机构存入和拆入							
款项	681,741	220,168	193,174	8,911	612	2,169	1,106,775
以公允价值计量且其变动计入当期							
损益的金融负债	-	-	-	-	-	31,280	31,280
衍生金融负债	-	-	-	-	-	29,528	29,528
卖出回购金融资产款	132,596	24,699	16,891	-	-	33	174,219
吸收存款	2,115,070	1,044,476	561,461	682,044	5	60,552	4,463,608
已发行债务证券	54,222	203,624	700,667	220,693	132,063	5,852	1,317,121
租赁负债	264	526	2,104	5,076	481	-	8,451
其他金融负债	562	150	1,263	-	-	30,369	32,344
金融负债总额	2,994,362	1,520,103	1,673,191	916,724	133,161	162,102	7,399,643
净额	(1,217,493)	(605,324)	603,659	863,591	496,976	449,109	590,518

	2020年12月31日						
	1个月以内	1至3个月	3个月至1年	1至5年	5年以上	不计息	合计
资产							
现金及存放中央银行款项	475,170	-	-	-	-	13,918	489,088
存放和拆放同业及其他金融机构款项	145,265	77,121	138,919	22,210	-	2,412	385,927
衍生金融资产	-	-	-	-	-	63,589	63,589
买入返售金融资产	36,495	24	-	-	-	7	36,526
发放贷款和垫款	1,210,020	453,250	1,367,398	1,178,360	205,829	15,371	4,430,228
金融投资：							
以公允价值计量且其变动计入当期							
损益的金融投资	17,690	11,188	19,821	19,292	12,500	468,658	549,149
以摊余成本计量的金融投资	68,004	78,127	126,051	510,316	371,286	15,993	1,169,777
以公允价值计量且其变动计入其他							
综合收益的金融投资	23,911	23,786	74,142	315,058	133,078	13,646	583,621
其他金融资产	3,086	-	9,964	-	-	68,046	81,096
金融资产总额	1,979,641	643,496	1,736,295	2,045,236	722,693	661,640	7,789,001
负债							
向中央银行借款	23,503	25,811	221,968	-	-	3,064	274,346
同业及其他金融机构存入和拆入							
款项	863,324	259,043	233,691	5,944	225	3,345	1,365,572
以公允价值计量且其变动计入当期							
损益的金融负债	-	-	-	-	-	16,057	16,057
衍生金融负债	-	-	-	-	-	61,146	61,146
卖出回购金融资产款	186,309	30,578	15,396	-	-	63	232,346
吸收存款	1,947,776	996,377	494,734	637,591	6	45,923	4,122,407
已发行债务证券	88,462	283,982	448,189	164,676	150,378	4,966	1,140,653
其他金融负债	5,220	1,554	2,838	5,165	670	31,986	47,433
金融负债总额	3,114,594	1,597,345	1,416,816	813,376	151,279	166,550	7,259,960
净额	(1,134,953)	(953,849)	319,479	1,231,860	571,414	495,090	529,041

注：以上列示为1个月以内的金融资产包括于2021年12月31日和2020年12月31日的逾期金额(扣除减值准备)。

本集团采用敏感性分析衡量利率变化对本集团净利润和权益的可能影响。下表列出于财务状况表日按当日资产和负债进行利率敏感性分析结果。

	2021年12月31日		2020年12月31日	
	利率变动 (基点)		利率变动 (基点)	
	-100	+100	-100	+100
净利润 (减少)/增加	(3,987)	3,987	(3,885)	3,885
权益中其他综合收益 增加/(减少)	8,323	(7,896)	12,345	(11,554)

以上敏感性分析基于资产和负债具有静态的利率风险结构。有关的分析仅衡量一年内利率变化，反映为一年内本集团资产和负债的重新定价对本集团按年化计算利息收入的影响，基于以下假设：(1) 除活期存款外，所有在三个月内及三个月后但一年内重新定价或到期的资产和负债均假设在有关期间中间重新定价或到期；(2) 活期存款和央行存款准备金利率保持不变；(3) 收益率曲线随利率变化而平行移动；(4) 资产和负债组合并无其他变化。由于基于上述假设，利率增减导致本集团净利润出现的实际变化可能与此敏感性分析的结果不同。

权益变动的敏感性分析是基于收益率曲线随利率变动而平移的假设，通过设定利率变动一定百分比对期末以公允价值计量且其变动计入其他综合收益的债务工具公允价值进行重新估算得出的。

3 流动性风险

本集团流动性风险的管理目标是确保履行对客户提款及支付义务，实现资产负债总量与结构的均衡；通过积极主动的管理，降低流动性成本，避免自身流动性危机的发生，并能够有效应对系统性流动性风险。

本集团建立了较为完善的流动性风险治理体系。本行董事会负责审核批准流动性风险管理体系、风险偏好、风险限额、应急计划，承担对流动性风险管理的最终责任；本行监事会负责对董事会和高管层的流动性风险管理履职情况进行监督；本行董事会授权高管层履行全行流动性风险管理工作职责；本行资产负债管理委员会职责为审议流动性风险管理政策、风险限额、压力测试方案及应急计划，组织职能部门进行压力测试，审议压力测试报告等。本行总行资产负债管理部负责拟定集团层面流动性风险管理政策和程序，并牵头开展流动性风险管理各项定性和定量分析等具体管理工作。本行总行审计部负责对流动性风险独立开展内部审计。本集团流动性风险偏好审慎，符合监管要求和本集团自身管理需要。

本集团流动性风险管理体系主要分为日常流动性管理体系与应急管理体系，具体内容主要涉及十个方面，分别是政策策略、管理架构、规章制度、管理工具、日常运行、压力测试、系统建设、风险监测、风险报告、应急管理以及应急演练。

流动性风险的日常管理。报告期内，本集团根据总量平衡、结构均衡的要求，实行分层次的流动性风险事先平衡管理；对本外币日常头寸账户进行实时监测，对本外币头寸实行集中调拨；建立大额头寸提前申报制度，对流动性总量水平建立监测机制；按日编制现金流缺口表，运用缺口管理的方法预测未来财务状况表内外项目现金流缺口变化状况；定期（遇重大事项时也可不定期）对财务状况表内外项目进行流动性风险评估，根据本集团流动性风险政策和风险限额要求，通过主动融资安排、资产负债组合调整，使本集团的业务发展总量、结构、速度满足适度流动性的要求。

下表按剩余期限列示的本集团非衍生金融资产和非衍生金融负债为合同规定的未贴现现金流。

	2021年12月31日							合计
	即时偿还	3个月内	3个月至1年	1至5年	5年以上	已逾期	无期限	
资产								
现金及存放中央银行款项	81,023	-	-	-	-	-	339,973	420,996
存放和拆放同业及其他金融机构款项	76,897	166,260	185,616	9,448	-	-	-	438,221
买入返售金融资产	-	118	-	-	-	-	-	118
发放贷款和垫款	-	1,104,947	1,511,575	1,355,997	1,364,268	58,743	-	5,395,530
金融投资：								
以公允价值计量且其变动计入当期损益的金融投资	424,248	20,285	26,513	34,230	16,904	2,416	7,882	532,478
以摊余成本计量的金融投资	-	118,298	178,310	677,948	544,344	65,286	-	1,584,186
以公允价值计量且其变动计入其他综合收益的金融投资	-	34,245	66,006	341,997	81,907	988	7,082	532,225
其他金融资产	74,364	-	-	-	-	7,657	14,355	96,376
金融资产总额	656,532	1,444,153	1,968,020	2,419,620	2,007,423	135,090	369,292	9,000,130
负债								
向中央银行借款	-	37,130	201,493	-	-	-	-	238,623
同业及其他金融机构存入和拆入款项	523,188	381,407	196,138	8,914	612	-	-	1,110,259
交易性金融负债	29,585	192	-	427	1,076	-	-	31,280
卖出回购金融资产款	-	157,467	17,070	-	-	-	-	174,537
吸收存款	2,122,296	1,079,938	589,597	786,823	6	-	-	4,578,660
已发行债务证券	-	263,560	719,460	277,221	153,747	-	-	1,413,988
租赁负债	-	793	2,152	5,576	634	-	-	9,155
其他金融负债	27,254	1,423	1,764	1,339	602	-	-	32,382
金融负债总额	2,702,323	1,921,910	1,727,674	1,080,300	156,677	-	-	7,588,884
净额	(2,045,791)	(477,757)	240,346	1,339,320	1,850,746	135,090	369,292	1,411,246
衍生金融工具								
-流入	-	134,074	103,023	50,719	67	-	-	287,883
-流出	-	133,046	101,232	50,093	137	-	-	284,508
衍生金融工具净额	-	1,028	1,791	626	(70)	-	-	3,375
信用承诺	621,503	324,264	571,643	50,419	2,912	-	-	1,570,741

	2020年12月31日							合计
	即时偿还	3个月内	3个月至1年	1至5年	5年以上	已逾期	无期限	
资产								
现金及存放中央银行款项	149,819	-	-	-	-	-	339,269	489,088
存放和拆放同业及其他金融机构款项	103,841	114,442	147,845	23,308	-	-	-	389,436
买入返售金融资产	-	36,531	-	-	-	-	-	36,531
发放贷款和垫款	-	1,086,568	1,583,741	1,299,419	1,370,669	52,444	-	5,392,841
金融投资：								
以公允价值计量且其变动计入当期损益的金融投资	461,322	26,990	21,519	40,799	16,723	4,839	7,336	579,528
以摊余成本计量的金融投资	-	135,900	153,363	614,784	449,321	42,730	-	1,396,098
以公允价值计量且其变动计入其他综合收益的金融投资	-	43,087	89,221	364,340	151,446	1,005	5,835	654,934
其他金融资产	72,674	-	-	-	-	5,825	10,480	88,979
金融资产总额	<u>787,656</u>	<u>1,443,518</u>	<u>1,995,689</u>	<u>2,342,650</u>	<u>1,988,159</u>	<u>106,843</u>	<u>362,920</u>	<u>9,027,435</u>
负债								
向中央银行借款	-	50,915	228,531	-	-	-	-	279,446
同业及其他金融机构存入和拆入款项	631,962	494,366	238,289	6,349	279	-	-	1,371,245
交易性金融负债	15,032	-	63	316	646	-	-	16,057
卖出回购金融资产款	-	217,117	15,501	-	-	-	-	232,618
吸收存款	1,953,776	1,025,276	517,063	732,241	7	-	-	4,228,363
已发行债务证券	-	371,987	470,172	203,787	179,193	-	-	1,225,139
其他金融负债	29,895	5,868	3,188	7,845	1,463	-	-	48,259
金融负债总额	<u>2,630,665</u>	<u>2,165,529</u>	<u>1,472,807</u>	<u>950,538</u>	<u>181,588</u>	<u>-</u>	<u>-</u>	<u>7,401,127</u>
净额	<u>(1,843,009)</u>	<u>(722,011)</u>	<u>522,882</u>	<u>1,392,112</u>	<u>1,806,571</u>	<u>106,843</u>	<u>362,920</u>	<u>1,626,308</u>
衍生金融工具								
-流入	-	200,410	131,818	47,467	42	-	-	379,737
-流出	-	199,590	130,508	47,240	156	-	-	377,494
衍生金融工具净额	-	820	1,310	227	(114)	-	-	2,243
信用承诺	471,703	311,621	544,221	38,179	2,807	-	-	1,368,531

4 金融工具的公允价值

(1) 公允价值层次

按照在公允价值计量中对计量整体具有重大意义的最低层次的输入值，公允价值层次可分为：

- 第一层次—相同资产或负债在活跃市场上未经调整的报价。这一层次包括上市的权益证券、债权工具和开放式基金投资。
- 第二层次—除第一层次输入值外相关资产或负债直接或间接可观察的输入值。这一层次包括大部分场外交易的衍生工具和债券。收益率曲线或对手方信用风险的输入值参数的来源是 Thomson Reuters、Bloomberg 和中国债券信息网。
- 第三层次—相关资产或负债的不可观察输入值。这一层次包括权益工具和具有重大非可观察组成部分的债权工具。

(2) 非以公允价值计量的金融工具

财务状况表中不以公允价值计量的金融资产和金融负债主要包括：存放中央银行款项、存放和拆放同业及其他金融机构款项、买入返售金融资产、发放贷款和垫款(以摊余成本计量)、以摊余成本计量的金融投资、向中央银行借款、同业及其他金融机构存入和拆入款项、卖出回购金融资产、吸收存款、租赁负债和已发行债务证券。

下表列示了本集团在财务状况表日，未按公允价值列示的金融投资—以摊余成本计量的金融投资、已发行债务证券的账面价值以及相应的公允价值。

	2021年12月31日				
	账面价值	公允价值			合计
		第一层次	第二层次	第三层次	
金融资产：					
金融投资—以摊余成本计量的金融投资	1,306,188	-	885,585	438,125	1,323,710
金融负债：					
已发行债务证券	1,317,121	-	1,326,573	-	1,326,573
	2020年12月31日				
	账面价值	公允价值			合计
		第一层次	第二层次	第三层次	
金融资产：					
金融投资—以摊余成本计量的金融投资	1,169,777	-	957,148	221,417	1,178,565
金融负债：					
已发行债务证券	1,140,653	-	1,142,652	-	1,142,652

(i) 金融投资—以摊余成本计量的金融投资

以摊余成本计量的金融投资的公允价值以市场报价为基础，属于第一层次。如果债权投资无法获得相关的市场信息，则使用现金流贴现模型来进行估价，属于第三层次。在适用的情况下，以摊余成本计量的金融投资参照中央国债登记结算有限责任公司、中证指数有限公司或彭博的估值结果来确定，属于第二层次。

(ii) 已发行债务证券

已发行债务证券的公允价值以市场上公开报价为基础。对无法获得市场报价的债券，其公允价值以与该债券的剩余期限匹配类似的实际收益率为基础的，以现金流量贴现法确定计算。

除上述金融资产和金融负债外，在财务状况表中非以公允价值计量的其他金融资产和金融负债采用未来现金流折现法确定其公允价值，由于这些金融工具期限较短，或其利率随市场利率浮动，其账面价值和公允价值无重大差异。

(3) 持续的以公允价值计量的资产和负债

本集团持续的以公允价值计量的资产和负债按上述三个层次列示如下：

	2021年12月31日			合计
	第一层次	第二层次	第三层次	
金融投资：				
以公允价值计量且其变动计入当期损益的金融投资				
- 基金投资	392,112	615	6,006	398,733
- 债券投资	744	63,378	265	64,387
- 资产管理计划	-	8,545	10,413	18,958
- 券商收益凭证	-	13,437	-	13,437
- 同业存单	-	9,012	-	9,012
- 股权投资	4,673	-	3,521	8,194
- 资产支持证券	-	6,519	-	6,519
- 他行理财产品	-	327	-	327
- 其他投资	-	-	6,467	6,467
以公允价值计量且其变动计入其他综合收益的金融投资				
- 债券投资	44,831	402,238	-	447,069
- 同业存单	-	11,726	-	11,726
- 资产管理计划	-	9,198	2	9,200
- 资产支持证券	-	5,134	-	5,134
- 股权投资	394	-	5,860	6,254
- 其他权益投资	-	-	828	828
发放贷款和垫款：				
以公允价值计量且其变动计入其他综合收益				
- 贴现	-	459,324	-	459,324
- 贸易融资	-	24,868	-	24,868
以公允价值计量且其变动计入当期损益				
- 贴现	-	26,595	-	26,595
- 贸易融资	-	19,554	-	19,554
衍生金融资产	-	33,773	-	33,773
金融资产合计	442,754	1,094,243	33,362	1,570,359
衍生金融负债	-	29,528	-	29,528
以公允价值计量且其变动计入当期损益的金融负债				
- 与贵金属相关的金融负债	18,570	291	-	18,861
- 合并结构化主体中其他份额持有人权益	10,702	110	514	11,326
- 与债券卖空相关的金融负债	1,093	-	-	1,093
金融负债合计	30,365	29,929	514	60,808

	2020年12月31日			
	第一层次	第二层次	第三层次	合计
金融投资：				
以公允价值计量且其变动计入当期损益的金融投资				
- 基金投资	425,124	470	2,958	428,552
- 债券投资	3,652	63,005	298	66,955
- 资金信托及资产管理计划	-	8,491	11,803	20,294
- 券商收益凭证	-	18,651	-	18,651
- 股权投资	3,559	220	1,325	5,104
- 同业存单	-	2,988	-	2,988
- 资产支持证券	-	562	-	562
- 他行理财产品	-	-	72	72
- 其他投资	-	-	5,971	5,971
以公允价值计量且其变动计入其他综合收益的金融投资				
- 债券投资	48,180	465,133	-	513,313
- 资金信托及资产管理计划	-	43,997	1,014	45,011
- 资产支持证券	-	7,818	-	7,818
- 同业存单	-	3,833	-	3,833
- 股权投资	375	-	4,643	5,018
- 其他权益投资	-	-	817	817
发放贷款和垫款：				
以公允价值计量且其变动计入其他综合收益				
- 贴现	-	416,881	-	416,881
- 贸易融资	-	5,627	-	5,627
以公允价值计量且其变动计入当期损益				
- 贴现	-	15,336	-	15,336
- 贸易融资	-	2,944	-	2,944
衍生金融资产	-	63,589	-	63,589
金融资产合计	480,890	1,119,545	28,901	1,629,336
衍生金融负债	-	61,146	-	61,146
以公允价值计量且其变动计入当期损益的金融负债				
- 与贵金属相关的金融负债	5,236	831	-	6,067
- 合并结构化主体中其他份额持有人权益	8,330	181	1,479	9,990
金融负债合计	13,566	62,158	1,479	77,203

本集团以导致各层次之间转换的事项发生日为确认各层次之间转换的时点。本年无第一层次与第二层次间的转换。

(i) 第二层次的金融工具

没有在活跃市场买卖的金融工具（例如场外衍生工具）的公允价值利用估值技术确定。估值技术尽量利用可观察市场数据（如有），尽量少依赖主体的特定估计。如计算一金融工具的公允价值所需的所有重大输入为可观察数据，则该金融工具列入第二层次。如一项或多项重大输入并非根据可观察市场数据，则该金融工具列入第三层次。

本集团划分为第二层次的金融工具主要包括债券投资、外汇远期及掉期、利率掉期及外汇期权等。人民币债券的公允价值按照中央国债登记结算有限责任公司的估值结果确定，外币债券的公允价值按照彭博的估值结果确定。外汇远期及掉期、利率掉期、外汇期权等采用现金流折现法和布莱尔-斯科尔斯模型等方法对其进行估值。所有重大估值参数均采用可观察市场信息。

(ii) 第三层次的金融工具

本集团上述第三层次资产和负债变动如下：

	以公允价值计 量且其变动计 入当期损益的 <u>金融投资</u>	以公允价值计 量且其变动计 入其他综合收 益的 <u>金融投资</u>	以公允价值计 量且其变动计 入当期损益的 <u>金融负债</u>	<u>合计</u>
2021年1月1日	22,427	6,474	(1,479)	27,422
购入	10,077	1,212	(417)	10,872
出售或结算	(6,546)	(781)	1,013	(6,314)
计入损益的利得或损失	714	-	369	1,083
计入其他综合收益的 利得或损失的变动	-	(215)	-	(215)
2021年12月31日	<u>26,672</u>	<u>6,690</u>	<u>(514)</u>	<u>32,848</u>
2021年12月31日 仍持有的金融工具 计入截至2021年末 损益的未实现利得或 损失的变动	<u>1,344</u>	<u>-</u>	<u>172</u>	<u>1,516</u>

	以公允价值计 量且其变动计 入当期损益的 <u>金融投资</u>	以公允价值计 量且其变动计 入其他综合收 益的 <u>金融投资</u>	以公允价值计 量且其变动计 入当期损益的 <u>金融负债</u>	<u>合计</u>
2020年1月1日	59,675	7,878	(1,857)	65,696
购入	3,665	740	(1,313)	3,092
出售或结算	(41,243)	(2,010)	1,652	(41,601)
计入损益的利得或损失	330	311	39	680
计入其他综合收益的 利得或损失的变动	-	(445)	-	(445)
2020年12月31日	<u>22,427</u>	<u>6,474</u>	<u>(1,479)</u>	<u>27,422</u>
2020年12月31日 仍持有的金融工具 计入截至2020年末 损益的未实现利得或 损失的变动	<u>(843)</u>	<u>-</u>	<u>14</u>	<u>(829)</u>

使用重要不可观察输入值的第三层次公允价值计量的相关信息如下：

	2021年 12月31日 <u>公允价值</u>	<u>估值技术</u>	<u>不可观察输入值</u>
金融投资			
以公允价值计量且其变动计入当期 损益的金融投资			
- 资金信托及资产管理计划	7,092	收益法	贴现率
	3,321	参考最近交易	流动性折扣
- 基金投资	6,006	参考最近交易	流动性折扣
- 股权投资	3,521	收益法	贴现率
- 债券投资	265	收益法	贴现率
- 其他投资	6,467	参考最近交易	流动性折扣
	<u>26,672</u>		
以公允价值计量且其变动计入其他 综合收益的金融投资			
- 资产管理计划	2	收益法	贴现率
- 股权投资	2,877	市场法	流动性折扣-市净率
	2,857	参考最近交易	流动性折扣
	126	市场法	流动性折扣-市盈率
- 其他权益投资	767	参考最近交易	流动性折扣
	61	市场法	流动性折扣-市净率
	<u>6,690</u>		
以公允价值计量且其变动计入当期 损益的金融负债			
- 合并结构化主体中其他份额 持有人权益	514	注1	注1

	2020年 12月31日 公允价值	估值技术	不可观察输入值
金融投资			
以公允价值计量且其变动计入当期损益的金融投资			
-资金信托及资产管理计划	10,997	收益法	贴现率
	806	参考最近交易	不适用
-股权投资	1,325	收益法	贴现率
-基金投资	2,958	参考最近交易	不适用
-债券投资	298	收益法	贴现率
-他行理财产品	72	收益法	贴现率
-其他投资	5,971	参考最近交易	不适用
	<u>22,427</u>		
以公允价值计量且其变动计入其他综合收益的金融投资			
-资产管理计划	1,014	收益法	贴现率
-股权投资	1,657	参考最近交易	不适用
	2,860	市场法	流动性折扣-市净率
	126	市场法	流动性折扣-市盈率
-其他权益投资	50	市场法	流动性折扣-市净率
	767	参考最近交易	不适用
	<u>6,474</u>		
以公允价值计量且其变动计入当期损益的金融负债			
-合并结构化主体中其他份额持有人权益	1,479	注 1	注 1

注 1: 合并结构化主体中其他份额持有人权益的公允价值是基于结构化主体的净值计算的归属于结构化主体投资人的金额。

5 金融资产与金融负债的抵销

本集团部分金融资产与金融负债遵循可执行的净额结算安排或类似协议。本集团与其交易对手之间的该类协议通常允许在双方同意的情况下以净额结算。如果双方没有达成一致，则以总额结算。但在一方违约前提下，另一方可以选择以净额结算。根据企业会计准则的要求，本集团未对这部分金融资产与金融负债进行抵销。

截至 2021 年 12 月 31 日止，本集团上述遵循可执行的净额结算安排或类似协议的金融资产与金融负债的金额不重大。

6 资本管理

本集团资本管理的基本目标是：

- (1) 资本充足率持续满足监管要求，确保经营的合规性，并在此基础上实现资本总量和结构的优化。
- (2) 确保资本能充分抵御相应的风险，实现本集团经营的安全性，保持充足而合理的资本水平。
- (3) 建立以经济资本为核心的资本配置和管理体系，在集团层面优化资源配置和经营管理机制，实现资本集约化经营，最终实现股东价值最大化。

本集团对资本结构进行管理，并根据经济环境的变化和面临的风险特征，本集团可能将调整资本结构。本集团调整资本结构的方法通常包括调整股利分配、增加资本、发行合格一级资本工具及发行合格二级资本工具等。

我国商业银行应满足《商业银行资本管理办法（试行）》规定的资本充足率要求，核心一级资本充足率不得低于 7.50%，一级资本充足率不得低于 8.50%，资本充足率不得低于 10.50%。

此外，中国人民银行和银保监会已制定《系统重要性银行评估办法》及《系统重要性银行附加监管规定（试行）》，根据上述规定，系统重要性银行在满足最低资本要求、储备资本和逆周期资本要求基础上，还应满足一定的附加资本要求，由核心一级资本满足。系统重要性银行分为五组，第一组到第五组的银行分别适用 0.25%、0.5%、0.75%、1%和 1.5% 的附加资本要求。根据 2021 年 10 月发布的《中国人民银行、中国银行保险监督管理委员会发布我国系统重要性银行名单》，本行入选系统重要性银行第二组，故本集团在考虑系统重要性银行附加资本要求后，将于 2023 年 1 月 1 日开始应当满足核心一级资本充足率最低为 8% 的要求。

	本集团	
	2021 年 12 月 31 日	2020 年 12 月 31 日
核心一级资本净额	548,486	519,268
一级资本净额	658,929	629,653
资本净额	817,715	798,859
风险加权资产总额	5,835,947	5,458,504
核心一级资本充足率	9.40%	9.51%
一级资本充足率	11.29%	11.54%
资本充足率	14.01%	14.64%

- (1) 本集团并表资本充足率的计算范围包括境内外分支机构及符合规定的金融机构类附属公司。
- (2) 本集团核心一级资本包括：普通股股本、可转换公司债券权益成份、资本公积可计入部分、盈余公积、一般风险准备、未分配利润、非控制性权益资本可计入核心一级资本部分。

- (3) 本集团核心一级资本监管扣除项目包括其他无形资产 (不含土地使用权) 扣减与之相关的递延税负债后的净额和商誉扣减与之相关的递延税负债后的净额。
- (4) 本集团其他一级资本包括优先股、无固定期限资本债以及非控制性权益资本可计入其他一级资本部分。
- (5) 本集团二级资本包括：二级资本工具及其溢价可计入金额、超额贷款损失准备，以及非控制性权益资本可计入二级资本部分。
- (6) 风险加权资产包括信用风险加权资产、市场风险加权资产和操作风险加权资产。本集团采用权重法计量信用风险加权资产，采用标准法计量市场风险加权资产，采用基本指标法计量操作风险加权资产。

九 已作质押资产

本集团部分金融资产被用做金融负债的质押物，相关资产的分析如下：

	2021年 12月31日	2020年 12月31日
金融投资	522,642	491,435
票据	44,167	107,497
贷款	547	778
合计	<u>567,356</u>	<u>599,710</u>

十 报告期后事项

1 利润分配方案

本行于 2022 年 4 月 26 日召开董事会，批准了 2021 年度利润分配的方案并上报年度股东大会审议批准。

2 子公司设立

本行于 2022 年 1 月收到《中国银保监会关于浦银理财有限责任公司开业的批复》（银保监复 [2022] 4 号），全资子公司浦银理财有限责任公司获批开业，注册资本为人民币 50 亿元。本行将按照监管要求严格履行股东职责。

十一 比较数据

为与本年度财务报表列报方式保持一致，若干比较数据已经过重分类。

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Huangpu District Shanghai

To the Arrangers and the Dealers as to PRC law

Global Law Office
15/F, Tower 1
China Central Place
No. 81, Jianguo Road
Chaoyang District
Beijing

Appendix 2 – Pricing Supplement in relation to the HKD Notes dated 20 March 2024

PRICING SUPPLEMENT

Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Important Notice to Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct*" appearing on pages iv to v of the Offering Circular, and CMI's (as defined in the Offering Circular) should refer to the section on "*Important Notice to CMI's (including private banks) Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct*" appearing on pages 178 to 180 of the Offering Circular.

This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: The Issuer and the Bank confirm that the Notes are intended for purchase by Professional Investor only and will be listed on The Stock Exchange of Hong Kong Limited (the "HKSE") on that basis. Accordingly, the Issuer and the Bank confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this Pricing Supplement, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Pricing Supplement to Professional Investors only have been reproduced in this Pricing Supplement. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Bank or the Group or quality of disclosure in this Pricing Supplement. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this Pricing Supplement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Pricing Supplement.

The Offering Circular dated 15 March 2024 (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Issuer, the Bank and the Group. The Issuer and the Bank accept full responsibility for the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Pricing Supplement dated 20 March 2024

SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD., HONG KONG BRANCH (Incorporated in the People's Republic of China with limited liability)

Issue of HKD1,500,000,000 4.60 per cent. Notes due 2026 under the U.S.\$5,000,000,000 Medium Term Note Programme

Legal Entity Identifier (LEI) Code of the Bank: 300300C1031031001330

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated 15 March 2024 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

- | | | |
|----|--|--|
| 1. | Issuer: | Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch |
| 2. | (i) Series Number: | 012 |
| | (ii) Tranche Number: | 001 |
| | (iii) Date on which the Notes become fungible: | Not Applicable |
| 3. | Specified Currency or Currencies: | Hong Kong dollars (" HKD ") |

4.	Aggregate Nominal Amount:	HKD1,500,000,000
5.	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	HKD1,500 million
6.	(i) Specified Denominations:	HKD1,000,000 and integral multiples of HKD500,000 in excess thereof
	(ii) Calculation Amount:	HKD500,000
7.	(i) Issue Date:	28 March 2024
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	Interest Payment Date falling on or nearest to 28 March 2026
9.	Interest Basis:	4.60 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Date of corporate approval for issuance of Notes obtained:	27 February 2024
14.	Listing:	HKSE Listing of the Notes is expected to become effective on 2 April 2024
15.	Method of distribution:	Syndicated
16.	Date of regulatory approval for issuance of Notes obtained:	NDRC approval (发改办外债[2023]11 号) dated 29 March 2023 from the NDRC

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	4.60 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	28 March and 28 September in each year, adjusted in accordance with the Modified Following Business Day Convention
	(iii) Fixed Coupon Amount(s):	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest HKD0.01 (HKD0.005 being rounded upwards)
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/365 (Fixed)
	(vi) Determination Date(s):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
18.	Floating Rate Note Provisions	Not Applicable
19.	Zero Coupon Note Provisions	Not Applicable

20. **Index-Linked Interest Note/ other variable-linked interest Note Provisions** Not Applicable
21. **Dual Currency Note Provisions** Not Applicable
- PROVISIONS RELATING TO REDEMPTION**
22. **Call Option** Not Applicable
23. **Put Option** Not Applicable
24. **Final Redemption Amount of each Note** HKD500,000 per Calculation Amount
25. **Early Redemption Amount**
- (i) Early Redemption Amount (Tax) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions): HKD500,000 per Calculation Amount
- (ii) Early Termination Amount per Calculation Amount payable on mandatory redemption on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): HKD500,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **Form of Notes:** **Registered Notes:**
Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
27. Additional Financial Centre(s) or other special provisions relating to payment dates: Not Applicable
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Not Applicable
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable

- | | | |
|-----|--|----------------|
| 31. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 32. | Any applicable currency disruption/fallback provisions: | Not Applicable |
| 33. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

- | | | |
|-----|---------------------------------------|--|
| 34. | (i) If syndicated, names of Managers: | Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch
Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
SPDB International Capital Limited
ABCI Capital Limited
Agricultural Bank of China Limited Hong Kong Branch
Agricultural Bank of China Limited, Singapore Branch
Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
BOCOM International Securities Limited
CCB International Capital Limited
China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
China Construction Bank Corporation Singapore Branch
CLSA Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited, Singapore Branch
Industrial and Commercial Bank of China (Macau) Limited
J.P. Morgan Securities (Asia Pacific) Limited
Orient Securities (Hong Kong) Limited
BNP Paribas
CEB International Capital Corporation Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
China Galaxy International Securities (Hong Kong) Co., Limited
China Industrial Securities International Brokerage Limited
China International Capital Corporation Hong Kong Securities Limited
China Minsheng Banking Corp., Ltd., Hong Kong Branch
China Securities (International) Corporate Finance Company Limited
China Zheshang Bank Co., Ltd. (Hong Kong Branch)
Chiyu Banking Corporation Limited
Citigroup Global Markets Limited
CMB Wing Lung Bank Limited
CMBC Securities Company Limited
CNCB (Hong Kong) Capital Limited
Crédit Agricole Corporate and Investment Bank
CTBC Bank Co., Ltd
DBS Bank Ltd.
GF Securities (Hong Kong) Brokerage Limited
Guotai Junan Securities (Hong Kong) Limited
Haitong International Securities Company Limited
The Hongkong and Shanghai Banking Corporation Limited
Huatai Financial Holdings (Hong Kong) Limited
Hua Xia Bank Co., Limited Hong Kong Branch
Industrial Bank Co., Ltd. Hong Kong Branch
Mizuho Securities Asia Limited
MUFG Securities EMEA plc |
|-----|---------------------------------------|--|

Nanyang Commercial Bank, Limited
 Shenwan Hongyuan Securities (H.K.) Limited
 Standard Chartered Bank
 TFI Securities and Futures Limited

(together, the "**Managers**")

- | | | |
|------|--|--|
| (ii) | Stabilisation Manager(s) (if any): | Any of the Managers appointed and acting in its capacity as stabilisation manager, provided that China CITIC Bank International Limited shall not be appointed or acting as stabilisation manager |
| 35. | If non-syndicated, name and address of Dealer: | Not Applicable |
| 36. | Total commission and concession: | The Issuer has agreed to pay the Managers a management and underwriting commission based on the gross subscription moneys of the Notes |
| 37. | Private Bank Rebate/ Commission: | Not Applicable |
| 38. | U.S. Selling Restrictions: | Reg. S Category 1
TEFRA Not Applicable |
| 39. | Prohibition of Sales to EEA and UK Retail Investors: | Not Applicable |
| 40. | Additional selling restrictions: | The selling restriction related to Singapore as set out on page 185 of the Offering Circular should be deleted in its entirety and the following should apply to the Notes:

Each Manager has acknowledged that the Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA. |

OPERATIONAL INFORMATION

- | | | |
|-----|--|--------------------------|
| 41. | ISIN Code: | HK0001003687 |
| 42. | Common Code: | 279194829 |
| 43. | CMU Instrument Number: | SPDBFN24001 |
| 44. | Any clearing system(s) other than Euroclear/Clearstream and the CMU and the relevant identification number(s): | Not Applicable |
| 45. | Delivery: | Delivery against payment |
| 46. | Additional Paying Agent(s) (if any): | Not Applicable |

GENERAL

47. The aggregate principal amount of the Notes issued has been translated into United States dollars at a rate of U.S.\$1 = HKD7.8235, producing a sum of (for Notes not denominated in United States dollars): U.S.\$191,730,044.10
48. Ratings: The Programme is rated "Baa2" by Moody's Investors Service, Inc. only. The Programme is not rated by any other rating agency including S&P Global Inc or Fitch Ratings Inc.
- The Notes to be issued are expected to be rated: "Baa2" by Moody's Investors Service, Inc.

HONG KONG SFC CODE OF CONDUCT

49. Rebates: Not Applicable
50. Contact email addresses where underlying investor information in relation to omnibus orders should be sent: spdbhk.dcm@spdb.com.cn, DCM_SG@spdb.com.cn, dcm@spdbi.com, abcic.dcm@abci.com.hk, abchk.dcm@abchina.com, dcmmsg@abchina.com, dcm_mtn@bochk.com, dcmhk@bocgroup.com, dcm@bankcomm.com.hk, DCM@CCBINTL.COM, ccba_dcm@asia.ccb.com, ib.dcm.fig@cls.com, am_dcmdepartment@mc.icbc.com.cn, Shuhong.ye@sg.icbc.com.cn and investor.info.hk.oc.bond.deals@jpmorgan.com
51. Marketing and Investor Targeting Strategy: Includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individual

STABILISATION

In connection with the issue of the Notes, the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

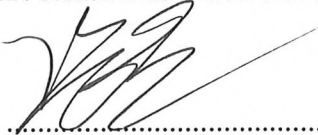
PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the HKSE of the Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of Shanghai Pudong Development Bank Co., Ltd.

RESPONSIBILITY


The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of:
SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD., HONG KONG BRANCH

By: 
.....
Duly authorised

Name: ZHANG Li

Title: CEO

By: 
.....
Duly authorised

Name: HUNG Chung Sum

Title: Deputy CEO

Appendix 3 – Pricing Supplement in relation to the USD Notes dated 20 March 2024

PRICING SUPPLEMENT

Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Important Notice to Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct*" appearing on pages iv to v of the Offering Circular, and CMIs (as defined in the Offering Circular) should refer to the section on "*Important Notice to CMIs (including private banks) Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct*" appearing on pages 178 to 180 of the Offering Circular.

This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: The Issuer and the Bank confirm that the Notes are intended for purchase by Professional Investor only and will be listed on The Stock Exchange of Hong Kong Limited (the "HKSE") on that basis. Accordingly, the Issuer and the Bank confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this Pricing Supplement, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Pricing Supplement to Professional Investors only have been reproduced in this Pricing Supplement. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Bank or the Group or quality of disclosure in this Pricing Supplement. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this Pricing Supplement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Pricing Supplement.

The Offering Circular dated 15 March 2024 (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purposes of giving information with regard to the Issuer, the Bank and the Group. The Issuer and the Bank accept full responsibility for the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Pricing Supplement dated 20 March 2024

SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD., HONG KONG BRANCH (Incorporated in the People's Republic of China with limited liability)

Issue of U.S.\$300,000,000 Floating Rate Notes due 2027 under the U.S.\$5,000,000,000 Medium Term Note Programme

Legal Entity Identifier (LEI) Code of the Bank: 300300C1031031001330

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated 15 March 2024 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

- | | | |
|----|--|--|
| 1. | Issuer: | Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch |
| 2. | (i) Series Number: | 011 |
| | (ii) Tranche Number: | 001 |
| | (iii) Date on which the Notes become fungible: | Not Applicable |
| 3. | Specified Currency or Currencies: | U.S. dollars ("U.S.\$") |

4.	Aggregate Nominal Amount:	U.S.\$300,000,000
5.	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	U.S.\$300 million
6.	(i) Specified Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.\$1,000
7.	(i) Issue Date:	28 March 2024
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	The Specified Interest Payment Date falling on or nearest to 28 March 2027
9.	Interest Basis:	SOFR Compounded Index + 0.59 per cent. per annum Floating Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Date of corporate approval for issuance of Notes obtained:	27 February 2024
14.	Listing:	HKSE Listing of the Notes is expected to become effective on 2 April 2024
15.	Method of distribution:	Syndicated
16.	Date of regulatory approval for issuance of Notes obtained:	NDRC approval (发改办外债[2023]11 号) dated 29 March 2023 from the NDRC

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions	Not Applicable
18.	Floating Rate Note Provisions	Applicable
	(i) Interest Period(s):	Each period beginning on (and including) the Interest Commencement Date or any Specified Interest Payment Date and ending on (but excluding) the next Specified Interest Payment Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below.
	(ii) Specified Period:	Not Applicable
	(iii) Specified Interest Payment Dates:	28 March, 28 June, 28 September and 28 December in each year, commencing on the First Interest Payment Date and ending on the Maturity Date, in each case adjusted in accordance with the Modified Following Business Day Convention set out in paragraph (iv) below
	(iv) First Interest Payment Date:	The Specified Interest Payment Date falling on or nearest to 28 June 2024
	(v) Business Day Convention:	Modified Following Business Day Convention
	(vi) Additional Business Centre(s):	Not Applicable

(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	The Bank of New York Mellon, London Branch, as appointed under the Agency Agreement
(ix)	Screen Rate Determination:	Applicable
	• Reference Rate:	SOFR Compounded Index
	• Observation Method:	Not Applicable
	○ Lag Period:	Not Applicable
	○ Observation Shift Period:	Not Applicable
	○ D:	360
	○ SOFR Compounded Index Determination:	Applicable
	○ Relevant Decimal Place:	5 (subject to the rounding provisions in the Conditions)
	○ Relevant Number of Index Days:	5
	• Interest Determination Date(s):	In respect of any Interest Period, the date falling five U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling five U.S. Government Securities Business Days prior to the Interest Payment Date prior to such earlier date, if any, on which the Notes are due and payable)
	• Relevant Screen Page:	Not Applicable
	• Relevant Time:	Not Applicable
	• Relevant Financial Centre:	Not Applicable
(x)	ISDA Determination	Not Applicable
(xi)	Linear interpolation:	Not Applicable
(xii)	Margin(s):	+0.59 per cent. per annum
(xiii)	Minimum Rate of Interest:	Not Applicable
(xiv)	Maximum Rate of Interest:	Not Applicable
(xv)	Day Count Fraction:	Actual/360
(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes:	As set out in the Conditions
19.	Zero Coupon Note Provisions	Not Applicable

20. **Index-Linked Interest Note/ other variable-linked interest Note Provisions** Not Applicable
21. **Dual Currency Note Provisions** Not Applicable
- PROVISIONS RELATING TO REDEMPTION**
22. **Call Option** Not Applicable
23. **Put Option** Not Applicable
24. **Final Redemption Amount of each Note** U.S.\$1,000 per Calculation Amount
25. **Early Redemption Amount**

- (i) Early Redemption Amount (Tax) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions): U.S.\$1,000 per Calculation Amount
- (ii) Early Termination Amount per Calculation Amount payable on mandatory redemption on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): U.S.\$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. **Form of Notes:** **Registered Notes:**
Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
27. Additional Financial Centre(s) or other special provisions relating to payment dates: Hong Kong
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Not Applicable
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable

31. Redenomination, renominatisation and reconventioning provisions: Not Applicable
32. Any applicable currency disruption/fallback provisions: Not Applicable
33. Other terms or special conditions: Not Applicable

DISTRIBUTION

34. (i) If syndicated, names of Managers: Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch
Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
SPDB International Capital Limited
ABCI Capital Limited
Agricultural Bank of China Limited Hong Kong Branch
Agricultural Bank of China Limited, Singapore Branch
Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
BOCOM International Securities Limited
CCB International Capital Limited
China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
China Construction Bank Corporation Singapore Branch
CLSA Limited
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited, Singapore Branch
Industrial and Commercial Bank of China (Macau) Limited
J.P. Morgan Securities (Asia Pacific) Limited
Orient Securities (Hong Kong) Limited
BNP Paribas
CEB International Capital Corporation Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
China Galaxy International Securities (Hong Kong) Co., Limited
China Industrial Securities International Brokerage Limited
China International Capital Corporation Hong Kong Securities Limited
China Minsheng Banking Corp., Ltd., Hong Kong Branch
China Securities (International) Corporate Finance Company Limited
China Zheshang Bank Co., Ltd. (Hong Kong Branch)
Chiyu Banking Corporation Limited
Citigroup Global Markets Limited
CMB Wing Lung Bank Limited
CMBC Securities Company Limited
CNCB (Hong Kong) Capital Limited
Crédit Agricole Corporate and Investment Bank
CTBC Bank Co., Ltd
DBS Bank Ltd.
GF Securities (Hong Kong) Brokerage Limited
Guotai Junan Securities (Hong Kong) Limited
Haitong International Securities Company Limited

The Hongkong and Shanghai Banking Corporation Limited
 Huatai Financial Holdings (Hong Kong) Limited
 Hua Xia Bank Co., Limited Hong Kong Branch
 Industrial Bank Co., Ltd. Hong Kong Branch
 Mizuho Securities Asia Limited
 MUFG Securities EMEA plc
 Nanyang Commercial Bank, Limited
 Shenwan Hongyuan Securities (H.K.) Limited
 Standard Chartered Bank
 TFI Securities and Futures Limited

(together, the "**Managers**")

- (ii) Stabilisation Manager(s) (if any): Any of the Managers appointed and acting in its capacity as stabilisation manager, provided that China CITIC Bank International Limited shall not be appointed or acting as stabilisation manager
35. If non-syndicated, name and address of Dealer: Not Applicable
36. Total commission and concession: The Issuer has agreed to pay the Managers a management and underwriting commission based on the gross subscription moneys of the Notes
37. Private Bank Rebate/ Commission: Not Applicable
38. U.S. Selling Restrictions: Reg. S Category 1
TEFRA Not Applicable
39. Prohibition of Sales to EEA and UK Retail Investors: Not Applicable
40. Additional selling restrictions: The selling restriction related to Singapore as set out on page 185 of the Offering Circular should be deleted in its entirety and the following should apply to the Notes:
- Each Manager has acknowledged that the Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

OPERATIONAL INFORMATION

41. ISIN Code: XS2790869965
42. Common Code: 279086996

43. CMU Instrument Number: Not Applicable
44. Any clearing system(s) other than Euroclear/Clearstream and the CMU and the relevant identification number(s): Not Applicable
45. Delivery: Delivery against payment
46. Additional Paying Agent(s) (if any): Not Applicable

GENERAL

47. The aggregate principal amount of the Notes issued has been translated into United States dollars, producing a sum of (for Notes not denominated in United States dollars): Not Applicable
48. Ratings: The Programme is rated "Baa2" by Moody's Investors Service, Inc. only. The Programme is not rated by any other rating agency including S&P Global Inc or Fitch Ratings Inc.

The Notes to be issued are expected to be rated: "Baa2" by Moody's Investors Service, Inc.

HONG KONG SFC CODE OF CONDUCT

49. Rebates: Not Applicable
50. Contact email addresses where underlying investor information in relation to omnibus orders should be sent: spdbhk.dcm@spdb.com.cn, DCM_SG@spdb.com.cn, dcm@spdbi.com, abcic.dcm@abci.com.hk, abchk.dcm@abchina.com, dcmsg@abchina.com, dcm_mtn@bochk.com, dcmhk@bocgroup.com, dcm@bankcomm.com.hk, DCM@CCBINTL.COM, ccba_dcm@asia.ccb.com, ib.dcm.fig@cls.com, am_dcmdepartment@mc.icbc.com.cn, Shuhong.ye@sg.icbc.com.cn and investor.info.hk.oc.bond.deals@jpmorgan.com
51. Marketing and Investor Targeting Strategy: Includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individual

STABILISATION

In connection with the issue of the Notes, the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

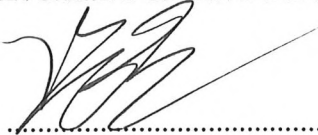
PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the HKSE of the Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of Shanghai Pudong Development Bank Co., Ltd.

RESPONSIBILITY


The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of:
SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD., HONG KONG BRANCH

By: 
.....
Duly authorised

Name: ZHANG Li

Title: CEO

By: 
.....
Duly authorised

Name: HUNG Chung Sum

Title: Deputy CEO