

MORGAN STANLEY BANK INTERNATIONAL (CHINA) LIMITED
摩根士丹利国际银行(中国)有限公司

Morgan Stanley
摩 根 士 丹 利

&S&S年年度报告

2020 Annual Report



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定义

- “**董事会**”： 本行董事会
- “**银监会**”： 中国银行业监督管理委员会
(现为“**银保监**
会”) (现为“**中国银行保险监督管理委员**
会”)
- “**总经理**”： 本行总经理
- “**MSBIC**”、“**银**
行”或“**我行**”： 摩根士丹利国际银行（中国）有限公司
- “**人民银行**”： 中国人民银行

Definitions

“Board”:	the board of directors of the Bank
“CBRC”:	the China Banking Regulatory Commission
“CBIRC”)	(Currently “the China Banking and Insurance Regulatory Commission”)
“GM”	the General Manager of the Bank
“MSBIC”, the “Bank”, or	Morgan Stanley Bank International (China) Limited
“Our Bank”:	
“PBoC”:	the People’s Bank of China

基本资料

- 法定中文名称:** 摩根士丹利国际银行（中国）有限公司
- 法定英文名称:** Morgan Stanley Bank International (China) Limited
- 法定代表人:** 董刚
- 注册资本:** 人民币1,000,000,000元（截至2020年12月31日）
- 股东名称:** Morgan Stanley Bank International Limited
- 业务许可范围:** 本行在下列范围内经营对各类客户的外汇业务以及对除中国境内公民以外客户的人民币业务：吸收公众存款；发放短期、中期和长期贷款；办理票据承兑与贴现，买卖政府债券、金融债券，买卖股票以外的其他外币有价证券；提供信用证服务及担保；办理国内外结算；买卖、代理买卖外汇；从事同业拆借；从事银行卡业务；提供保管箱服务；提供资信调查和咨询服务；经中国银行业监督管理委员会批准的其他业务及经中国人民银行批准后，经营结汇、售汇业务。
- 分支机构:** 本行北京分行于2009年6月9日经银监会批准成立，并于2009年6月24日领取中华人民共和国营业执照
- 北京分行的营业地址为：北京市西城区太平桥大街18号丰融国际大厦11层6B、7、8、10单元

注册地址: 广东省珠海市吉大景山路188号粤财大厦第28层2801-2807单元及2816单元

办公地址: 广东省珠海市吉大景山路188号粤财大厦第28层2801-2807单元及2816单元

联系电话: +86 756 321-2188

**首次注册
登记日期:** 1984年12月14日

注册登记机关: 珠海市工商行政管理局

统一社会信用代码: 91440400X17502779G

**金融许可证
机构编码:** B0029H144040001

**聘请的会计师
事务所:** 德勤华永会计师事务所有限公司

办公地址: 上海市延安东路222号外滩中心30楼

邮编: 200002

**客户服务与投诉
电话** +86 756 321-2188
+86 10 8356-3019 (北京分行)

Basic Information

Registered Chinese Corporate Name	摩根士丹利国际银行（中国）有限公司
Registered English Corporate Name	Morgan Stanley Bank International (China) Limited
Legal Representative:	DONG Gang
Registered Capital:	RMB 1 billion (as of 31 December 2020)
Shareholder	Morgan Stanley Bank International Limited
Scope of Business:	The Bank is permitted to provide the following services to any customers for foreign currency business and to customers except for China citizens in the territory of China for RMB business: accepting public deposits; providing short-term, medium and long-term loans; undertaking acceptance and discounting of negotiable instruments; buying and selling government bonds, financial bonds, and other foreign currency securities except for shares; providing letters of credit service and guarantee; conducting domestic and international settlements; buying and selling foreign currency for its own accounts or as agents; inter-bank borrowing and lending; providing bank card service; providing safety box service; providing credit investigation and consultancy service; and

other businesses approved by CBRC and with the approval by the People's Bank of China, foreign exchange buying and selling.

Branch Information: The Bank was approved by CBRC on 9 June, 2009 to establish a branch in Beijing and obtained the branch business license on June 24, 2009

The Beijing Branch's office address – Units 6B, 7, 8, 10, Tower 1, No. 18 Taipingqiao Street, Xicheng District, Beijing, 100032, PRC

Registered Address: 28/F 2801-2807, 2816, Yuecai Building, No.188 Jingshan Road, Jida, Zhuhai, Guangdong, PRC

Office Address: 28/F 2801-2807, 2816, Yuecai Building, No.188 Jingshan Road, Jida, Zhuhai, Guangdong, PRC

Contact Phone Number: 0756-3212188

Date of First Registration: 14 December 1984

Authority of Registration: Zhuhai Administration of Industry and Commerce

Credibility Code: 91440400X17502779G

Financial Institution License Number: B0029H144040001

Auditor: Deloitte Touche Tohmatsu CPA Ltd
Address: 30/F Bund Center, 222 Yan An Road East, Shanghai 200002, PRC

Client Service & Complain Hotline +86 756 321-2188
+86 10 8356-3019 (Beijing Branch)

银行简介

我行是摩根士丹利集团的子公司英国摩根士丹利国际银行有限公司(Morgan Stanley Bank International Limited)的全资附属机构。

我行的前身为珠海南通银行，于2006年9月29日起成为摩根士丹利集团的一员，并于2007年5月30日正式更名。珠海南通银行于1984年经人民银行批准成立，是首家在中国注册及总部设在内地的外资独资法人银行，也是珠海经济特区的第一家外资银行。我行本着专业、创新、灵活和务实的服务宗旨，竭诚为各界客户提供全面优质的银行服务。

我行的最终控股公司摩根士丹利，是一家全球性金融服务公司，在其各项业务领域中占有显著市场份额，其业务涵盖证券、投资管理以及财富管理。摩根士丹利通过其下属机构及分支机构，为各类客户提供广泛的产品及服务，客户包括企业、政府机关、金融机构和个人客户。摩根士丹利通过其纽约总部和在美国其它地区的分支机构、以及在伦敦、东京、香港和其它的世界金融中心的主要办公室开展业务。摩根士丹利是一家金融控股公司，由联邦储备系统理事会根据经修订的1956年《银行控股公司法》监管。

Introduction to Morgan Stanley

Bank International (China) Limited

Our Bank is wholly owned by Morgan Stanley Bank International Limited, a subsidiary of Morgan Stanley group.

The Bank, formerly known as Nan Tung Bank Ltd, Zhuhai (“**Nan Tung Bank**”), becomes a Morgan Stanley group company since September 2006, and officially changed to the current name on 30 May 2007. Established in 1984 with the approval from PBOC, Nan Tung Bank was the first wholly foreign-owned bank incorporated and headquartered in mainland China and the first foreign-funded bank in the Zhuhai Special Economy Zone. The Bank has been providing quality banking products and services to various clients with the service principles of being professional, innovative, flexible and practical.

Morgan Stanley, the Bank’s ultimate holding company, is a global financial services firm that maintains significant market positions in each of its business segments—Institutional Securities, Wealth Management and Investment Management. Morgan Stanley, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley conducts its business from its

headquarters in and around New York City, its regional offices and branches throughout the U.S. and its principal offices in London, Tokyo, Hong Kong and other world financial centers. Morgan Stanley is a financial holding company regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended.

股东名称及报告期内变动情况

我行唯一股东是摩根士丹利国际银行有限公司（Morgan Stanley Bank International Limited），本报告期内无持股比例变动。

Shareholder's Name and Changes

Morgan Stanley Bank International Limited is the sole shareholder of the Bank. There was no shareholding change to our Bank within the reporting period.

股东背景

摩根士丹利国际银行有限公司（Morgan Stanley Bank International Limited）是一家依照英格兰与威尔士法律，于1999年2月23日正式注册成立并存在之私人股份有限公司，注册处之公司编号为3722571，注册地址为25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom。摩根士丹利国际银行有限公司的主要业务是向公司客户、政府机构及金融机构提供金融服务。摩根士丹利国际银行有限公司是一家由摩根士丹利最终全资控股的商业银行，除全资控股本行以外，其还在德国、意大利和韩国分别设有1家分行。摩根士丹利国际银行有限公司2020年末的总资产约62亿英镑。

Shareholder's Background

Morgan Stanley Bank International Limited is a private limited company incorporated under the laws of England and Wales on 23 February 1999 (registration number 3722571), with registered office at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom. The principal activity of Morgan Stanley Bank International Limited is the provision of financial services to corporations, governments, and financial institutions. Morgan Stanley Bank International Limited is ultimately 100% held by Morgan Stanley. In addition to holding 100% interests in our Bank, Morgan Stanley Bank International Limited operates one branch in Italy, Germany and South Korea respectively. Morgan Stanley Bank International Limited had total assets of approximately GBP6.2 billion as at 31 December 2020.

股东大会情况

作为我行唯一股东，摩根士丹利国际银行有限公司董事会合理的认为，摩根士丹利国际银行有限公司符合适用于本行的相关法律法规及监管要求，通过其董事会履行其作为我行股东的职责。摩根士丹利国际银行有限公司董事会会议代表股东：

- （一）举行例行会议，并且在有需要时举行临时会议；
- （二）接受我的工作报告，包括：(i) 最新市场动态；(ii) 业务计划；(iii)业务更新情况；(iv)最新财务状况；以及(v)其他必须由摩根士丹利中国的股东根据相关规定与要求而审阅的报告(例如，董事和监事的履职评价结果, 内部资本充足评估程序报告)，以针对摩根士丹利中国的业务经营开展监督，并提供建议；
- （三）负责批准我行的董事、监事提名以及（于需要时）增资方案；及
- （四）其他需要股东批准的重大事项。

Shareholder's Meeting Information

As the sole shareholder of the Bank, Morgan Stanley Bank International Limited is, in the opinion of the Board of Directors of the Bank, in compliance with the relevant laws and regulations and regulatory requirements applicable to it as shareholder of the Bank, acts through its board of directors to exercise its shareholder responsibilities. The board of directors of Morgan Stanley Bank International Limited, representing the Bank's shareholder:

- (1) holds regular meetings and ad hoc meetings (where necessary);
- (2) reviews the Bank's reports, including (i) the latest market update, (ii) business plan, (iii) business update, (iv) the latest financial status and (v) other reports which must be reviewed by the shareholder of the Bank pursuant to the rules and regulations (for example, the performance evaluation results of Directors and Supervisors, the Internal Capital Adequacy Assessment Process Report), so as to monitor and to provide recommendations on the Bank's business operations;
- (3) approves the nomination of directors/supervisors of the Bank and, where needed, capital injection proposals; and
- (4) approves other important matters that are required to be approved by the shareholder.

变更注册资本、分立合并事项

2020年本行无增加或减少注册资本、分立合并事项。

Change in Registered Capital, Merger & Division

There were no changes in registered capital, merger or division of the Bank in 2020.

其他重大事项

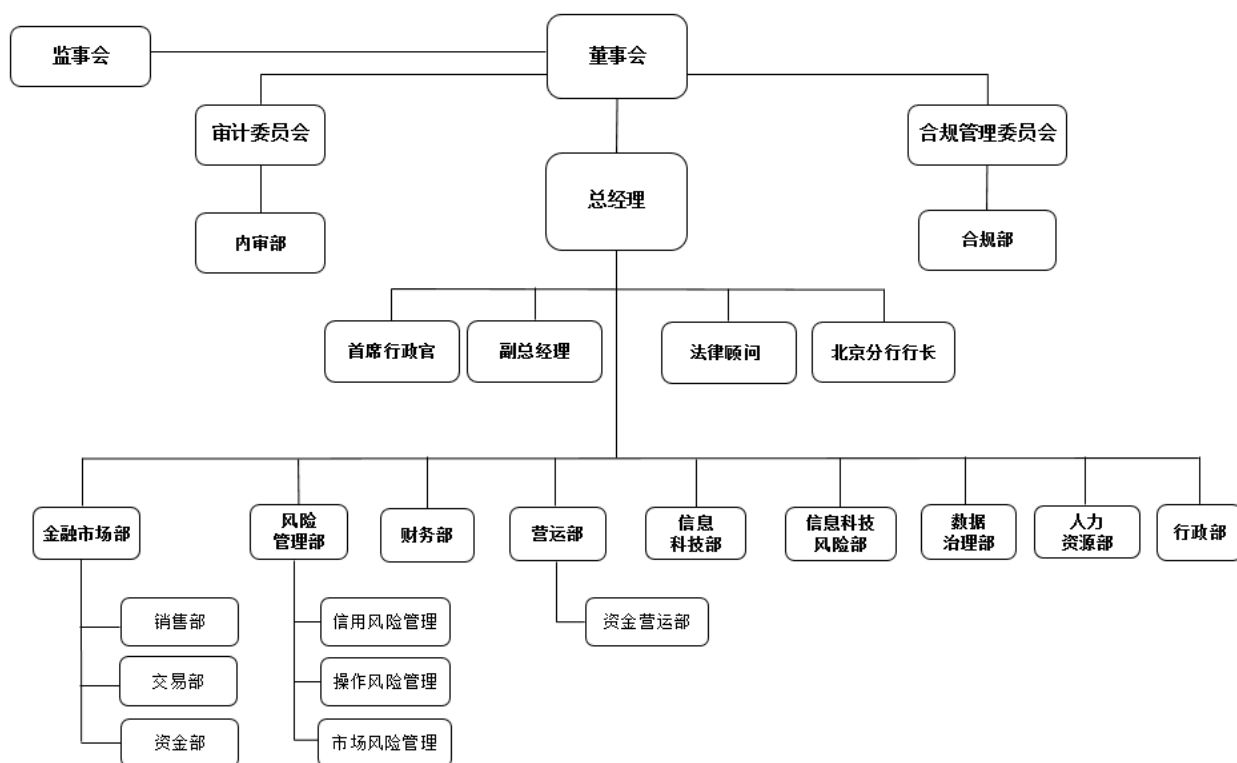
本行相信本行在2020年没有发生可能会对我们的客户和我们提供的服务产生重大不利影响的事项。

Other Material Events

We believe that our Bank did not have any events in 2020 which may have material adverse effect on the Bank's clients and the services the Bank provides.

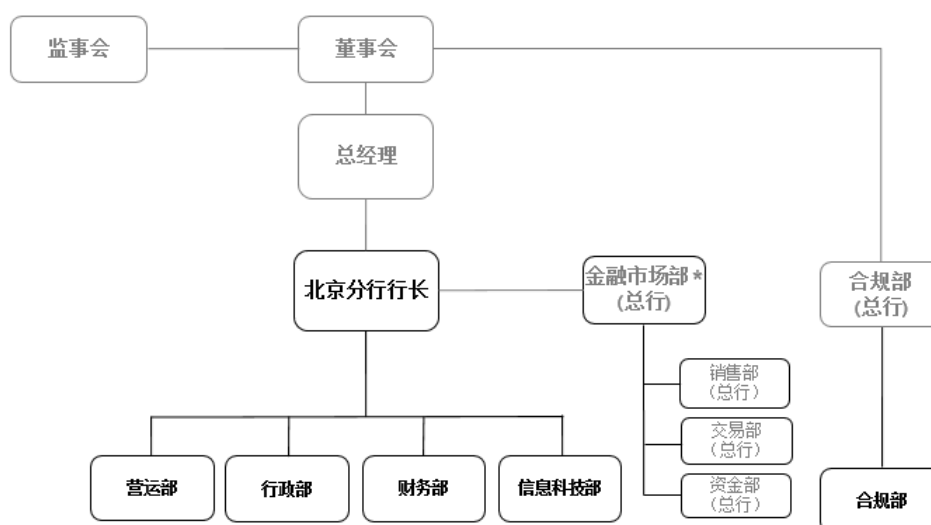
本行组织结构图 (截至 2020 年 12 月 31 日)

摩根士丹利国际银行(中国)有限公司



本行北京分行组织结构图 (截至 2020 年 12 月 31 日)

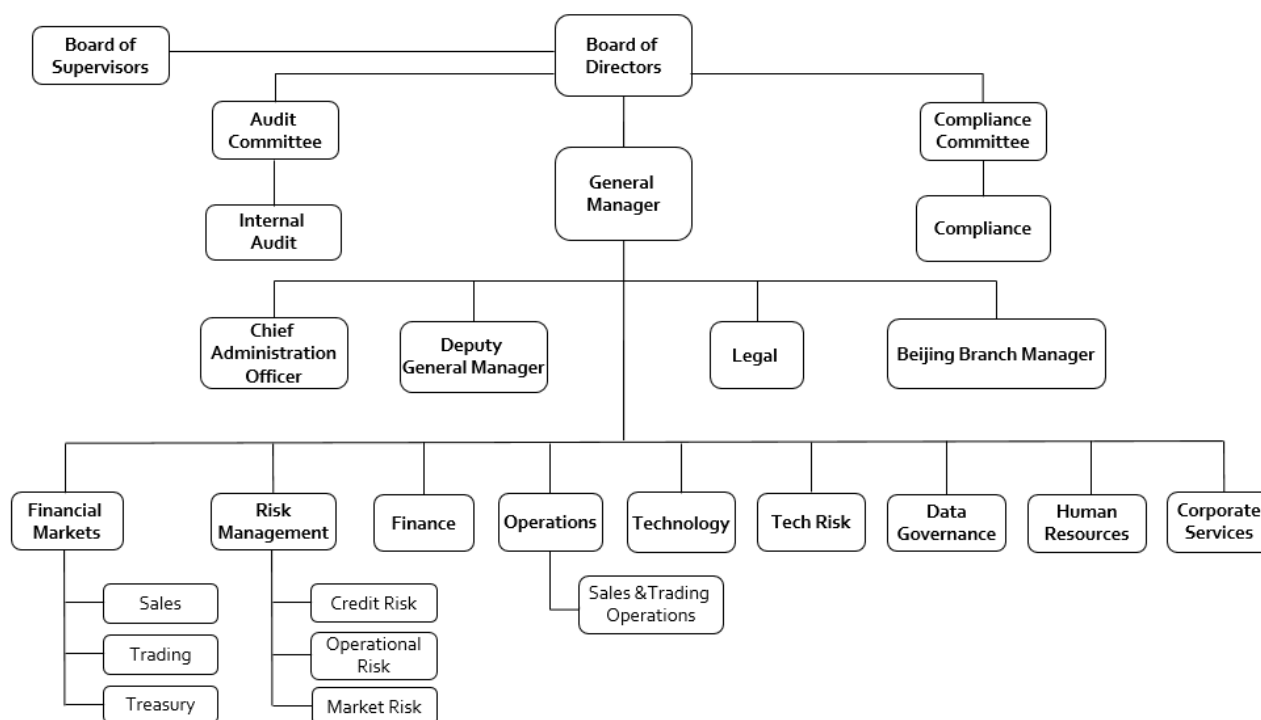
摩根士丹利国际银行（中国）有限公司北京分行



* 北京分行行长兼任总行金融市场部负责人，直接向总经理汇报

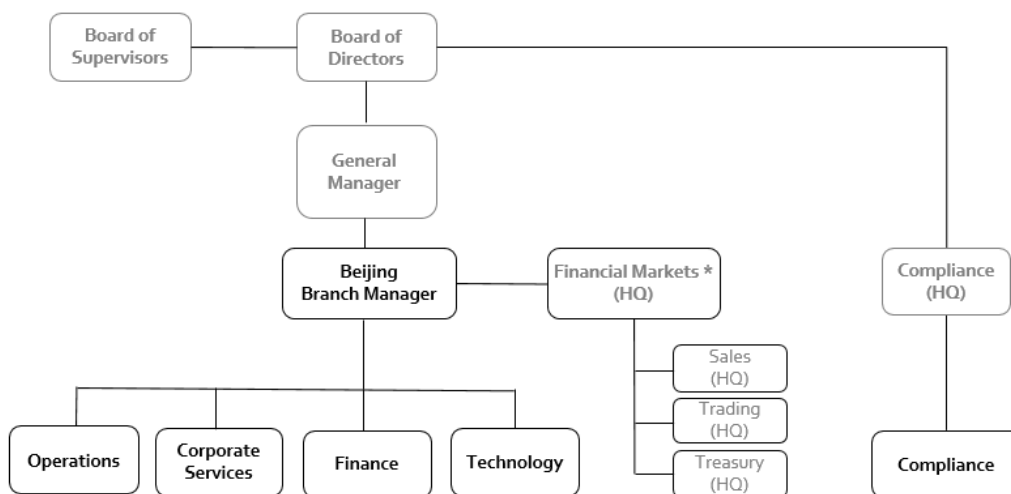
Organization Chart of the Bank (As of December 31, 2020)

MSBIC Headquarters Organization Chart



Organization Chart of Beijing Branch of the Bank (As of December 31, 2020)

MSBIC Beijing Branch Organization Chart



* Beijing Branch Manager is also the Head of HQ Financial Markets department, reporting directly to the General Manager

公司治理的总体评价

我行对照(i) 银监会 (现更名为银保监会) 2013 年 7 月颁布的《商业银行公司治理指引》；(ii) 银监会于 2017 年 5 月对本行风控责任落实情况专项检查提出的意见，(iii) 银监会于 2018 年 1 月颁布的《商业银行股权管理暂行办法》，及银保监会于 2019 年 12 月 19 日颁布的《关于银行保险机构员工履职回避工作的指导意见》，对我行的全面公司治理进行了审阅和差异分析。针对股权管理办法对我行章程进行的修改已于 2019 年 5 月获得监管机构的批准。

针对银保监会颁布的《银行业金融机构数据治理指引》及《银行业金融机构从业人员行为管理指引》，我行进一步修订了《董事会会议安排指引》及《监事会会议安排指引》，明确了董事及监事的相应职责。《董事会会议安排指引》及《监事会会议安排指引》对于提案机制、高管层向董事会及监事会汇报制度，董事、监事及高管层履职评价、监事会对高级管理层履职评价和战略实施的监督、会议纪要报备工作及会议召开后向珠海银监分局报送会议纪录等相关资料进行了明确规定。进一步修订之《董事会会议安排指引》及《监事会会议安排指引》已于 2021 年 1 月提交董事会和监事会审批。另外，我行亦制定了《董事会会议的年度会议议程计划指引》及《监事会会议的年度会议议程计划指引》，该等年度会议议程计划指引已

呈交董事会和监事会审阅，规定需向董事会和监事会汇报及审批之事项。年度《董事会会议的年度会议议程计划指引》及《监事会会议的年度会议议程计划指引》已进一步修改，以更细分每季度董事会及监事会会议上需要审阅及批准的事项。

报告期内，我行对公司治理进行了持续的完善。我行董事会针对股权管理办法进行了内部审阅，以增强股权管理并确保所有相关的监管报告均已在规定期限内提交至银保监会。为进一步明确股东的主要义务、职责及责任，股东需要特别决议的事项，及根据监管要求而提供股东相关信息之基本责任，本行根据公司章程及相关规章制度，于 2021 年 1 月进一步修订了《股东指引》，并提交监管机构备案。

我行在董事会下设 6 个委员会，包括合规管理委员会、关联交易控制委员会、风险委员会、审计委员会、人力资源、提名与薪酬委员会及信息科技管理委员会。风险委员会下设 5 个委员会，包括业务连续性管理委员会、贷款承诺委员会、资产负债管理委员会、数据治理委员会和操作风险监督委员会。2020 年，各委员会定期或根据临时需要召开会议，上述会议通过对我行业务实施适当的内部控制，监管银行的风险管理政策、过程和报告制度，以及依法审查批准关联交易等工作，对我行多方面的风险进行了管理和控制。

我行管理层在职责范围内对我行的经营活动行使充分的经营管理自主权，并对董事会负责，以尽力实现我行资本的增值和我行的发展。我行在总经理下设了 4 个委员会，包括管理委员会、同业业务委员会、反洗钱工作委员会和新产品批准委员会。各委员会定期或按需召开会议，讨论并决定相关事项。

我行 2020 年继续执行本地汇报线，以进一步提升我行管理层的本地管理权限。我行除内审部、合规部以外，各部门主管均向我行总经理实线汇报，同时接受各自职能主管的业务指导并向其汇报；内审部和合规部主管向我行董事会下设委员会汇报，同时向业务职能主管报告。我行各部门主管的首要主管为我行总经理（内审部和合规部除外）。

2020 年度我行组织架构更新如下：1) 为更准确体现内部业务结构与整体规划策略，“同业业务部”将更名为“金融市场部”，由总行销售部、交易部与资金部组成，原有“同业业务部”业务内容将由新成立的“金融市场部”承接并发展，并且延续总行对该部门全面、持续的监管。同时，为了更好地加强与落实属地管理原则，结合银行内部实际情况，我行在现有的基础上进一步完善和简化了部门设置与汇报线路，主要变化为北京分行行长将兼任总行金融市场部负责人，直接向总经理汇报；2) 法律顾问的汇报线由原本向董事会汇报变更为直接向总经理汇报。

每年，我行总经理/董事长（代表董事会）和各职能主管将一同为我行各部门主管的年度目标达成一致意见，并至少每年一次共同为我行各部门主管提供绩效评估。我行各部门主管的薪酬建议由我行总经理/董事长（代表董事会）和职能主管共同确定。对于合规部和内审部，其各自委员会将委派委员会的一名成员履行相同的职能，其委员会委派的成员有权对其薪酬发表意见，而薪酬由业务职能主管确定。这些建议连同整个绩效评估的文件将提交到我行董事会下属的人力资源、提名与薪酬委员会审阅。

我行设监事会，监事会成员除参加监事会会议以外还列席我行董事会以及董事会下设委员会会议，对我行董事会和高级管理层的工作进行监督。

Overall Evaluation on Our Bank’s Corporate Governance

The Bank has conducted a comprehensive review and gap analysis on the corporate governance of the Bank according to (i) the Guidelines on Commercial Banks’ Corporate Governance (the “CG Guidelines”) issued by the CBRC (which has now become the China Banking and Insurance Regulatory Commission (“CBIRC”)) in July 2013; (ii) the CBRC’s recommendation following the on-site review in May 2017; (iii) the Interim Measures for the Equity Management of Commercial Banks promulgated by the CBRC in January 2018

(the “Interim Measures”) and (iv) CBIRC Guidelines on 19 December 2019 regarding avoidance of conflict of interests by the Bank’s key personnel. The Articles of Association of the Bank was amended and approved by the CBIRC in May 2019 to reflect certain requirements of the Interim Measures.

In light of the regulatory requirements in the CBIRC’s Data Governance Guidelines and the Code of Conduct for the Bank’s Practitioners, the Bank has further enhanced the Board of Directors Meeting Arrangements Guidelines and the Board of Supervisors Meeting Arrangements Guidelines to incorporate and align with these principles with respect to the duties and responsibilities of Directors and Supervisors. The Board of Directors Meeting Arrangements Guidelines and the Board of Supervisors Meeting Arrangements Guidelines set out the procedures applicable to both the Board of Supervisors (“BoS”) and the Board of Directors (“BoD”) in relation to voting arrangements, senior management reporting to the BoS and BoD, the performance evaluations of SMP, Directors and Supervisors, provision for the BoS’s review of the SMP performance and bank business strategy, as well as board administration matters on board minutes preparation and submission to the CBRC within the regulatory time limits, etc. The further enhanced BoD Meeting Arrangements Guidelines and BoS Meeting Arrangements Guidelines have been reviewed by the BoD and BoS in January 2021. Furthermore, the Bank has submitted to the BoS and BoD the annual board agenda planner for the purposes of setting

the board agenda items for consideration and approval (where necessary) by BoS and BoD. The annual board agenda planner have been further updated to be more granular taking into account the ongoing matters which should be reviewed and approved by the BoD and the BoS in the quarterly meetings in light of the recent regulatory developments.

To strengthen the governance principles in relation to the Shareholder's key obligations, duties and responsibilities; matters reserved for the Shareholder; and the key responsibilities in relation to the provision of Shareholder related information per regulatory requests, the Bank issued the Shareholder Guidelines in accordance with the Articles of Association and the relevant rules and regulations of the PRC. The Shareholder Guidelines has been further amended in January 2021.

During the year, the Bank kept continuous enhancement on Corporate Governance. The Bank's Board of Directors had conducted an internal review of the Shareholder in compliance with the Interim Measures and the relevant regulatory report had been submitted to the CBIRC within the prescribed time.

There are six committees established under the Board: (i) Compliance Committee, (ii) Related Party Transaction Committee, (iii) Risk Committee, (iv) Audit Committee, (v) Human Resources, Nomination and Remuneration Committee and (vi) Information

Technology Steering Committee. There are five sub-committees established under Risk Committee: Business Continuity Management Committee, Loan Commitment Committee, Asset and Liability Management Committee, Data Governance Committee and Operational Risk Oversight Committee. In 2020, all committees hold regular or ad hoc meetings for the purposes of managing and controlling the Bank's various risks through implementing appropriate internal controls, monitoring the Bank's risk management policies, procedures and reporting processes, and examining and approving related party transactions according to laws and regulations.

The senior management of the Bank has adequate management discretion within their scope of responsibilities regarding the Bank's business activities. The senior management of the Bank reports to the Board, endeavoring to achieve capital appreciation and development of the Bank and maximize the shareholder's interests. There are four committees established under the GM of the Bank: Management Committee, Interbank Activities Committee, Anti-money Laundering Committee, and New Product Approval Committee. Interbank Activities Committee was established in 2014. These committees hold meetings on a regular or ad-hoc basis to discuss and make decisions of related matters.

In 2020, the Bank continue to implement the local reporting line, and enhances the local management authority of senior management of

the Bank. Currently, the Bank's department heads, including the head of trading desks, have a respective solid reporting line to the GM in addition to their functional reporting line, with the exception of Internal Audit which reports to Audit Committee under the Board and Compliance which reports to Compliance Committee under the Board and functional Compliance. The primary manager of each department head of the Bank is now the GM (apart from Internal Audit & Compliance).

Changes of bank's organization chart in 2020: 1) to better reflect Bank's internal business structure and overall planning strategy, "Interbank" department has been renamed as "Financial Markets", in which composed of HQ Sales, Trading and Treasury functions. The newly established "Financial Markets" department would undertake and develop the original "Interbank" department business, with comprehensive and continuous supervision from the HQ. At the same time, in order to better strengthen and implement the principle of local governance, with consideration of actual internal situation, bank has improved and simplified its department setup and reporting line. The major change is that Beijing branch manager would also serve as the head of HQ Financial Markets department, and reports directly into the general manager; 2) legal counsel's reporting line was changed from reporting to the board of directors to reporting directly to the general manager.

Each year, the GM of the Bank/the Chairman of the Board of Directors (on behalf of the Board of Directors) and the respective functional heads jointly agree on objectives for each department head. They evaluate the department heads' performance together at least once a year. The decisions on compensation are proposed jointly by the GM of the Bank/the Chairman of the Board of Directors (on behalf of the Board of Directors) and the respective functional heads each year. In the case of the Compliance and Internal Audit departments, the respective committee of the Board will perform the same function through a delegated Committee member who will have input into the compensation decision that will be determined by the firm's relevant functional department head. These proposals will be submitted, together with the overall performance evaluation documentation, to Human Resources, Nomination and Remuneration Committee of the Bank for review.

The Bank has established the Board of Supervisors. In addition to the meeting of the Board of Supervisors, the Supervisors also attended (without voting right) the meetings of the Board of Directors and the Board of Directors' Committees meetings. The Board of Supervisors of the Bank supervises the performance and duties of the Directors and the senior management of the Bank.

董事会和高级管理人员情况

董事会的职能

董事会向股东负责，依据相关法律法规及本行章程 (2019年版本)行使下列职权和责任：

- (一) 制定和修改本行章程；
- (二) 决定本行的经营计划、投资方案和战略方针；
- (三) 听取、审查并批准本行总经理的工作报告；
- (四) 审查通过本行年度决算和盈余处理方案；
- (五) 任免本行的高级管理层人员，决定董事、监事和高级管理层人员的薪酬方案，聘请外部审计师；
- (六) 审定本行内部机构的设置和撤并；
- (七) 定期向股东报告工作；
- (八) 批准本行的基本管理制度、规章制度及日常运作的业务计划；
- (九) 可根据本行的需要和实际情况，成立各专业委员会，代表董事会负责某一领域的决策，或向董事会提供某一领域的专业意见，并对该领域业务情况进行检查和监督。各专业委员会应具备清晰的目标、权限和责任；

- (十) 审议有关本行的增资、减资、转让出资及其他重大事项；
- (十一) 决定和批准营业性分支机构的设立和终止；
- (十二) 决定和批准本行的利润分配方案；
- (十三) 批准本行的任何延期申请；
- (十四) 批准代表本行进行任何诉讼、仲裁和其他法律程序；及
- (十五) 法律法规、监管规定与本行章程规定或股东授予的其他职权。

Board of Directors and Senior Management

Functions of the Board

The Board shall be responsible to the shareholder and exercise the following powers and responsibilities in accordance with relevant laws, rules and regulations and Articles of Association (2019 version) of the Bank:

- (1) Formulating and amending the Bank's articles of association;
- (2) Determining the Bank's business plans, investment plans and strategic policies;
- (3) Hearing, examining and approving the general manager's work reports;
- (4) Examining and approving the annual final accounts of the Bank and plans for dealing with any surplus profits;
- (5) Appointing and dismissing the Bank's senior management personnel and deciding on remuneration programs for directors, supervisors and senior management personnel, and appointing external auditors;
- (6) Examining and finalizing the establishment and the dissolution of the Bank's internal organizations;
- (7) Reporting to the Shareholder on a regular basis;
- (8) Approving the basic management system, internal rules and business plans for daily operations of the Bank;

- (9) Setting up various special committees, in accordance with the Bank's needs and actual circumstances, for making decisions in various areas on behalf of the board of directors, or for providing expert opinions in various areas to the board of directors, and for carrying out inspection and supervision activities with respect to the business situations in such areas. These special committees shall each have clear objectives, powers and responsibilities;
- (10) Examining and discussing capital increase, capital reduction, share transfers and other important matters relating to the Bank;
- (11) Determining and approving the establishment and termination of business branches;
- (12) Determining and approving profit allocation plans;
- (13) Approving any application for extension of the term of the Bank;
- (14) Approving the conduct of court proceedings, arbitrations and other legal proceedings on behalf of the Bank; and
- (15) Other powers as stipulated by laws, regulations and regulatory rules, and the Bank's articles of association, or authorized by the Shareholder.

于2020年12月31日，我行董事会成员详细介绍如下。

- 1、董刚，男，毕业于美国哥伦比亚大学法学院，获法学硕士学位和中国政法大学国际法学院，获法学硕士学位及中国政法大学法学院法学学士学位。董刚拥有美国纽约州律师资格和中国律师资格。于2011年加入摩根士丹利，现任摩根士丹利国际银行（中国）有限公司董事长、摩根士丹利华鑫证券有限责任公司总经理助理。在加入摩根士丹利前，董刚先生曾任职于美国谢尔曼·思特灵律师事务所和英国富而德律师事务所，从事资本市场律师工作。董刚先生兼任中国证券业协会国际战略委员会委员、清华大学法律硕士校外导师、北京大学国际法学院兼职教授、北京仲裁委员会仲裁员、中国国际经济贸易仲裁委员会仲裁员和深圳国际仲裁院仲裁员。2020年8月19日，经监管机构批准担任摩根士丹利国际银行（中国）有限公司董事长及法定代表人。
- 2、Jeremy Alton HUFF，男，于2004年获得哈佛大学法学院法学博士学位。于2004年9月至2007年2月，及2007年3月至2010年6月期间，分别于世达国际律师事务所纽约及北京分公司担任律师；2010年7月至2013年2月，担任美国国家篮球协会中国公司助理法律顾问；2013年2月至2017年3月，担任美国国家篮球协会中国公司品牌娱乐副总裁；2017年3月至今，担任摩根士丹利董事总经理，中国区首席运营官，同时担任摩根士丹利有限数量境内公司的董事或监

事。2018年6月14日，经监管机构批准担任摩根士丹利国际银行（中国）有限公司非执行董事。

3、艾明德，男，获得美国印第安纳大学学士学位。于1993年2月至1997年5月任职于安达信咨询公司香港；1997年6月至2003年1月，任职于摩根士丹利亚洲有限公司，亚太区资金部，2003年1月至2004年8月，担任摩根士丹利纽约，资金项目部项目经理；2004年9月至2008年11月，任职于摩根士丹利亚洲有限亚太区财务项目部；2008年12月至2010年12月，担任摩根士丹利亚洲有限公司亚太区新兴市场外汇交易财务控制部负责人；2010年1月至今，担任摩根士丹利亚洲有限公司亚太区固定收益财务控制部负责人；2017年4月至今，担任摩根士丹利亚洲有限公司中国首席财务官。2018年6月14日，经监管机构批准担任摩根士丹利国际银行（中国）有限公司非执行董事。

4、张亚琳，女，1989年5月获得美国康奈尔大学电气工程专业学士学位。1989年6月至1992年3月，于纽约安达信咨询担任技术顾问。自1992年3月加入摩根士丹利，曾任职于摩根士丹利香港、伦敦及纽约，并担任科技部及营运部多项重要职位，涉及应用开发；信息科技风险与安全；操作风险与控制；监管报备及首席营运。现同时担任摩根士丹利亚洲科技部主管（除日本及印度全球内部中心外）及亚洲科技及运营风险部主管。2015年4月28日，经监管机构批准担

任摩根士丹利国际银行（中国）有限公司董事。

- 5、李志毅，女，毕业于上海财经大学会计专业，管理学学士。于2019年1月加入摩根士丹利国际银行（中国）有限公司，任董事总经理，首席战略官及业务总监；2019年7月被任命为总经理（拟任）并于2019年12月得到中国银行保险监督管理委员会的任职资格核准。在中国金融市场有18年工作经验，在企业融资和金融衍生产品和业务开拓的方面积累丰富的一线经验。在加入摩根士丹利之前，于2016年8月至2018年12月任渣打银行（中国）有限公司董事总经理，金融市场部中国区销售总监，负责对金融同业和各类型企业客户提供外汇、固定收益、信用和大宗商品等业务的相关服务。在此之前，就职汇丰银行和德意志银行，历任汇丰银行（中国）有限公司全球市场部中国区企业销售总监，德意志银行（中国）有限公司中国区跨国企业资金业务部主管以及核心客户资金业务部副主管等职。2020年4月27日，经监管机构批准担任摩根士丹利国际银行（中国）有限公司执行董事。
- 6、蒋蓓怡，女，毕业于新加坡南洋理工大学，会计学学士。于2011年12月至2017年6月期间，担任摩根士丹利中国区首席风险官，之后任职于湖北省长江经济带产业基金管理有限公司，担任风控总监，并于2019年3月再次加入摩根士丹利，担任中国区首席风险官。除此之外，蒋女士还在德意志银行

(中国)有限公司、德勤企业咨询服务公司等金融及咨询机构公司担任信用风险管理及融资咨询相关工作。2020年4月27日，经监管机构批准担任摩根士丹利国际银行（中国）有限公司非执行董事。

- 7、耿建新，男，1993年毕业于中国人民大学会计学专业并取得博士学位。曾任会计学常务系副主任、副教授、教授、博士生导师、博士后联系人，中国人民大学学术委员会委员；现已退休。2015年8月6日起，经监管机构批准担任摩根士丹利国际银行（中国）有限公司独立董事。

2020年董事会工作情况

本行董事会形成了有效的决策和监督机制，在决策程序、授权程序、表决程序等方面均能严格按照法律规章以及公司章程的规定要求执行。全体董事均能以认真负责的态度参加董事会，全体董事每年至少要亲自参加三分之二的董事会会议。了解作为董事的权利、义务和责任，勤勉尽职，注重维护银行和股东的利益。2020年，本行分别于1月13日、4月1日、7月30日、8月19日及10月30日召开了共5次董事会会议。其中1月13日、4月1日、8月19日及10月30日为常规会议。7月30日为特别会议。董事会分别于3月25日、9月25日、12月22日及12月24日通过董事会书面决议批准了监管相关事宜。

2020年独立董事的工作情况

本行独立董事获得银监会批准后，参与了2020年100%董事会会议，并发表了客观、公正的独立意见。独立董事参与讨论的事项主要包括：

- （一）高级管理人员的聘任；
- （二）关联交易的审阅；
- （三）内审报告和外审报告的审阅；
- （四）合规事项的审阅；及
- （五）其他与本行有关的重大事项。

The details of the members of the Board of Directors as of December 31, 2020 are set out below.

1. Mr. Gang DONG obtained a bachelor of law degree and a master of international economy law degree from China University of Political Science and Law as well as a master of law degree of Columbia University School of Law in New York, where he was granted Harlan Fiske Stone Scholar. He joined Morgan Stanley in 2011. Mr. Dong is now the Chairman of Morgan Stanley Bank International (China) Company Limited and the Assistant General Manager of Morgan Stanley Huaxin Securities Company Limited. Prior to joining Morgan Stanley, Dong Gang worked in two

international law firms, Shearman & Sterling and Freshfields Bruckhaus Deringer as a capital market lawyer. Mr. Dong concurrently serves as a member of International Strategy Committee of the Securities Association of China, a mentor of Juris Master Students of Tsinghua University, an adjunct Professor of Peking University School of Transnational Law School, an arbitrator of Beijing Arbitration Commission, China International Economic and Trade Arbitration Commission and Shenzhen International Arbitration Court. He was approved by the CBIRC as the Chairman and Legal Representative of our Bank on 19 August 2020.

2. Mr. Jeremy Alton HUFF obtained a J.D. Degree from Harvard Law School in 2004. From September 2004 to February 2007, he worked as a lawyer at Skadden, Arps, Slate, Meagher & Flom LLP New York, and from March 2007 to June 2010, he worked as a lawyer at Skadden, Arps, Slate, Meagher & Flom LLP Beijing. From July 2010 to February 2013, he worked as Associate Counsel for The National Basketball Association, China and from February 2013 to March 2017, he was Vice President of Branded Attractions for The National Basketball Association, China. He joined Morgan Stanley in March 2017 as a managing director and Chief Operating Officer, China and is currently still serving such roles as well as representing Morgan Stanley as a Director or Supervisor at a limited number of the Firm's onshore companies. He was appointed

as a non-Executive Director of MSBIC with regulatory approval on 14 June 2018.

3. Mr. Ming Teh Stanisla NGAI obtained a Bachelor Degree in Indiana University, USA. From February 1993 to May 1997 he worked in Hong Kong Andersen Consulting; from June 1997 to January 2003, he worked for Corporate Treasury of Morgan Stanley Asia; from January 2003 to August 2004, he worked as Corporate Treasury Project Manager of Morgan Stanley New York; from September 2004 to November 2008, he worked for Financial Control Group Project of Morgan Stanley Asia; from December 2008 to December 2010, he was AP FX & Emerging Market Controllers of Morgan Stanley Asia; from January 2010 till now, he is the Head of AP Fixed Income Controllers of Morgan Stanley Asia; from April 2017 till now, he is China CFO of Morgan Stanley Asia. He was appointed as the non-Executive Director of MSBIC with regulatory approval on 14 June 2018.

4. Ms. Yahlin Chang obtained a Bachelor degree in electrical engineering in Cornell University. After graduation, from June 1989 to March 1992, she worked in New York Andersen Consulting as a Consultant. Since joining Morgan Stanley in March 1992, Yahlin has held a variety of roles within Technology and Operations, covering different disciplines within these two divisions, including application development,

IT risk and security, operational risk and control, regulatory reporting and COO functions. Yahlin has worked in the Hong Kong, London and New York offices during her tenure with the Firm. Yahlin currently holds a dual role as the Head of Non-Japan Asia Technology (ex India GIC) and also the Head of Asia Technology and Operations Risk. She was appointed as the Director of MSBIC with regulatory approval on 28 April 2015.

5. Ms. Maggie Li joined MSBIC in January 2019, as Managing Director, Chief Strategy Officer and Head of Client Solutions. She was appointed to become General Manager of MSBIC in July 2019 and approved by CBIRC in December 2019. Maggie has worked for 18 years in China financial markets, and had rich experience in corporate finance and derivatives business with front line roles. Before joining Morgan Stanley, Maggie was the Managing Director and Head of Financial Markets Sales in Standard Chartered Bank, responsible for FICC sales and business developments with Financial Institutions and Corporate Clients. Prior to Standard Chartered Bank, Maggie has worked for Deutsche Bank for over 11 years and HSBC for around 3 years in various positions in Corporate Banking, Capital Markets Treasury Solutions and Global Markets. She was appointed as an Executive Director of MSBIC with regulatory approval on 27 April 2020.

6. Ms. JIANG Beiyi obtained a Bachelor Degree of Accountancy from Nanyang Technological University of Singapore. From December 2011 to June 2017, she was the Chief Risk Officer of Morgan Stanley China. After that, she was the Chief Risk Officer of Yangtze River Industry Fund Management Company Limited. She re-joined Morgan Stanley on March 2019, as the Chief Risk Officer of Morgan Stanley China. Prior to that, she worked as the Credit Risk Management and Corporate Finance officer in Deutsche Bank (China) Co. Ltd. and senior consultant in Deloitte & Touche Financial Advisory Service Pte. Ltd. respectively among other financial institutions. She was appointed as a Non-Executive Director of MSBIC with regulatory approval on 27 April 2020.

7. Mr. Jianxin Geng, graduated from Renmin University of China Accounting Major with Doctor's Degree in 1993. He has been the Associate director of accounting, Associate Professor, Professor, Doctoral supervisor, Postdoctoral contact, Members of the academic committee of Renmin University of China; he is retired now. Mr. Geng has been appointed as the Independent Director of MSBIC with regulatory approval on 6 August 2015.

Operation of the Board of Directors in 2020

The Board of Directors has oversight on the business operation of the Bank and senior management in compliance with the laws and regulations and regulatory requirements applicable to the Directors of the Bank. All directors of the Bank attended at least two-third of the board meetings in a year in person with earnest and responsible attitude, acknowledge the rights, obligations and responsibilities of Directors, they are diligent and responsible in the interests of the Bank and the shareholder. During the year of 2020, there were five Board meetings held on 13 January, 1 April, 30 July, 19 August and 30 October respectively. The board meetings on 13 January, 1 April, 19 August and 30 October were regular meetings whereas the meetings on 30 July was ad-hoc meeting. The Board of Directors also passed written resolutions on 25 March 2020, 25 September 2020, 22 December 2020 and 24 December 2020 to approve, among other things, the compliance and regulatory related matters.

Work of the Independent Director in 2020

The Independent Director of the Bank has participated in 100% the meetings of the Board in year 2020. The independent director independently expressed his objective and impartial views on matters discussed. The independent director of the Bank participated in the discussion of the following matters:

- (1) Recruitment of the senior management of the Bank;
- (2) Reviewing of Related Party transactions;
- (3) Reviewing of internal and external audit report;
- (4) Reviewing of compliance related issues, and
- (5) Other important matters relating to the Bank.

我行高级管理层及其成员介绍

截至2020年12月31日，经监管机构核准高级管理人员资格的主要成员包括：

- 1、李志毅，女，毕业于上海财经大学会计专业，管理学学士。于2019年1月加入摩根士丹利国际银行（中国）有限公司，任董事总经理，首席战略官及业务总监；2019年7月被任命为总经理（拟任）并于2019年12月得到中国银行保险监督管理委员会的任职资格核准。在中国金融市场有18年工作经验，在企业融资和金融衍生产品和业务开拓的方面积累丰富的一线经验。在加入摩根士丹利之前，于2016年8月至2018年12月任渣打银行（中国）有限公司董事总经理，金融市场部中国区销售总监，负责对金融同业和各类型企业客户提供外汇、固定收益、信用和大宗商品等业务的相关服务。在此之前，就职汇丰银行和德意志银行，历任汇丰银行（中国）有限公司全球市场部中国区企业销售总监，德意志银行（中国）有限公司中国区跨国企业资金业务部主管以及核心客户资金业务部副主管等职。在人民币国际化和债券市场开放，金融市场产品创新和跨境融资及风险管理等各方面有广泛参与和实际操作经验，多次代表其服务的机构赴欧洲、美国和一带一路沿线国家进行业务交流和推广。
- 2、李婕，女，2001年毕业于对外经济贸易大学国际金融专

业，获得经济学学士学位；后于2009年获得澳大利亚麦考瑞大学应用金融学硕士学位。在2001年8月至2002年9月期间，供职于中信实业银行总行；其后于2002年10月至2005年7月，加入渣打银行管理培训生项目，分别先后在新加坡和香港接受培训和轮岗工作，后返回渣打银行北京分行金融市场部工作；2005年7月至2006年5月期间，就职于中国国际金融有限公司固定收益部；2006年5月至2010年3月，就职于巴克莱资本（亚洲）有限公司；于2010年3月至2015年11月期间，就职于渣打银行（中国）有限公司北京分行金融市场部；并于2015年11月至2019年12月期间，就职于法国兴业银行（中国）有限公司任金融市场部境内金融机构客户业务主管。2019年12月加入摩根士丹利国际银行（中国）有限公司，并于2020年5月13日获监管核准担任北京分行行长一职。

- 3、潘晓璐，男，1997年7月获上海对外贸易学院学士学位；2007年3月获得上海对外贸易学院硕士学位。1997年7月至2004年11月于瑞穗实业银行上海分行担任贷款营运部主管；2004年11月至2006年5月，在德意志银行上海分行担任贷款营运部主管；2006年5月至2013年3月于苏格兰皇家银行（中国）有限公司担任营运部主管。2013年4月，加入摩根士丹利国际银行（中国）有限公司担任营运部主管；并于2016年5月24日经监管机构批准担任摩根士丹利

国际银行（中国）有限公司副总经理。

- 4、 何国良，男，拥有中山大学工商管理硕士学位及华南理工大学化学工程学士学位，同时获得金融风险管理师（FRM）认证。于2015年7月加入摩根士丹利国际银行（中国）有限公司，任合规部副总裁；2019年6月被任命为总行合规负责人并于2019年9月获得中国银行保险监督管理委员会广东监管局的任职资格核准。在中国拥有12年以上的银行业从业经验，在合规、内部控制、操作风险管理、公司治理、反洗钱等方面积累了丰富的的工作经验，熟悉银行业相关的法律法规、产品、流程及风险管理。在加入摩根士丹利国际银行（中国）有限公司之前，分别在大华银行中国，渣打银行中国及汇丰集团担任相关的职位。
- 5、 陈小冰，女，毕业于深圳大学会计学专业并获得学士学位。1993年7月至1996年8月就职于蛇口中华会计师事务所担任审计员。1996年8月至2001年11月，就职于三菱东京日联银行（中国）有限公司深圳分行担任会计员；2001年11月至2004年1月就职于花旗银行深圳分行担任助理经理；2004年1月至2006年1月就职于星展银行（中国）有限公司深圳分行担任助理副总裁及财务部经理；2006年1月至2016年1月，就职于渣打银行（中国）有限公司财务部担任中国区监管报告及分行财务部总监。2016年4月加入摩根士丹利国际银行（中国）有限公司，并于2016年6月

经监管机构批准担任摩根士丹利国际银行（中国）有限公司财务负责人。

- 6、 聂颖鑫，女，2000年7月毕业于沈阳工业大学国际金融专业获经济学学士学位。2000年至2007年，就职于中国银行，任职为支行行长和公司业务部负责人；2007年至2016年间，在渣打银行（中国）有限公司个人业务部历任多个管理职位，包括支行行长、城市经理、区域总监；自2016年担任二道防线管理职能，就职于汇丰银行（中国）有限公司，任操作风险管理部高级副总监。2017年3月入职我行，2017年9月8日，经监管机构批准担任摩根士丹利国际银行（中国）有限公司内审负责人。

- 7、 张岩，男，2000年毕业于华东师范大学地理学专业理学学士学位，上海交通大学软件工程硕士学位。在2017年6月加入摩根士丹利国际银行（中国）有限公司之前，自2002年11月至2017年6月期间曾经就职于德累斯顿银行股份有限公司上海分行、荷兰银行（中国）有限公司上海分行、比利时联合银行股份有限公司上海分行、摩根大通银行（中国）有限公司上海分行、野村国际银行有限公司北京代表处、星明财务有限公司（野村国际银行全资子公司）、星展银行（中国）有限公司上海分行的信息科技部及商务规划部。2017年12月25日经监管机构批准担任摩根士丹利国际银行（中国）有限公司首席信息官。

8、 贾明皓，男，本科毕业于上海理工大学国际金融专业，于澳大利亚新南威尔士大学获得金融学硕士学位，并于悉尼大学获得会计学硕士学位。他于2007年7月至2010年9月就职于汇丰银行（中国）有限公司深圳分行担任华南区信用风险部副总裁；于2010年10月至2013年9月就职于托克投资（中国）有限公司担任中国区信用风险总监；于2013年10月至2015年4月就职于渣打银行（香港）有限公司担任大中华及北亚区高级风险经理；于2015年5月至2018年6月调任至渣打银行（中国）有限公司，先后任市场和流动新风险部高级经理、中国区市场风险部总监；于2018年7月至2019年11月就职于西班牙桑坦德银行担任中国区风险管理总监。他于2019年12月加入摩根士丹利国际银行（中国）有限公司担任风险管理部主管并拟任首席风险官。于2020年8月起，经银保监会批准后正式担任首席风险官。

Senior Management of the Bank

The members of the senior management whose qualifications have been approved by concerned regulators as of 31 December 2019 included:

1. Ms. Maggie Li joined MSBIC in January 2019, as Managing Director, Chief Strategy Officer and Head of Client Solutions. She was appointed to become General Manager of MSBIC in July 2019 and approved by CBIRC in December 2019. Maggie has worked for 18 years in China financial markets, and had rich experience in corporate finance and derivatives business with front line roles. Before joining Morgan Stanley, Maggie was the Managing Director and Head of Financial Markets Sales in Standard Chartered Bank, responsible for FICC sales and business developments with Financial Institutions and Corporate Clients. Prior to Standard Chartered Bank, Maggie has worked for Deutsche Bank for over 11 years and HSBC for around 3 years in various positions in Corporate Banking, Capital Markets Treasury Solutions and Global Markets. Maggie had abundant experience in RMB Internationalization and cross-border financing and risk management, and she had focused on product innovations and business promotions of China's capital market open-up and Belt & Road Initiatives, therefore she visited many

countries in America, Europe, and EM countries in South Asia and Africa. Maggie graduated from Shanghai University of Finance and Economics, with BA degree in Accounting.

2. Ms. Tina Li graduated in 2001 from University of International Business and Economics, with Bachelor's degree in Economics, major International Finance; and got Master's degree in Applied Finance from Macquarie University in 2009. She joined head office of China Citic Industrial Bank in 2001; from October 2002 to July 2005, she joined Standard Chartered Bank Management Trainee program and rotated work in Singapore and Hong Kong, and backed to Beijing in Financial Markets; from July 2005 to May 2006, she served with FID in CICC; from May 2006 to March 2010, she worked for Barclays Capital (Asia) Ltd and back to Standard Chartered Bank (China) Ltd. Beijing branch, Financial Markets in 2010, till November 2015; from November 2015 to December 2019, she worked with Societe Generale (China) Ltd. Financial Markets, as Head of onshore FI business. She joined MSBIC in December 2019 as Beijing Branch Manager which regulatory approval was obtained on 13 May 2020.
3. Mr. Alan Pan graduated in July 1997 from Shanghai Institute of Foreign Trade with a Bachelor's Degree and

obtained a Master`s degree in March 2007. He assumed duty of the Head of Loan Operation Department in Mizuho Corporate Bank Shanghai Branch from July 1997 to November 2004. From November 2004 to May 2006 he served as the Head of Loan Operation Department in Deutsche Bank Shanghai Branch. From May 2006 to March 2013, Alan served as the Head of Operation Department in Royal Bank of Scotland (China) Co., Ltd. Alan Pan joined MSBIC in April 2013. He was appointed as the Deputy General Manager of MSBIC with the regulatory approval on 24 May 2016.

4. Mr. Eric Ho joined MSBIC in July 2015, as Vice President of Compliance Department. He was appointed as the Head of Compliance of MSBIC in June 2019 and approved by CBIRC in September 2019. Eric has worked for 12 years in China banking industries and had rich experience in areas of Compliance, Internal Control, Operational Risk, Governance and AML, etc. He has solid knowledge and experience in banking laws/regulations, product/process, risk management. Before joining MSBIC, Eric has taken various roles in commercial banks in China, include United Overseas Bank, Standard Chartered Bank and HSBC. Eric obtained Master`s Degree in Business Administration (MBA) from SUN YAT-SEN University and Bachelor`s Degree in Chemical Engineering from

South China University of Technology. Eric is also a Certified Financial Risk Manager (FRM)

5. Ms. Elaine Chen obtained Bachelor Degree of Accounting in University of Shenzhen. Elaine served as auditor in Shekou Chinese Accounting Firm from July 1993 to August 1996. She served as accountant in Bank of Tokyo-Mitsubishi UFJ (China), Ltd. , Shenzhen Branch from August 1996 to November 2001. She served as Assistant Manager in CITI Bank Shenzhen Branch from November 2001 to January 2004. She served as Assistant Vice President and Finance Manager in DBS Shenzhen Branch from January 2004 to January 2006. She also served as Head of Regulatory Reporting and Branch Finance in China in Standard Chartered Bank (China) Ltd. from January 2006 to January 2016. Elaine joined MSBIC since April 2016; she was appointed as the Head of Finance of MSBIC with the regulatory approval on 24 June 2016.
6. Ms. Ella Nie obtained Bachelor degree in international financial from Sheng Yang University of Technology in June 2000. After graduation, from June 2000 to November 2007, she worked in Bank of China as sub-branch manager and cooperate banking department head. From 2007 to 2016, Ella has held a variety of roles within Standard Chartered, including branch manager, city manager and regional manager of retail banking department. Ella

performed as operational risk manager of Hong Kong and Shanghai Banking Corporation from 2016 and Joined Morgan Stanley Bank International (China) limited in March 2017. Ella was appointed as the Head of Internal Audit of MSBIC with the regulatory approval on 8 September 2017.

7. Mr. Ryan Zhang graduated from East China Normal University with Bachelor degree of Geography and Shanghai Jiao Tong University with Master degree of engineering in 2000. Before joining MSBIC, Ryan served for Dresdner Bank Shanghai Branch, ABN AMRO Bank (China) Shanghai branch, KBC Bank N.V Shanghai Branch, J.P Morgan Chase bank (China) Shanghai Branch, Nomura international bank Beijing representative office, Star-bright Finance company (wholly owned by Nomura bank international), DBS Bank (China) Shanghai Branch in Technology department and Business Development department from November 2002 to June 2017. Ryan was appointed as Chief Information Officer of MSBIC with the regulatory approval on 25 December 2017.
8. Mr. Howard Jia obtained his Bachelor's Degree of International Finance from the University of Shanghai for Science and Technology, and his Master's Degree in Finance from the University of New South Wales and Master's Degree in Accounting from the University of

Sydney. He was Credit Risk Manager for South China at HSBC Bank (China) Limited Shenzhen Branch from July 2007 to September 2010. From October 2010 to September 2013, he was China Head of Credit Risk at Trafigura Investment (China) Co. Ltd. From October 2013 to April 2015, he worked as Senior Risk Manager, Greater China and North Asia, at Standard Chartered Bank (Hong Kong) Limited. He was later internally transferred to Standard Chartered Bank (China) Limited and worked first as Senior Manager, Market and Liquidity Risk, and then China Head of Market Risk from May 2015 to June 2018. From July 2018 to November 2019, he worked as China CRO at Banco Santander S.A. In December 2019, he joined MSBIC as Head of Risk Management and designated Chief Risk Officer. Since August 2020, he officially assumed the role of Chief Risk Officer after receiving approval from CBIRC.

监事会的构成及其工作情况

监事会的职能

监事会是我行的监督机构，对股东负责，依据相关法律法规及本行章程(2019年版本)行使下列职权：

- （一）对董事、高级管理层人员执行本行职务时违反法律法规、监管规定或者本行章程的行为进行监督，对违反法律、法规、公司章程或者股东会决定的董事、高级管理人员提出罢免的建议；
- （二）当董事、高级管理层人员的行为损害本行、股东、员工、存款客户及其他利益相关者利益时，要求其予以纠正；负责对重大案件组织调查和提出处理意见；
- （三）检查监督本行的财务活动，审查本行年度决算报表；
- （四）定期向股东报告董事、高级管理层人员的履职情况；
- （五）如果董事、高级管理人员执行其在本行职务时违反法律法规或者本行章程的规定，则根据股东的书面请求，依照现行有效的《中华人民共和国公司法》（其可能不时修订）的规定，对董事、高级管理人员提起诉讼；
- （六）法律法规、监管规定和本行章程规定或股东授予的其

他职权。

监事列席董事会会议。

Composition the Functions of the Board of Supervisors

The Board of Supervisors constitutes the Bank's supervisory organization and is responsible to the shareholder. The Board of Supervisors of the Bank has the following powers and responsibilities in accordance with relevant laws, rules and regulations and Articles of Association (2019 version) of the Bank:

- (1) Exercising scrutiny over the acts of the directors and senior management personnel in the performance of their duties that contravene laws, regulations and regulatory rules or the articles of association of the Bank; bringing forward proposals on the removal of any director or senior management who violates any law, administrative regulation, the articles of association or any resolution of the Shareholder's meeting;
- (2) Requesting the rectification of any acts of the directors and senior management personnel that harm the rights and interests of the Bank, Shareholder, employees, deposit customers, or other interested parties; organizing investigation of and proposing solutions for major cases;
- (3) Examining and monitoring the Bank's financial activities, and examining the Bank's annual final accounts;

- (4) Reporting to the Shareholder on the status of work performance of the directors and senior management personnel;
- (5) Initiating actions against directors or senior management based on a written request of the Shareholder according to the PRC Company Law in force from time to time where directors or senior management violates any law, administrative regulation, or the articles of association in the course of performing his/her duties; and
- (6) Other powers as stipulated by laws, regulations and regulatory rules, and the Bank's articles of association, or authorized by the Shareholder.

The Supervisors have the right to attend but not to vote at the Board of Directors' meetings.

监事会的构成

截至2020年12月31日，我行监事会由五位监事组成，详细介绍如下。

- 1、 Brett Dugald Cameron Graham，男，在1987年毕业于昆士兰大学法学专业，在1997年加入摩根士丹利之前，在香港和东京的高纬绅律师事务所担任律师。此前，还在 Morris Fletcher & Cross 律师事务所（现名 Minter Ellison）的布里斯班办公室和Hashidate律师事务所的东京办公室完成其法律见习并担任律师。于2005年起在香港工作，成为董事总经理，担任摩根士丹利亚太区的总法律顾问直至2018年12月31日。目前已经转至摩根士丹利澳大利亚工作，担任亚洲区高级顾问及澳洲法务总监工作。
- 2、 贺礼仕 (Harish Rajaram)，男，于2017年7月被任命为摩根士丹利亚太区首席运营官，同时兼任亚太区执行委员会成员，常驻中国香港特别行政区。在此职位之前，就职于摩根士丹利纽约总部，作为企业策略及执行团队的一名高级成员，负责推动摩根士丹利各业务团队的战略，并领导公司的兼并交易；包括为公司在亚太区提出许多战略建议。于2012年自麦肯锡咨询公司加入摩根士丹利，在麦肯锡期间为顶尖的金融机构提供公司战略、

技术及运营方面的咨询服务。毕业于印度理工学院，获得机械工程学士学位，在麻省理工学院获得理科硕士学位，并以帕尔默奖学金获得者身份取得沃顿商学院工商管理硕士学位。

3、张宏，女，于中国北京对外经济贸易大学获得法学学士学位，并于北京大学获得经济学硕士学位。在2015年6月加入摩根士丹利国际银行（中国）有限公司之前，于2002年9月至2015年5月期间，分别任职于渣打银行上海分行、花旗银行上海分行、瑞银（中国）有限公司及法兴银行（中国）有限公司的合规部。于2016年5月24日被广东银保监会批准任命为摩根士丹利国际银行（中国）有限公司合规负责人，之后内部调动，并于2019年7月1日起正式担任本行监事一职。

4、康迪，男，2006年6月获中国人民大学国际关系学院法学硕士学位，2015年6月获中山大学岭南学院经济学硕士学位。2006年7月至2012年6月间在汇丰银行工作，历任总行营运部管理培训生、大连分行营运部负责人、合肥分行拟任副行长兼营运部负责人、佛山支行柜面经理、广州分行营运部主管、清远支行副行长等职务。2012年6月至2012年12月间在中华人民共和国财政部关税司担任主任科员。2012年12月至今在摩根士

丹利国际银行(中国)有限公司工作，担任珠海总行营运部主管及核心银行营运部主管，2016年7月被选为职工监事。

- 5、 罗亚琳，女，于2014年3月加入摩根士丹利国际银行（中国）有限公司，目前担任营运部贷款组经理。分别获得了北京大学经济学学士和中国人民大学经济学硕士学位。2006年8月至2013年3月，任职于德意志银行（中国）有限公司营运部，涉及贷款、账户、支付结算、系统维护等相关工作。并在现金营运部担任过1年的法规及风险控制专员，负责德意志银行中国北方地区分支机构的风险控制结构实施及促进。2013年4月至2014年2月，担任瑞士银行（中国）有限公司营运部经理，负责信贷管理和客户核准。参加并通过了CFA三级考试。

2020年监事会工作情况

本年度内，银行监事会于2020年1月15日、4月2日、7月30日、8月20日及10月29日召开了5次监事会会议。其中7月30日为特别会议，其余均为常规会议。此外，监事会成员列席了董事会以及董事会下属委员会会议，并参与了财务表现及银行风险管理控制等的讨论。

Composition of the Board of Supervisors

The Board of Supervisors of the Bank was composed of five Supervisors as of 31 December 2020, the details of whom are set out below.

1. Mr. Brett Dugald Cameron Graham graduated from Queensland University with Honours in Law in 1987. Prior to joining Morgan Stanley in June 1997, he was an associate at Clifford Chance in Hong Kong and Tokyo, and prior to that he did his legal training and worked as a solicitor, at Morris Fletcher and Cross, Brisbane (now Minter Ellison), and Hashidate Law Office in Tokyo. Brett Graham was based in Hong Kong, and became a Managing Director of Morgan Stanley in 2005. Brett was the General Counsel for Morgan Stanley for the Asia Pacific region until 31 December 2018. He has now relocated to Australia and is the Senior Counsel Asia and Head of Legal for Australia.
2. Mr. Harish Rajaram was appointed Asia Pacific Chief Operating Officer in July 2017 and is a member of the Asia Pacific Executive Committee. Prior to his current role in Hong Kong, Harish was a senior member of the Firm Strategy & Execution team in New York driving Morgan Stanley's strategy across business units and leading M&A transactions for the Firm; including advising on a number of

the Firm's strategic initiatives in Asia Pacific. Harish joined Morgan Stanley in 2012 from McKinsey & Company where he advised leading financial institutions on Corporate Strategy, Technology and Operations topics. Harish attended the Indian Institute of Technology where he obtained a Bachelor of Technology in Mechanical Engineering. He obtained his Master of Science from Massachusetts Institute of Technology and his MBA from Wharton, where he graduated as a Palmer Scholar.

3. Ms. Holly Zhang obtained a Bachelor Degree of Law from the University of International Business and Economics in Beijing, the PRC, and obtained a Master Degree of Economics from the University of Beijing. Prior to joining MSBIC in June 2015, during the period September 2002 to May 2015, she served in the Compliance Department of Standard Chartered Bank Shanghai Branch, Citibank Shanghai Branch, UBS (China) Limited and Société Générale (China) Limited. Ms. Zhang was appointed as the Head of Compliance of MSBIC with the approval from CBIRC Guangdong, on 24 May 2016, she was appointed as the Supervisor of MSBIC with the effective date of 1 July 2019 after internal transfer.
4. Mr. Ricky Kang graduated from Renmin University of China in June 2006, and got a Master degree of Law. He also

obtained 2nd Master degree of Economics from Sun Yat-Sen University in June 2015. Ricky worked in HSBC from July 2006 to June 2012, and took the duty of management trainee, Operations manager in Dalian branch, Hefei branch, Foshan sub-branch, Guangzhou branch and Deputy sub-branch manager in Qingyuan. Ricky worked in Tariff Policy Department, Ministry of Finance, PRC from June 2012 to December 2012. Ricky joined MSBIC as Zhuhai and core-banking Operations manager in December 2012, and was elected by the bank's employees as supervisor of MSBIC in July 2016.

5. Ms. Yalin Luo joined MSBIC in March 2014 and is now taking the role of loan leader in Operations. Yalin got Bachelor's degree from Peking University and Master's degree from Renmin University of China in Economics. Yalin worked in Deutsche Bank (China) Co. Ltd, Operations from August 2006 to March 2013, covered products including loans, accounts, payment, cash, system maintenance etc. Yalin also worked as 1 year Control Spoke in Cash Operations, for implementation and promotion of risk control of the Deutsche Bank branches in Northern China. From April 2013 to February 2014, Yalin worked in UBS (China) Co. Ltd., Operations as Associate Officer for Credit Admin and Client Onboarding. Yalin passed CFA level 3 exams in off hours.

Operation of the Board of Supervisors in 2020

The Board of Supervisors of the Bank had five meetings in 2020 on 15 January, 2 April, 30 July, 20 August and 29 October respectively. The meeting on 30 July 2020 was ad-hoc meeting, the rest were quarterly Board of Supervisors meetings. In addition, the Supervisors of the Bank also attended (without voting rights) the meetings of the Board of Directors and the Board Committees meetings to have oversight on financial performance, risk management and internal controls of the Bank.

我行薪酬制度及当年董事、监事和高级管理人员薪酬

我行薪酬项目旨在实现的关键目标为：支付绩效工资，吸引并留住顶尖人才，使薪酬与股东利益挂钩，降低过度风险。

我行人力资源、提名与薪酬委员会由我行董事会任命，于2013年5月成立，以协助董事会履行其在我行独立董事与高级管理人员任命与薪酬方面的职责以及监督我行人力资源方面的其他事项。我行人力资源、提名与薪酬委员会2020年共召开3次会议，审议、批准与我行人力资源管理相关的各项事宜。

我行的薪资调整及奖金的发放需考虑更多的业务因素。我行高级管理人员的薪酬由我行管理层与各职能部门经理共同讨论，且根据摩根士丹利集团的要求及我行的业务现状等因素综合决定。高级管理人员的薪酬决定由我行人力资源、提名与薪酬委员会审阅。

对于每一位员工，在符合我行及摩根士丹利集团年度薪资办法大原则的基础上，绩效管理的结果将会作为员工薪资调整、年终绩效奖金的主要参考依据。

我行在“薪酬延期支付和追索扣回”方面的具体操作办法将参照摩根士丹利集团的“摩根士丹利集团薪酬延期支付和追索扣回制度”执行。

2020年我行董事和监事不因其董事和监事身份而得到我行发放的任何薪酬，独立董事除外。

2020年我行高级管理人员薪酬约为人民币1860万余元。

(注：此处“高级管理人员”指本行截至2020年底获得银监会/银保监会核准的在职高级管理人员)

Remuneration Policy of the Bank and Remuneration of the Bank’s Directors, Supervisors and Senior Management

The Bank’s compensation program is designed to achieve key objectives: (i) delivering pay-for-performance, (ii) attracting and retaining top talent, (iii) aligning compensation with shareholder’s interests, and (iv) mitigating excessive risk-taking.

The Bank’s Human Resources, Nomination and Remuneration Committee (the “HR Committee”) was appointed by the Board and established in May 2013. The HR Committee is to assist the Board to discharge its responsibilities relating to the appointments and compensation of the Bank’s independent director(s) and senior management, and to oversee the Bank’s human resources matters. In 2020, the HR Committee had held 3 meetings to review and endorse the human resources management related matters of the Bank.

Additional business factors will be taken into account when making salary adjustment and bonus decisions. The Bank’s management team conducts joint discussions with functional managers to make the compensation decisions for the senior management members of the Bank, based on guidance from the Morgan Stanley group and taking the Bank’s business conditions into consideration. The

compensation decisions of the senior management of the Bank are reviewed by the HR, Nomination and Remuneration Committee.

In respect of each individual, based on the Bank's and Morgan Stanley group's annual compensation principle, the performance results will be the major reference to the employee's salary adjustment and annual performance bonus decision.

The Bank will follow Morgan Stanley Group's Deferral Payment and Clawback Policy to implement the deferral payment and clawback arrangement within the Bank.

In 2020, the directors and the supervisors of the Bank were not paid by the Bank for their director/supervisor positions, except for the independent director.

The 2020 compensations of the senior management of the Bank were about RMB 18.6 million.

(Notes: the senior management refers to those who were still the active employees and had obtained CBRC/CBIRC's approval as of the end of 2020)

风险管理

风险广泛存在于摩根士丹利和银行的业务活动中，本行根据已制定的政策和制度来识别、评估、监督和管理业务活动中不同类别的风险。本行建立了与摩根士丹利集团一致的全面风险管理框架，包括对高级管理层的上报机制和通过董事会和风险委员会及其下设的子委员会进行监督。

我行董事会承担全面风险管理的最终责任，授权其下设的风险委员会履行其全面风险管理的一部分职责。银行监事会承担监督责任。高级管理层承担全面风险管理的实施责任，执行董事会的决议。我行已设立全面风险管理的经营管理架构，业务部门以及其他部门在风险管理中的职责分工，建立部门之间相互协调、有效制衡的运行机制。我行业务部门是风险管理的第一道防线；独立于业务部门的各风险管理部门作为风险管理的第二道防线；内审部门是风险管理的第三道防线。

我行于2020年修订了银行风险管理政策并审阅了银行的风险偏好体系，确认了银行愿意承担的风险总量。银行的风险偏好包括定性和定量的部分，已由银行的风险委员会和董事会审阅并批准。我行风险偏好的核心是通过审慎地承担风险以获取经风险调整后的回报，从而保护银行的资本和声誉。银行认识到为了替股东获得适当的风险调整后的收益，需承担业务中的某些固有风险，例如市场风险和信用风险。此外，操作风险、

流动性风险、杠杆风险、收益风险和声誉风险来自于为客户提供服务以及对市场和信用风险的管理过程中。

我行采取定性和定量相结合的方法，识别、计量、评估、监测、报告、控制或缓释所承担的各类风险，包括信用风险、市场风险、流动性风险、操作风险、国别风险、银行帐户利率风险、声誉风险、信息科技风险以及其他风险等，具体情况如下：

一、信用风险

信用风险是银行因借款人或交易对手因不能偿付其金融债务而产生损失的风险。信用风险包括由于经济、社会、政治状况和海外的事件而严重影响债务人履行义务的能力和意愿的风险。

银行的信用风险管理政策和制度与摩根士丹利集团的相关政策和制度一致，包括向银行董事会和相关管理人员的上报机制。银行统一管理信用风险敞口，其信用风险管理政策和制度建立了一个识别、测量、监督和控制信用风险的框架，同时确保重大信用风险的透明度和对信用额度的遵守，以及对相关高级管理层就信用集中度的上报。

信用风险部定期评估银行债务人的信用状况，并确保对信

用风险敞口的积极监督和管理。对债务人的评估包括债务人发生违约的可能性，和由此产生的财务损失。此外，信用风险部的信用风险管理人员积极管理信用风险敞口，风险委员会也对信用风险敞口进行监督。银行通过一个完整的信用风险额度框架来管理风险水平。银行的信用风险额度框架符合集团的风险承受能力并建立在银行董事会的风险偏好基础上，包括对单一客户贷款限额和对不同国家、行业和产品而划分的组合集中度限额。

我行的信用风险敞口主要来自于企业贷款、非银行金融机构借款及短期同业拆借。2020年，我行继续积极应对宏观经济形势的变动，实施稳健的信贷政策，集中拓展低风险的优质企业授信业务。2020年末，我行信贷资产包括发放贷款和垫款，总额为人民币300百万元，信贷资产规模与2019年末持平。本年银行的信贷客户贷款到期后，申请了贷款续期。

（一） 信贷资产质量

我行本年度贷款发放的对象主要是经营稳健的国内行业领先企业，未涉及如房地产等较高风险或受到产能过剩严重影响的行业。2020年全年未发生贷款迁徙及不良贷款情况，贷款迁徙率和不良贷款率持续为零。全部信贷资产分类均保持为正常类。

我行参照银监会发布的《贷款风险分类指引》，并结合我行内部的管理要求，将信贷资产进行五级分类。本年度，全部信贷资产按五级分类均为正常类，无不良贷款，主要是由于我行存量贷款全部为行业领先企业优质贷款。

我行对出现减值迹象的信贷类资产进行逐笔单独减值测试，逐笔计提减值准备。对银行非减值类信贷类资产，采用组合测试方法计提减值准备。经评估，2020年12月31日，信贷资产总额为人民币300百万元，无不良贷款。我行通过个别方式评估计提的信贷资产损失准备为零，通过组合方式评估计提的信贷资产损失准备为人民币4.50百万元；根据相关监管要求，根据相关监管要求，我行2020年末实际回拨一般风险准备为人民币8.02百万元，2020年底累计余额为人民币9.93百万元，我行计提的准备余额满足有关监管要求。

（二）国别风险

国别风险敞口是由于一个国家（除中国以外）的经济、社会、安全和政治情况不稳定性对其政府和/或其国家中债务人对我行履行义务的能力造成重大影响的风险。

国别风险敞口的测量是与集团内部风险管理标准和本地监管相一致，包括来自政府、企业、清算中心和金融机构的义务。银行通过完善的风险管理框架积极管理国别风险敞口，以

便银行有效地识别、监督和限制国别风险。

我行根据不同国别的评级情况并参考监管指引划分各国别风险的等级，截至2020年12月31日止，我行具有国别风险的资产总额为人民币221百万元，均分类为低国别风险，按银保监规定计提减值准备人民币1.11百万元。国别风险敞口主要是拆放境外同业、存放境外同业及境外应收款项。

（三）集中性风险

我行严格按照监管当局的要求，对贷款的集中性度进行审慎的管理。截至2020年末，我行已达到银保监会《商业银行大额风险暴露管理办法》中对信用风险暴露规定的监管要求。至2020年末，我行对单一最大贷款户的贷款余额与我行资本余额的比例为6.01%，对关联户的贷款余额与我行资本余额的比例为零，均符合相关的监管要求。

二、市场风险管理

市场风险指因市场价格、利率、指数、相关系数或其他如市场流动性等因素导致的投资或资产组合损失的风险。我行市场风险主要包括利率风险和外汇风险。市场风险涵盖银行帐簿利率风险。

稳健的市场风险管理是我行公司文化的一部分。银行有责

任妥善并审慎地管理市场风险头寸，确保重大市场风险的透明度，监测市场风险头寸保持在限额内，并向董事会和高级管理层报告风险过分集中的情况。

我行根据摩根士丹利集团市场风险管理制度以及中国监管机构的规定制定了银行的市场风险管理政策，以确保对法人实体的市场风险管理。市场风险部负责对银行业务经营所产生的市场风险进行治理和监督，通过识别和定义市场风险、开发和运用风险计量指标和工具来监测风险、建立风险限额并监测限额使用情况、编制和分发风险头寸报表以使管理层对市场风险有全面的认知。

银行已设定了风险偏好，通过市场风险限额管理系统来支持对限额的监控和超限额的管理，如果出现超限额的情况，我行会按照市场风险管理政策的规定进行超限管理并做出反应。内审部定期对市场风险管理进行审计以确保风险管理体系的有效运行，以及市场风险管理的充分性和有效性。

我行的主要交易类业务是债券交易业务，包括国债和政策性金融债。我行通过名义价值（如数量和市场价值）或要素敏感度（风险要素的市场价值的小幅变化所引起的价值变化）来计量市场风险。

在银行账簿利率风险方面，我行根据相关法规要求在银行账簿利率风险管理政策中规定了风险治理架构，明确了董事会、董事会风险委员、资金部以及市场风险部在银行账簿利率风险管理中的职责，并将银行账簿利率风险管理纳入内部审计范畴。我行基于监管指引规定的利率冲击情景，并采用净利息收益敏感度压力测试以及经济价值压力测试两种方法来计量银行账簿利率风险。另外我行制定了银行账簿利率风险内部控制流程，建立了银行账簿利率风险限额，并严格执行银行账簿利率风险的模型风险管理。

三、操作风险

操作风险是指因银行不完善或有问题的内部程序、人员和信息科技系统，以及外部事件给银行造成的财务亏损，或者可能影响银行声誉的潜在风险。操作风险包含法律风险，但不包含战略风险。银行所有的业务活动都有可能产生操作风险，包括盈利部门（比如交易部）和后台部门（比如信息技术部）。因而银行的每一个业务部门，以及各个监控部门都有可能面临风险。

我行已建立了保障银行持续发展的操作风险治理结构与总体政策，其执行及修订经董事会批准授权。我行的操作风险监督委员会负责监督操作风险政策的落实。信息科技管理委员会负责监督我行信息科技工作，包括对信息科技风险管理工作的

指导。此外，根据操作风险监督委员会的章程要求，我行信息科技风险管理人员定期在操作风险监督委员会例会上就信息科技风险相关议题做出汇报。

操作风险管理框架的目标是建立横跨全银行范围内的操作风险管理规范。操作风险部门，作为一个独立的操作风险管理职能，负责监督操作风险的识别，测量，监控，控制，缓释以及风险承担。银行采用不同的手段管理操作风险，包括操作风险事件的采集，风险与控制自我评估（RCSA），关键风险指标（KRI）等。我行通过定期操作风险监督委员会会议及操作风险管理报告机制及时向高级管理层汇报对操作风险的评估。

综上所述，我行已建立与业务性质、规模和复杂程度相适应的操作风险管理体系，该系统能有效地管理操作风险。

四、流动性风险

流动性风险是指商业银行无法以合理成本及时获得充足资金，用于偿付到期债务、履行其他支付义务和满足正常业务开展的其他资金需求的风险。银行已建立有效的流动性风险的治理结构，制订了流动性风险管理政策及策略，规范了识别、计量、监测、控制流动性风险的方法，以确保银行实施审慎的流动性风险管理并保障银行资金满足日常和压力情况下的流动性需求。

董事会对流动性风险管理负最终责任。董事会风险委员会、资产负债委员会与高级管理层定期审核本行的流动性仓位报告和压力测试报告，掌握重要变动和潜在变化。资金部负责日常流动性风险管理，风险管理部作为第二道防线负责监督流动性风险和流动性风险的日常管理。

银行已经根据流动性风险偏好建立了流动性风险管理策略，并将其纳入流动性风险管理政策中。该政策规定了流动性风险管理范围和目标、职责责任、监管要求、流动性管理工具、报告及应急计划。

银行监测早期预警指标、流动性风险监管比率及压力测试结果，用于识别、计量、监测我行流动性风险总体水平，并通过建立流动性风险限额管理、完善融资策略、加强融资抵押品管理、制定流动性应急预案等方法控制管理流动性风险。

截至2020年底，银行流动性比率为878.40%，优质流动性资产充足率为2838.94%，流动性匹配率为176.37%，均高于相关监管要求。

银行及时前瞻性的监测可能影响我行流动性风险的相关因素，并每日开展流动性风险压力测试，确保准确、及时监测本币和外币的流动性风险运行情况及潜在的风险冲击。压力测试情况

定期向我行高级管理层、资产负债管理委员会、风险委员会及董事会进行汇报。

五、声誉风险

声誉风险描述了我行或摩根士丹利业务运作方式所带来的风险，以及包括股东、客户、监管机构和公众等外部相关主体对此类风险的理解。声誉风险可由一项交易的内在本质或业务惯例（例如没有经济实质或业务目的的交易）触发，还可由客户或交易对手的身份或名誉（例如某客户与腐败或其他不当活动有关联）触发。负面声誉、监管机关调查、收入减少或成本高昂的诉讼等声誉风险均会对本行带来损失。一些建议、交易、事件等都可能使我行面临声誉风险。以下给出了一些能引起声誉风险的风险和事件：

- 合适性指我行针对某一交易或产品制定的一项推荐建议对某一交易对手或客户来说是否恰当；
- 在我行和客户之间，客户相互之间，员工与银行/客户之间，如果利益不同时，则可能产生利益冲突；以及
- 由于复杂结构金融交易可能会被用来掩饰不当或有问题的活动，这种交易容易招致更多的调查和敏感性，也将导致更高的法律风险和声誉风险。

一旦这些风险变为现实，将对本行声誉及已经开展和新的业务产生较大负面影响。

监管及市场环境日趋复杂，声誉风险需要通过不同层级的监督和控制程序进行缓释。本行已经制定并严格执行《摩根士丹利国际银行（中国）有限公司声誉风险政策》，并进行年度声誉风险管理培训，使得员工能够了解声誉风险管理的要求并及时发现相关问题。本行的法律顾问与合规部，以及所有业务单位和部门主管都是重大声誉风险事件识别和汇报的主体，也是提高机构对声誉风险敏感的主体。

在本行，如果任何活动可能会带来声誉风险，应上报给高级管理层。另外，我行还可以把相关问题（特别是那些具有溢出效应，从而可能对摩根士丹利的声誉造成潜在风险的事件）再上报给摩根士丹利集团内负责声誉风险的主体，由后者进行进一步决策。

六、杠杆率管理

我行根据银监会自2015年4月1日起施行的《商业银行杠杆率管理办法(修订)》有效管理杠杆率。杠杆率，是指商业银行持有的、符合有关规定的一级资本净额与商业银行调整后的表内外资产余额的比率。截至2020年底，我行杠杆率为71%，一级资本净额为人民币1,659百万元，调整后的表内外资产余额为人

民币2,341百万元。我行杠杆率高于监管要求的4%。有关风险管理的更多其他具体信息，请参见本年度报告所附财务报表附注。

七、大额风险暴露

我行已制定了《大额风险暴露管理政策》，内容涵盖了管理架构如角色与职责分工、限额监测及上报流程等。此政策已经由我行高级管理层审阅和风险委员会进行审核，并获得了董事会的最终审批，现已全面实施。截止2020年12月31日，我行非同业最大单一客户的贷款余额占资本净额为6.01%，非同业最大单一客户或集团的风险暴露占一级资本净额为6.07%，同业最大单一客户或集团客户的风​​险暴露占一级资本净额为11.02%，全部符合银保监的规定。

Risk Management

Risk is an inherent part of both Morgan Stanley's and of the Bank's business activity. The Bank seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities in accordance with defined policies and procedures. The Bank has developed its own risk management policy framework, which is consistent with and leverages the risk management policies and procedures of the Morgan Stanley group and which include escalation to appropriate senior management personnel of the Bank as well as oversight through the Board and through a dedicated Risk Committee (and its sub-committees) that reports to the Board.

MSBIC Board bears the ultimate responsibility of the Bank's Enterprise Risk Management, and delegated some of its responsibilities to the Risk Committee. The Supervisory Board shoulders the responsibility of supervision. MSBIC Senior Management is responsible for the implementation of the Enterprise Risk Management. The Bank has established its Enterprise Risk Management Framework, clarified the roles and responsibilities of business units and risk management functions, and set up the working model of cooperation and check-and-balance among different departments. The Business Units are the first line of defense of risk management; the independent risk management related functions serve as the second line of defense; and the Internal Audit Department is the third line of defense for risk management.

In 2020 the bank updated the risk management policies and reviewed the risk appetite framework, and confirmed the aggregated risk that the bank is willing to take. The bank's risk appetite includes both qualitative part and quantitative part, and is approved by the Risk Committee and the Board. The cornerstone of the MSBIC's risk appetite is the execution of risk adjusted returns through prudent risk-taking that protects the MSBIC's capital base and franchise. The Bank acknowledges that certain risks, such as Market and Credit Risks are inherent to its business and taken in order to generate appropriate positive risk adjusted returns for its shareholders. Operational, Liquidity, Leverage, Earnings, and Reputational Risks arise from the provision of services to clients and management of Market and Credit Risks.

The bank identifies, measures, assesses, monitors, reports, controls and mitigates various risk through a combination of qualitative and quantitative approaches, including credit risk, market risk, liquidity risk, operational risk, country risk, interest rate risk in the banking book, reputational risk, information technology risk and other risks, with details as follows:

I Credit Risks

Credit risk refers to the risk of loss arising when a borrower and counterparty does not meet its financial obligations to the Bank. Credit risk includes the risk that economic, social and political

conditions and events in a foreign country will adversely affect an obligor's ability and willingness to fulfill their obligations.

Credit risk management policies and procedures for the Bank are consistent with those of the Morgan Stanley group and include escalation to the Board and appropriate key management personnel. The Bank manages credit risk exposure on a consolidated basis. Its credit risk management policies and procedures establish the framework for identifying, measuring, monitoring and controlling credit risk whilst ensuring transparency of material credit risks, ensuring compliance with established limits and escalating risk concentrations to appropriate senior management.

The Credit Risk Management Department evaluates the creditworthiness of the Bank's obligors on a regular basis, and ensures that credit exposure is actively monitored and managed. The evaluation of obligors includes an assessment of the probability that an obligor will default on its financial obligations and any subsequent losses that may occur when an obligor defaults.

In addition, credit risk exposure is actively managed by credit professionals within the Credit Risk Management Department and monitored through Risk Committee. A comprehensive Credit Limits Framework is utilized to manage credit risk levels within the Bank. The MSBIC's Credit Limits Framework is calibrated within the Group's risk tolerance and set by the risk appetite of the Board, and

includes single-name limits and portfolio concentration limits by country, industry and product type.

The Bank incurs credit risk from the primarily lending to institutions through corporate loan lending, non-bank financial institutions lending and short-term interbank money market placements. During 2020, in a continual active response to the changes in the macroeconomic situation, the Bank implemented stable and prudent credit policies with focus on low-risk high-quality enterprises.

As of 2020 year end, the Bank's credit assets including loans and advances to customers amounted to RMB300million, same level as 2019 year end. The loan clients applied for renewal after the loan matured.

Quality of credit assets

The Bank's target customers are primarily domestic leading corporations, with no exposure to relatively high risk industries like real estate or industries that are seriously affected by overcapacities.

In 2020 there was no loan classification migration and no non-performing loan, hence loan migration rate and non-performing loan ratio remained nil. The classification of all loan assets continued to be at "Normal".

The Bank classified its credit assets into five levels in accordance

with the *Guidance on Loan Risk Classification* promulgated by CBRC and with consideration of its internal management requirements. In 2020, all the credit assets were in normal category according to this five-level classification and there were no bad loans recorded. This was mainly because both the existing loans and the newly added loans during the year were all high-quality corporate loans.

For a loan and advance to customer that show indication of impairment, the Bank assesses the credit assets individually for impairment and makes impairment individually. For credit assets that are not deemed to be impaired, the Bank assesses the loans and advances to customer collectively for impairment. According to evaluation, as of 31 December 2020, the total credit assets of the Bank were RMB300million with no non-performing loan recorded. The Bank provided loan loss provision amounting to RMB4.5million by using collective assessment method and provided nil provision by using individual assessment method. Pursuant to the relevant regulatory requirements, the Bank reversed the General Reserve RMB8.02million at 2020 year end and the cumulative balance was RMB9.93million. The balance of the reserves accrued by the Bank satisfied the relevant regulatory requirements.

Country Risk

Country risk exposure is the risk that uncertainties arising from the

economic, social, security and political conditions within a foreign country (any country other than the China) will adversely affect the ability of the sovereign government and/or obligors within the country to honor their obligations to the Bank.

Country risk exposure is measured in accordance with the Morgan Stanley group's internal risk management standards and local regulatory guidelines, and includes obligations from sovereign governments, corporations, clearing houses and financial institutions. The Bank actively manages country risk exposure through a comprehensive risk management framework that allows the Bank to effectively identify, monitor and limit country risk.

The Bank classifies the country risk level according to the rating of the country and the regulation guidelines. As of 31 December 2020, the country risk of the related risk assets of the Bank at RMB221million were all classified as low, provision for impairment amounting to RMB1.11million according to CBIRC requirement. The country risk exposure was mainly related to offshore cash balance with agent banks, placements with overseas financial institutions, offshore receivables.

Concentration risk

The Bank strictly follows the requirements of the regulatory authority to prudently manage the degree of loan concentration. By

the end of 2020, the Bank has met the regulatory requirement on credit risk exposure in *Administrative Measures on Large Risk Exposure for Commercial Banks* by CBIRC. By the end of 2020, the ratio of single largest borrower over the Bank's equity balance was 6.01% and the ratio of related party loans over the Bank's equity balance was zero, both in compliance to the relevant regulatory requirements.

II Market Risk Management

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, correlations or other market factors, such as market liquidity, will result in losses for a position or portfolio. The Bank's market risks mainly include interest rate risk and foreign exchange risk. Market risk covers interest rate risk in the banking book.

Sound market risk management is an integral part of the Bank's culture. The Bank is responsible for ensuring that market risk exposures are well-managed and prudent, ensuring transparency of material market risks, monitoring compliance with established limits, and escalating risk concentrations to the Board and appropriate senior management.

Market risk management policies and procedures for the Bank are consistent with those of the Morgan Stanley group while meeting

local regulatory requirements to guide the market risk management of the bank from a legal entity perspective. Market Risk Department is responsible for the governance and oversight of all market risk exposures arising from the Bank's business activities by identifying and defining market risks, developing and employing risk measures and tools to monitor those risks, establishing tolerances and limits, monitoring usage against these limits, and producing and distributing comprehensive reports designed to keep senior management apprised of the Bank's market risk exposures.

The Bank has established and enhanced its market risk limits to reflect its market risk appetite. Market risk limits are monitored through the limit management system. Limit breaches are managed according the MSBIC Market Risk Management Policy. The Internal Audit Department performs audit on market risk management on a regular basis to ensure the framework is operating effectively and is sufficient and efficient.

The Bank's primary trading business is bond trading, including government bonds, PBoC bills, and policy bank bonds. The bank measures its market risk in nominal terms, such as number of units or market value, or through factor sensitivities (e.g. the change of value with respect to the small change in the price of the underlying instrument).

With regard to the interest rate risk in the banking book (IRRBB),

the Bank has specified the governance structure in the IRRBB risk management policy, clarified the responsibilities of the Board of directors, the Board RC, Treasury and Market Risk Department in IRRBB risk management, and also included IRRBB in the scope of internal audit. The bank measures IRRBB based on the interest rate shock scenarios stipulated in the IRRBB regulation, and through both net interest income sensitivity approach and economic value approach. In addition, the bank has set up IRRBB internal control process, established IRRBB risk limits and strictly executed IRRBB model risk management.

III Operational Risks

Operational risk refers to the risk of loss, or of damage to a bank's reputation, resulting from inadequate or failed internal processes, people, systems, or from external events. This definition includes legal risk, but excludes strategic risk. The Bank may incur operational risk across its full scope of business activities, including revenue-generating activities (e.g., sales and trading) and support functions (e.g., IT). As such, the Bank may incur operational risk in each of its divisions, as well as in each oversight group.

The Bank has established an operational risk governance structure and policy in order to protect the Bank to have continued development. The revision of the above governance structure and policy is approved by the Board. The Operational Risk Oversight

Committee is responsible for overseeing the implementation of the Bank's operational risk policy. IT Steering Committee is responsible for supervising the bank's information technology work, including guidance to information technology management. Additionally, according to the charter for the Operational Risk Oversight Committee, the bank's IT risk management personnel regularly reports to OROC on IT risk related topics.

The Bank's operational risk management framework aims to establish an overall standard of operational risk management for the Bank. The Operational Risk Department, as an independent operational risk management function, provides oversight for operational risk identification, measurement, monitoring, controlling, mitigation and risk acceptance. The bank employs various means to manage its operational risk including operational risk incident collection, Risk and Control Self Assessment (RCSA), Key Risk Indicator (KRI) etc. The Bank reviews operational risk through regular Operational Risk Oversight Committee meeting and operational risk management reports. Issues are promptly reported to senior management particularly in the areas that have material operational risk.

In conclusion, the Bank has established an operational risk management system in accordance with the business nature, scale and complexity of the Bank. The system is capable to manage operational risks in an effective manner.

IV Liquidity Risks

Liquidity risk is the risk that commercial banks could not raise sufficient fund at reasonable cost to repay maturing debt, fulfill other liabilities and meet the funding needs to operate regular businesses. The Bank has established effective liquidity risk governance structure, set up liquidity risk management policy and strategies, enhanced procedures to identify, measure, review and control liquidity risk to ensure the Bank operates with prudent liquidity environment, and at the same time also meet the requirement of the Bank's daily operation funding.

The Board of directors is ultimately responsible of liquidity risk management. The Risk Committee, Asset and Liability Management Committee and senior management review liquidity level report and stress testing report periodically. Treasury is responsible of daily liquidity risk management and Risk Management Department oversees liquidity risk and liquidity risk day to day management.

The bank has established liquidity risk management strategy based on bank risk appetite and included the strategy in the liquidity risk management policy. The policy stipulates the scope, goal, responsibilities, regulatory requirements, tools, reports and contingency plan of liquidity risk management.

The Bank monitors liquidity risk early indicators, regulatory required ratios and stress testing result to identify, measure, and monitor overall liquidity risk level of the Bank, and sets up liquidity

risk limits, improves funding strategy, enhances funding collateral management, establish contingency funding plan, etc. to control liquidity risk.

As of 2020 year end, the bank liquidity ratio is 878.40%, the HQLA adequacy ratio is 2838.94%, and liquidity Match Ratio is 176.37%, all above regulatory requirements.

The Bank proactively monitors the main factors that affect the liquidity of the Bank, and conducts liquidity risk stress testing on a daily basis to ensure accurate and timely monitoring of CNY and Non-CNY liquidity risk and potential risk impact. The stress testing result is reported to senior management, ALCO, RC and Board of directors periodically.

V Franchise Risk

Franchise risk describes potential risks to the way in which MSBIC or Morgan Stanley conducts its business and the perception of such risks by external parties including shareholders, clients, regulators and the public. Franchise risks may be triggered by either the nature of a transaction or business practice (e.g., a transaction without economic substance or business purpose) or by the identity or reputation of the client or counterparty (e.g., a client linked to alleged corruption or other improper activities). A loss may be experienced when the Bank is subject to franchise risk through negative publicity, regulatory scrutiny, loss of revenue and/or costly

litigation. Certain proposals, transactions, or events may expose the Bank to franchise risks. The following represent some of the risks and events that give rise to franchise risk:

- Suitability refers to whether a recommendation made by the Bank for a given transaction or product is appropriate for a particular counterparty or client;
- Conflicts of interest can arise when there is a divergence of interests between the Bank and its clients, among the Bank's clients, or between employees on the one hand, and the Bank or its clients on the other; and
- Complex structured finance transactions ("CSFTs") warrant increased scrutiny and sensitivity because such transactions may be used to disguise inappropriate or questionable activities, which give rise to heightened legal or reputational risks.

If these risks materialize, they could result in damage to the reputation of the Bank, in addition to having an impact on existing and new business.

Given the increasingly complex regulatory and market environment, franchise risk is mitigated through several layers of oversight and control processes. The Bank has formulated and strictly implements the MSBIC Franchise Risk Policy, and conducts annual franchise

risk training to ensure that employees can understand the requirements of franchise risk management and identify the relevant issues in time. The Bank's Legal Counsel and Compliance Department as well as all department and business unit managers serve as escalation points for potentially significant franchise matters and raising organizational awareness of franchise risks.

At MSBIC, any activity potentially creating franchise risk is elevated to senior management. In addition, any relevant matter (in particular, which may have spillover effect and thus potential risks to Morgan Stanley's reputation or franchise) can be escalated by Bank to governance bodies for franchise risk within Morgan Stanley group for further decision.

VI Leverage Ratio Management

The Bank monitors Leverage ratio in accordance with CBRC's Regulation Governing the management of Leverage Ratio of Commercial Banks (Revised) that is effective from 1 April 2015. Leverage ratio is the rate of eligible net Tier 1 capital held by a commercial bank to its total adjusted balance of on and off balance sheet assets. As at 31 December 2020, Leverage ratio was 71%, Tier 1 capital was RMB1,659million, Total adjusted on-balance sheet & off-balance sheet was RMB2,341million. Leverage ratio is above the regulatory requirement of 4%.

With respect to other more detailed information, please refer to the

note of the Financial Statements which are attached to the Annual Report.

VII Large Risk Exposure

The Large Exposure Policy of the Bank has been enacted and it includes the management framework such as roles and responsibilities, limits monitoring and escalation procedures, etc. The policy has been reviewed by the Bank's Management Committee and endorsed by the Risk committee, and subsequently approved by the Board of Directors. As of 31 December 2020, the ratio of the largest Single Non-Financial Institution Client Lending to Net Capital was 6.01%, the ratio of the largest Single Non-Financial Institution Client or Group Exposure to Net Tier One Capital was 6.07%, and the ratio of the largest Single Financial Institution Client or Group Exposure to Net Tier One Capital was 11.02%. The ratios were in compliance with the CBIRC requirements.

摩根士丹利国际银行（中国）有限公司

2020 年度内部审计工作报告及 2021 年上半年审计计划

根据中国银行保险监督管理委员会（下称“银保监会”）指引要求，内部审计部完成并提交此 2020 年度内审工作报告。2020 年内审工作状况和履职情况如下：

2020 年审计工作总结

内部审计部每季度向审计委员会报告本行的整体控制环境情况、内审计划进展、审计发现问题，以及重大审计事项或争议。2020 年本行管理层和被审计单位对内部审计没有发生重大争议事项。

1. 内部审计部按照经审计委员会批准的内审计划于 2020 年完成了下列审计：

- 2020 年离任审计 - Angela Yang Liu：未评级
- 2020 年离任审计 - 贺草：未评级
- 2020 年离任审计 - 王珊：未评级
- 2020 年内部资本充足评估程序 - 监控和报告：满意
- 2020 年对监管要求审计项目的合并审阅：满意
- 2020 年反洗钱 - 账户的开立和定期审阅：满意

2. 内审部发出了一份与银行的敏感性分析的校准相关的中等风险问题备忘录。

3. 内审部对监管现场检查发现的问题、监管评级意见、监管约谈发现的问题及书面监管意见于 2019 年的整改情况进行了验证，其中包括了 2018 年监管评级意见。

2021 年上半年内审计划

1. 2021 年内部资本充足评估程序 - 监控和报告
2. 2021 年对监管要求审计项目的合并审阅
3. 2021 年操作风险和第三方风险管理
4. 2021 年信息科技的全面审计
5. 对监管发现问题的整改完成情况进行验证

中长期计划

1. 对银行关键项目的持续监控
 - 股东变更
 - 衍生产品执照的申请
 - 银行核心系统的更换

Morgan Stanley Bank International (China) Limited

Internal Audit 2020 Annual Work Report and 2021 1H Audit Plan

Internal Audit prepares and submits its Internal Audit Annual Work Report for 2020 in accordance with China and Insurance Banking Regulatory Commission's (CBIRC) guidelines. The audit status and accomplishments of Internal Audit for 2020 are as follows:

Summary of 2020 Audit Work

Internal Audit reported to the MSBIC Audit Committee on a quarterly basis to update the Audit Committee on the overall control environment of MSBIC, audit plan status, audit identified issues, and any significant matters or disagreements. There were no significant disagreements in 2020.

1. Internal Audit completed the following audits in 2020 according to the audit plan approved by Audit Committee:
 - 2020 MSBIC Exit Audit - Angela Yang Liu: Not rated
 - 2020 MSBIC Exit Audit - Charles He: Not rated
 - 2020 MSBIC Exit Audit - Shan Wang: Not rated
 - 2020 MSBIC ICAAP - Monitoring and Reporting:
Satisfactory

- 2020 MSBIC Consolidated Regulatory Required Audits:
Satisfactory
 - 2020 MSBIC AML - Onboarding and Periodic Review:
Satisfactory
2. Internal Audit issued one Moderate Risk Issue Memorandum regarding MSBIC Sensitivity Analysis Recalibration.
 3. Internal Audit verified the remediation actions completed in 2019 for regulatory onsite inspection findings, CAMELS rating feedback, issues from face-to-face talk required by regulator and written supervisory feedback, including findings identified from the 2018 CBIRC CAMELs Rating.

2021 1H Audit Plan

1. 2021 MSBIC ICAAP - Monitoring and Reporting
2. 2021 MSBIC Consolidated Regulatory Required Audits
3. 2021 MSBIC Operational Risk and Third Party Risk Management (TPRM)
4. 2021 MSBIC Comprehensive IT Audit
5. Closure verification of remedial actions completed for regulatory findings

6. Mid-long term Continuous monitoring focus on governance of MSBIC key initiatives

Mid-Long Term Plan

1. Continuous monitoring focus on governance of MSBIC key initiatives
 - Re-parenting of holding bank
 - Derivatives license application
 - Core banking system replacement

我行企业社会责任的实践

我行及摩根士丹利集团致力于公益慈善事业的发展，积极践行其在中国环保、教育、艺术文化等领域的企业社会责任。

2020年2月10日，摩根士丹利宣布，公司与全球员工共同承诺捐赠100万美元资金，助力中国对抗新型冠状病毒。摩根士丹利与多家慈善机构合作，着力为中国受影响的地区输送医疗及所需物资，并且持续支援疫情后期的恢复工作。另外，摩根士丹利在2020年3月19日宣布提供1000万美元现金援助，以支持冠状病毒的救援工作。这笔资金将支持全球重要的一线医疗救援人员以及为受危机影响的人提供服务的社区提供者。前三笔各200万美元的赠款分别用于 Feeding America，CDC 基金会和世界卫生组织的 Covid-19 团结健康基金。

2020年10月26日，摩根士丹利宣布，基于全球员工积极投入的“Move for Meals”募捐活动，向世界多家饥饿救助组织捐赠共250万美元。10月16日是世界粮食日，也是“Move for Meals”活动发起日，摩根士丹利全球440多个城市近10,500名员工在三天内总行走了2.5亿步，希望增加世界对全球饥饿问题的关注和了解。

摩根士丹利中国在 2020 年底举办了一年一度的慈善步行马拉松活动，通过一个虚拟步数挑战赛，参与者在 11 月 1 日至 30 日之间每天慢跑或跑步，为慈善事业筹集资金，促进健康生活。虚拟步数挑战赛由中华慈善总会和上海体育俱乐部共同主办，共有 85 名中国大陆员工报名参加，记录步数，并与同伴比赛，看谁能记录最多的步数。同时，其他员工用捐款来支持他们最喜欢的参赛者，并为公司的核心慈善合作伙伴心连心（H2H）组织筹集资金。心连心是一个当地非盈利组织，专注于为患有先天性心脏缺陷的贫困儿童提供矫正手术。

MSBIC Activities of Corporate Social Responsibility

Our Bank and Morgan Stanley are committed to the development of public service and charities, as well as actively fulfills our corporate social responsibility in such fields in China as environmental protection, education, arts and culture.

On 10 February 2020, Morgan Stanley announced that it and employees around the world have donated \$1 million to help China fight the COVID-19. Morgan Stanley has worked with a number of charities to deliver medical care and supplies to affected areas of China and to continue to support recovery efforts in the latter stages of the outbreak. On 19 March 2020, Morgan Stanley announced a \$10 million cash commitment in aid to support Coronavirus relief efforts. Funding will support critical frontline medical responders globally as well as community providers serving those economically impacted by the crisis. The first three grants of \$2 million each were announced for Feeding America, the CDC Foundation, and the World Health Organization's Covid-19 Solidarity Health

On 26 October 2020, Morgan Stanley announced a donation of \$2.5 million to hunger relief organizations worldwide, equaling 25 million meals, as a result of its latest employee campaign: Move for Meals. From October 16-18, nearly 10,500 employees in more than 440 cities around the world participated in the Move for Meals Campaign, walking 250 million steps to raise awareness about global hunger in recognition of World Food Day.

Morgan Stanley Mainland China offices hosted their annual Charity Walkathon virtually through a Steps Challenge where participants jog or run every day between November 1 – 30, 2020 to raise funds for charity and promote healthy living. Co-organized by China Charity Committee and Shanghai Sports Club, the Virtual Steps Challenge saw 85 Mainland China employees sign up to track their steps and competing with their peers to see who can log the most steps. At the same time, other employees were also encouraged to pledge in support of their favorite contestants and raise funds for the Firm's core charity partner Heart to Heart (H2H), a local nonprofit that focuses on providing corrective surgery for underprivileged children with congenital heart defects.

摩根士丹利国际银行(中国)有限公司

财务报表及审计报告

2020年12月31日止年度

财务报表审计报告



防 伪 编 码： 31000012202125674R

被审计单位名称： 摩根士丹利国际银行（中国）有限公司

审 计 期 间： 2020

报 告 文 号： 德师报(审)字(21)第P02426号

签字注册会计师： 马庆辉

注 师 编 号： 310000124876

签字注册会计师： 吕泽皓

注 师 编 号： 310000120676

事 务 所 名 称： 德勤华永会计师事务所（特殊普通合伙）

事 务 所 电 话： 023-88231378

事 务 所 地 址： 上海市黄浦区延安东路222号外滩中心30楼

业务报告使用防伪编码仅说明该业务报告是由依法批准设立的会计师事务所出具，业务报告的法律主体是出具报告的会计师事务所及签字注册会计师。

报告防伪信息查询网址：<https://zxfw.shcpa.org.cn/codeSearch>

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审计报告

德师报(审)字(21)第 P02426 号

摩根士丹利国际银行(中国)有限公司董事会:

一、 审计意见

我们审计了摩根士丹利国际银行(中国)有限公司(以下简称“贵行”)的财务报表,包括 2020 年 12 月 31 日的资产负债表,2020 年度的利润表、现金流量表、所有者权益变动表以及相关财务报表附注。

我们认为,后附的财务报表在所有重大方面按照企业会计准则的规定编制,公允反映了贵行 2020 年 12 月 31 日的财务状况以及 2020 年度的经营成果和现金流量。

二、 形成审计意见的基础

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

三、 其他信息

摩根士丹利国际银行(中国)有限公司管理层对其他信息负责。其他信息包括 2020 年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。

审计报告(续)

德师报(审)字(21)第 P02426 号

四、管理层和治理层对财务报表的责任

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

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

治理层负责监督贵行的财务报告过程。

五、注册会计师对财务报表审计的责任

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

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

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

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

(3)评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

审计报告(续)

德师报(审)字(21)第 P02426 号

五、注册会计师对财务报表审计的责任 - 续

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

(5)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。

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。

德勤华永会计师事务所(特殊普通合伙)

中国·上海



中国注册会计师

马庆辉



吕泽皓



2021年4月1日

摩根士丹利国际银行(中国)有限公司

资产负债表

2020年12月31日

	<u>附注七</u>	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
资产			
存放中央银行款项	1	353,767,073.59	340,374,705.03
存放同业款项	2	47,809,900.60	71,552,281.41
拆出资金	3	281,968,740.98	800,000,000.00
以公允价值计量且其变动计入当期损益 的金融资产	4	1,303,359,501.71	761,054,363.00
发放贷款和垫款	5	295,500,000.00	295,500,000.00
固定资产	6	7,213,263.40	3,590,413.14
在建工程	7	8,771,049.51	-
无形资产	8	980,018.66	799,335.10
递延所得税资产	9	4,642,607.40	5,174,673.48
其他资产	10	41,184,893.46	28,470,927.04
资产总计		<u>2,345,197,049.31</u>	<u>2,306,516,698.20</u>

(续)

资产负债表 - 续
2020年12月31日

	附注七	年末数 人民币元	上年年末数 人民币元
负债			
吸收存款	11	643,155,113.77	648,419,705.51
应付职工薪酬	12	24,117,892.26	19,743,510.13
应交税费	13	1,492,522.54	951,419.13
预计负债		608,513.57	-
其他负债	14	17,689,777.58	9,138,177.09
负债合计		687,063,819.72	678,252,811.86
所有者权益			
实收资本	15	1,000,000,000.00	1,000,000,000.00
盈余公积	16	84,103,693.40	81,088,392.12
其他综合收益	17	(1,569,821.50)	(1,286,152.00)
一般风险准备	18	9,930,000.00	17,950,000.00
未分配利润	19	565,669,357.69	530,511,646.22
所有者权益合计		1,658,133,229.59	1,628,263,886.34
负债及所有者权益总计		2,345,197,049.31	2,306,516,698.20

附注为财务报表的组成部分。

第4页至第61页的财务报表由下列负责人签署：



银行负责人





财务负责人

摩根士丹利国际银行(中国)有限公司

利润表

2020年12月31日止年度

	附注七	本年累计数 人民币元	上年累计数 人民币元
一、营业收入		119,173,552.37	111,049,978.59
利息净收入	20	44,748,970.78	53,347,660.28
利息收入	20	53,301,740.99	62,182,847.59
利息支出	20	8,552,770.21	8,835,187.31
手续费及佣金净收入	21	74,458,001.41	55,314,679.35
手续费及佣金收入	21	75,713,057.18	56,862,987.92
手续费及佣金支出	21	1,255,055.77	1,548,308.57
投资损失	22	(3,276,208.30)	(306,130.57)
公允价值变动收益	23	1,562,028.71	1,843,533.00
汇兑收益		1,132,938.26	847,657.99
其他收益	24	547,821.51	2,578.54
二、营业支出		80,185,499.85	76,164,161.78
税金及附加	25	561,201.28	361,508.25
业务及管理费	26	78,805,707.01	74,323,180.54
资产减值损失	27	818,591.56	1,479,472.99
三、营业利润		38,988,052.52	34,885,816.81
加：营业外收入		302.21	-
减：营业外支出		51,263.58	-
四、利润总额		38,937,091.15	34,885,816.81
减：所得税费用	28	8,784,078.40	6,855,503.12
五、持续经营净利润		30,153,012.75	28,030,313.69
其他综合收益的税后净额	17	(283,669.50)	(514,402.00)
其中：不能重分类进损益的其他综合收益			
- 重新计量设定受益计划变动额		(283,669.50)	(514,402.00)
六、综合收益总额		29,869,343.25	27,515,911.69

附注为财务报表的组成部分。

摩根士丹利国际银行(中国)有限公司

现金流量表

2020年12月31日止年度

	附注七	本年累计数 人民币元	上年累计数 人民币元
经营活动产生的现金流量			
存放中央银行和同业款项净减少额		9,454,457.46	1,205,760.07
客户存款和同业存放款项净增加额		-	72,821,798.13
拆放同业净减少额		200,000,000.00	-
收取利息、手续费及佣金的现金		91,566,615.13	87,560,572.27
收到的其他与经营活动有关的现金		548,123.72	2,578.54
经营活动现金流入小计		301,569,196.31	161,590,709.01
客户贷款和垫款净增加额		-	100,000,000.00
客户存款和同业存放款项净减少额		5,264,591.74	-
支付利息、手续费及佣金的现金		8,710,202.74	10,119,307.88
支付给职工以及为职工支付的现金		42,247,830.29	47,377,061.27
支付的各项税费		22,494,692.25	24,204,606.84
支付的其他与经营活动有关的现金		15,894,658.53	18,628,899.12
经营活动现金流出小计		94,611,975.55	200,329,875.11
经营活动产生的现金流量净额	30	206,957,220.76	(38,739,166.10)
投资活动产生的现金流量			
收回投资所收到的现金		11,013,544,790.00	14,952,713,720.00
取得投资收益所收到的现金		27,475,326.93	39,515,318.58
投资活动现金流入小计		11,041,020,116.93	14,992,229,038.58
购建固定资产、无形资产和其他长期资产支付的现金		12,568,837.13	2,102,889.61
投资支付的现金		11,554,287,900.00	14,854,620,870.00
投资活动现金流出小计		11,566,856,737.13	14,856,723,759.61
投资活动产生的现金流量净额		(525,836,620.20)	135,505,278.97
汇率变动对现金及现金等价物的影响额		706,478.75	742,399.87
现金及现金等价物净(减少)/增加额		(318,172,920.69)	97,508,512.74
加：年初现金及现金等价物余额	30	841,614,699.19	744,106,186.45
年末现金及现金等价物余额	29	523,441,778.50	841,614,699.19

附注为财务报表的组成部分。

摩根士丹利国际银行(中国)有限公司

所有者权益变动表

2020年12月31日止年度

	本年度					
	实收资本 人民币元 (附注七、15)	盈余公积 人民币元 (附注七、16)	一般风险准备 人民币元 (附注七、18)	其他综合收益 人民币元 (附注七、17)	未分配利润 人民币元 (附注七、19)	所有者权益合计 人民币元
一、2019年12月31日及2020年1月1日余额	1,000,000,000.00	81,088,392.12	17,950,000.00	(1,286,152.00)	530,511,646.22	1,628,263,886.34
二、增减变动金额	-	3,015,301.28	(8,020,000.00)	(283,669.50)	35,157,711.47	29,869,343.25
(一)综合收益总额	-	-	-	(283,669.50)	30,153,012.75	29,869,343.25
(二)利润分配	-	3,015,301.28	(8,020,000.00)	-	5,004,698.72	-
1. 提取盈余公积	-	3,015,301.28	-	-	(3,015,301.28)	-
2. 转回一般风险准备	-	-	(8,020,000.00)	-	8,020,000.00	-
三、2020年12月31日余额	1,000,000,000.00	84,103,693.40	9,930,000.00	(1,569,821.50)	565,669,357.69	1,658,133,229.59
	上年度					
	实收资本 人民币元 (附注七、15)	盈余公积 人民币元 (附注七、16)	一般风险准备 人民币元 (附注七、18)	其他综合收益 人民币元 (附注七、17)	未分配利润 人民币元 (附注七、19)	所有者权益合计 人民币元
一、2018年12月31日及2019年1月1日余额	1,000,000,000.00	78,285,360.75	15,840,000.00	(771,750.00)	507,394,363.90	1,600,747,974.65
二、增减变动金额	-	2,803,031.37	2,110,000.00	(514,402.00)	23,117,282.32	27,515,911.69
(一)综合收益总额	-	-	-	(514,402.00)	28,030,313.69	27,515,911.69
(二)利润分配	-	2,803,031.37	2,110,000.00	-	(4,913,031.37)	-
1. 提取盈余公积	-	2,803,031.37	-	-	(2,803,031.37)	-
2. 提取一般风险准备	-	-	2,110,000.00	-	(2,110,000.00)	-
三、2019年12月31日余额	1,000,000,000.00	81,088,392.12	17,950,000.00	(1,286,152.00)	530,511,646.22	1,628,263,886.34

附注为财务报表的组成部分。

一、概况

摩根士丹利国际银行(中国)有限公司(以下简称“本银行”),原名珠海南通银行。珠海南通银行由中国银行澳门分行全资附属机构澳门南通信托投资有限公司投资设立,经中国人民银行批准于1984年10月19日成立,并于1984年12月14日领取中华人民共和国营业执照。

2006年9月8日,经中国银行保险监督管理委员会(原称中国银行业监督管理委员会,以下简称“银保监会”)批准,本银行原股东澳门南通信托投资有限公司将其所持本银行100%的股权转让给摩根士丹利国际银行有限公司。本银行更新了在股权变更后获取的营业执照。截至2020年12月31日,本银行注册资本为等值人民币1,000,000,000元,其中人民币业务资本金为人民币845,367,604.00元,外汇业务资本金为人民币154,632,396.00元等值的港币。本银行母公司为摩根士丹利国际银行有限公司,最终母公司为Morgan Stanley。投资方实际出资情况详见附注七、15。

本银行北京分行于2009年6月10日经银保监会批准成立,并于2009年6月24日领取中华人民共和国营业执照。

本银行注册地址为中国广东省珠海市吉大景山路188号粤财大厦第28层2801-2807单元及2816单元,本银行组织形式为有限责任公司。

本银行在下列范围内经营对各类客户的外汇业务以及对除中国境内公民以外客户的人民币业务:吸收公众存款;发放短期、中期和长期贷款;办理票据承兑与贴现,买卖政府债券、金融债券,买卖股票以外的其他外币有价证券;提供信用证服务及担保;办理国内外结算;买卖、代理买卖外汇;从事同业拆借;从事银行卡业务;提供保管箱服务;提供资信调查和咨询服务;经银保监会批准的其他业务。

二、财务报表编制基础

本银行自成立起执行中华人民共和国财政部颁布的企业会计准则及相关规定(以下简称“企业会计准则”)及其他相关法规。

1. 新冠疫情的影响

新冠肺炎疫情的爆发,以及企业和政府为应对疫情蔓延自行实施、强制执行的各项社会和商业限制措施,对全球经济状况产生了负面影响,引发了全球金融市场波动、失业率上升等问题,同时使得企业面临诸如临时停业、限制人员流动以及延长远程办公时间等运营挑战。

世界各国政府正致力于新冠疫苗的研发、制造和供给。同时,各国政府和中央银行也通过实施刺激经济及流动性的计划来应对疫情蔓延造成的经济危机。如果疫情持续存在,或者各国政府和中央银行的应对行动(包括有效疫苗的充足供应)未能取得成效,这将加剧对全球经济的不利影响,摩根士丹利以及本银行未来的经营业绩和财务状况也可能受到不利影响。

二、 财务报表编制基础 - 续

1. 新冠疫情的影响 - 续

如果全球市场状况持续恶化，或者疫情引发了其他的市场干扰，摩根士丹利将面临诸如客户业务减少，产品及服务需求量下降、其他金融资产减值及其对财务状况产生的其他负面影响，包括可能的对资本和流动资金的限制，以及资本成本增加，信用评级发生变化或降低等问题。商业活动的减缓可能会导致整体投行业务收入下降，客户账户余额的减少也会进一步减少手续费收入和融资收入。

虽然摩根士丹利无法估计持续存在的新冠肺炎疫情以及相关的全球经济危机对未来经营业绩的影响程度，但类似本年度的高额客户交易和资本市场活动可能不会重复出现，某些特定的由客户主导的其他活动也会受到抑制。

在运营方面，摩根士丹利发起了远程办公方案并限制员工的商务出行，并根据员工的职位、所在区域、个人意愿和工作能力，分阶段实施返岗计划。虽然摩根士丹利及本银行并未出现因远程办公环境而导致工作效率降低的情况，但无法确保该工作方式的变化于长远角度不会带来不利影响。如果大部分员工(包括关键人员)因疾病、政府行为或疫情相关的其他限制而无法进行有效的工作，疫情对业务的影响可能会加剧。

为应对新冠肺炎疫情带来的重大经济影响，全球监管机构发布了一系列更新的法规和计划，以保障市场持续发展。

摩根士丹利及本银行会持续运用其风险管理框架(包括压力测试)，管理当前经济及市场状况下的重大不确定性。

截至 2020 年 12 月 31 日，银行员工基本都已返回办公室进行办公，摩根士丹利及本银行全面进入持续运营状态。

2. 持续经营

新冠肺炎疫情对本银行业务的现有及潜在影响被视为持续经营分析的一部分，包括对运营能力、流动性及融资渠道、履约义务、资产估值、及其他关键会计判断的影响并做为估计不确定性的主要影响因素。

经考虑以上所有因素后，本银行认为，可合理假设本银行在可预见未来期间，能够获得足够的资源以实现持续经营。因此，本银行将继续按照持续经营基础编制年报及财务报表。

三、 遵循企业会计准则的声明

本银行编制的财务报表符合企业会计准则的要求，真实、完整地反映了本银行 2020 年 12 月 31 日的财务状况以及 2020 年度的经营成果和现金流量。

四、重要会计政策及会计估计

下列重要会计政策和会计估计系根据企业会计准则厘定。

1. 会计年度

本银行的会计年度为公历年度，即每年1月1日起至12月31日止。

2. 记账本位币

人民币为本银行经营所处的主要经济环境中的货币，本银行以人民币为记账本位币。本银行编制本财务报表时所采用的货币为人民币。

3. 记账基础和计价原则

本银行会计核算以权责发生制为记账基础。除某些金融工具以公允价值计量外，本财务报表以历史成本作为计量基础。资产如果发生减值，则按照相关规定计提相应的减值准备。

在历史成本计量下，资产按照购置时支付的现金或者现金等价物的金额或者所付出的对价的公允价值计量。负债按照因承担现时义务而实际收到的款项或者资产的金额，或者承担现时义务的合同金额，或者按照日常活动中为偿还负债预期需要支付的现金或者现金等价物的金额计量。

公允价值是市场参与者在计量日发生的有序交易中，出售资产所能收到或者转移一项负债所需支付的价格。无论公允价值是可观察到的还是采用估值技术估计的，在本财务报表中计量和披露的公允价值均在此基础上予以确定。

公允价值计量基于公允价值的输入值的可观察程度以及该等输入值对公允价值计量整体的重要性，被划分为三个层次：

- 第一层次输入值是在计量日能够取得的相同资产或负债在活跃市场上未经调整的报价。
- 第二层次输入值是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。
- 第三层次输入值是相关资产或负债的不可观察输入值。

4. 现金及现金等价物

现金是指本银行库存现金以及可以随时用于支付的存款。现金等价物是指本银行持有的期限短、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。

四、 重要会计政策及会计估计 - 续

5. 金融工具

在本银行成为金融工具合同的一方时确认一项金融资产或金融负债。金融资产和金融负债在初始确认时以公允价值计量。公允价值的所有变动均反映在损益表“公允价值变动损益”中。利息收入及利息支出均确认为当期损益，在利润表中分别计入利息收入及利息支出。对于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，相关的交易费用直接计入损益，于营业支出列报；对于其他类别的金融资产和金融负债，相关交易费用计入初始确认金额。

5.1 实际利率法

实际利率法是指按照金融资产或金融负债(含一组金融资产或金融负债)的实际利率计算其摊余成本及各期利息收入或支出的方法。实际利率是指将金融资产或金融负债在预期存续期间或适用的更短期间内的未来现金流量，折现为该金融资产或金融负债当前账面价值所使用的利率。

在计算实际利率时，本银行将在考虑金融资产或金融负债所有合同条款的基础上预计未来现金流量(不考虑未来的信用损失)，同时还将考虑金融资产或金融负债合同各方之间支付或收取的、属于实际利率组成部分的各项收费、交易费用及折价或溢价等。

5.2 金融资产的分类、确认和计量

金融资产在初始确认时划分为以公允价值计量且其变动计入当期损益的金融资产、持有至到期投资、贷款和应收款项以及可供出售金融资产。以常规方式买卖金融资产，按交易日会计进行确认和终止确认。

本银行的金融资产主要划分为以公允价值计量且其变动计入当期损益的金融资产及贷款和应收款项。

以公允价值计量且其变动计入当期损益的金融资产

以公允价值计量且其变动计入当期损益的金融资产包括交易性金融资产和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。本银行以公允价值计量且其变动计入当期损益的金融资产均为交易性金融资产。

满足下列条件之一的金融资产划分为交易性金融资产：(1)取得该金融资产的目的，主要是为了近期内出售；(2)初始确认时属于进行集中管理的可辨认金融工具组合的一部分，且有客观证据表明本银行近期采用短期获利方式对该组合进行管理；(3)属于衍生工具，但是被指定且为有效套期工具的衍生工具、属于财务担保合同的衍生工具、与在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资挂钩并须通过交付该权益工具结算的衍生工具除外。

以公允价值计量且其变动计入当期损益的金融资产采用公允价值进行后续计量，公允价值变动形成的利得或损失以及与该等金融资产相关的股利和利息收入计入当期损益。

四、 重要会计政策及会计估计 - 续

5. 金融工具 - 续

5.2 金融资产的分类、确认和计量 - 续

贷款和应收款项

贷款和应收款项是指在活跃市场中没有报价、回收金额固定或可确定的非衍生金融资产。本银行划分为贷款和应收款项的金融资产包括存放中央银行款项、存放同业款项、拆出资金、发放贷款和垫款、应收利息、存出保证金等。

贷款和应收款项采用实际利率法，按摊余成本进行后续计量，在终止确认、发生减值或摊销时产生的利得或损失，计入当期损益。

5.3 金融资产减值

除了以公允价值计量且其变动计入当期损益的金融资产外，本银行在每个资产负债表日对其他金融资产的账面价值进行检查，有客观证据表明金融资产发生减值的，计提减值准备。表明金融资产发生减值的客观证据是指金融资产初始确认后实际发生的、对该金融资产的预计未来现金流量有影响，且本银行能够对该影响进行可靠计量的事项。

金融资产发生减值的客观证据，包括下列可观察到的各项事项：

- (1) 发行方或债务人发生严重财务困难；
- (2) 债务人违反了合同条款，如偿付利息或本金发生违约或逾期等；
- (3) 本银行出于经济或法律等方面因素的考虑，对发生财务困难的债务人作出让步；
- (4) 债务人很可能倒闭或者进行其他财务重组；
- (5) 因发行方发生重大财务困难，导致金融资产无法在活跃市场继续交易；
- (6) 无法辨认一组金融资产中的某项资产的现金流量是否已经减少，但根据公开的资料对其进行总体评价后发现，该组金融资产自初始确认以来的预计未来现金流量确已减少且可计量，包括：
 - 该组金融资产的债务人支付能力逐步恶化；
 - 债务人所在国家或地区经济出现了可能导致该组金融资产无法支付的状况；
- (7) 其他表明金融资产发生减值的客观证据。

以摊余成本计量的金融资产减值

以摊余成本计量的金融资产发生减值时，将其账面价值减记至按照该金融资产的原实际利率折现确定的预计未来现金流量(不包括尚未发生的未来信用损失)现值，减记金额确认为减值损失，计入当期损益。金融资产确认减值损失后，如有客观证据表明该金融资产价值已恢复，且客观上与确认该损失后发生的事项有关，原确认的减值损失予以转回，但金融资产转回减值损失后的账面价值不超过假定不计提减值准备情况下该金融资产在转回日的摊余成本。

四、 重要会计政策及会计估计 - 续

5. 金融工具 - 续

5.3 金融资产减值 - 续

以摊余成本计量的金融资产减值 - 续

本银行对单项金额重大的金融资产单独进行减值测试；对单项金额不重大的金融资产，单独进行减值测试或包括在具有类似信用风险特征的金融资产组合中进行减值测试。单独测试未发生减值的金融资产(包括单项金额重大和不重大的金融资产)，包括在具有类似信用风险特征的金融资产组合中再进行减值测试。已单项确认减值损失的金融资产，不包括在具有类似信用风险特征的金融资产组合中进行减值测试。

5.4 金融资产的转移

满足下列条件之一的金融资产，予以终止确认：(1)收取该金融资产现金流量的合同权利终止；(2)该金融资产已转移，且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；(3)该金融资产已转移，虽然本银行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，但是放弃了对该金融资产控制。

若本银行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，且未放弃对该金融资产的控制的，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，并相应确认有关负债。继续涉入所转移金融资产的程度，是指该金融资产价值变动使本银行面临的风险水平。

金融资产整体转移满足终止确认条件的，将所转移金融资产的账面价值及因转移而收到的对价与原计入其他综合收益的公允价值变动累计额之和的差额计入当期损益。

金融资产部分转移满足终止确认条件的，将所转移金融资产的账面价值在终止确认及未终止确认部分之间按其相对的公允价值进行分摊，并将因转移而收到的对价与应分摊至终止确认部分的原计入其他综合收益的公允价值变动累计额之和与分摊的前述账面金额之差额计入当期损益。

根据协议承诺将于未来某确定日期回购的已售出的金融资产不在资产负债表内予以终止确认。出售该等资产所得的款项(包括利息)，在资产负债表中作为卖出回购金融资产款列示。售价与回购价之间的差额在协议期内按实际利率法确认，计入利息支出。

5.5 金融负债的分类、确认和计量

本银行根据所发行金融工具的合同条款及其所反映的经济实质而非仅以法律形式，结合金融负债和权益工具的定义，在初始确认时将该金融工具或其组成部分分类为金融负债或权益工具。

金融负债在初始确认时划分为以公允价值计量且其变动计入当期损益的金融负债和其他金融负债。本银行的金融负债均划分为其他金融负债。

四、 重要会计政策及会计估计 - 续

5. 金融工具 - 续

5.5 金融负债的分类、确认和计量 - 续

其他金融负债

其他金融负债采用实际利率法，按摊余成本进行后续计量，终止确认或摊销产生的利得或损失计入当期损益。

财务担保合同

财务担保合同是指保证人和债权人约定，当债务人不履行债务时，保证人按照约定履行债务或者承担责任的合同。不属于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的财务担保合同，以公允价值减直接归属的交易费用进行初始确认，在初始确认后按照《企业会计准则第 13 号—或有事项》确定的金额和初始确认金额扣除按照《企业会计准则第 14 号—收入》的原则确定的累计摊销额后的余额之中的较高者进行后续计量。

5.6 金融负债的终止确认

金融负债的现时义务全部或部分已经解除的，才能终止确认该金融负债或其一部分。本银行(债务人)与债权人之间签订协议，以承担新金融负债方式替换现存金融负债，且新金融负债与现存金融负债的合同条款实质上不同的，终止确认现存金融负债，并同时确认新金融负债。

金融负债全部或部分终止确认的，将终止确认部分的账面价值与支付的对价(包括转出的非现金资产或承担的新金融负债)之间的差额，计入当期损益。

5.7 金融资产和金融负债的抵销

当本银行具有抵销已确认金融资产和金融负债的法定权利，且目前可执行该种法定权利，同时本银行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时，金融资产和金融负债以相互抵销后的金额在资产负债表内列示。除此以外，金融资产和金融负债在资产负债表内分别列示，不予相互抵销。

6. 固定资产

固定资产是指为经营管理而持有的，使用寿命超过一个会计年度的有形资产。固定资产仅在与有关的经济利益很可能流入本银行，且其成本能够可靠地计量时才予以确认。固定资产按成本进行初始计量。

与固定资产有关的后续支出，如果与该固定资产有关的经济利益很可能流入且其成本能可靠地计量，则计入固定资产成本，并终止确认被替换部分的账面价值，除此以外的其他后续支出，在发生时计入当期损益。

四、重要会计政策及会计估计 - 续

6. 固定资产 - 续

固定资产从达到预定可使用状态的次月起，采用年限平均法在使用寿命内计提折旧。各类固定资产的使用寿命、预计净残值和年折旧率如下：

<u>类别</u>	<u>使用寿命</u>	<u>预计净残值率</u>	<u>年折旧率</u>
电子及办公设备	3-8 年	-	13%-33%

预计净残值是指假定固定资产预计使用寿命已满并处于使用寿命终了时的预期状态，本银行目前从该项资产处置中获得的扣除预计处置费用后的金额。

当固定资产处于处置状态或预期通过使用或处置不能产生经济利益时，终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的差额计入当期损益。

本银行至少于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，如发生改变则作为会计估计变更处理。

7. 在建工程

在建工程以实际成本计量。实际成本包括在建造期间发生的各项建造支出，以及其他相关费用等。在建工程不计提折旧。在建工程在达到预定可使用状态后结转为固定资产。

8. 无形资产

无形资产包括软件。

无形资产按成本进行初始计量。使用寿命有限的无形资产自可供使用时起，对其原值在其预计使用寿命内采用直线法分期平均摊销。本银行预计使用寿命有限的无形资产的使用寿命为 1-5 年。

期末，对使用寿命有限的无形资产的使用寿命和摊销方法进行复核，必要时进行调整。

9. 长期待摊费用

长期待摊费用为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。长期待摊费用在预计受益期间分期平均摊销。

四、 重要会计政策及会计估计 - 续

10. 除商誉以外的非金融资产减值

本银行在每一个资产负债表日检查固定资产、使用寿命确定的无形资产是否存在可能发生减值的迹象。如果该等资产存在减值迹象，则估计其可收回金额。

估计资产的可收回金额以单项资产为基础，如果难以对单项资产的可收回金额进行估计的，则以该资产所属的资产组为基础确定资产组的可收回金额。可收回金额为资产或者资产组的公允价值减去处置费用后的净额与其预计未来现金流量的现值两者之中的较高者。

如果资产的可收回金额低于其账面价值，按其差额计提资产减值准备，并计入当期损益。

上述资产减值损失一经确认，在以后会计期间不予转回。

11. 职工薪酬

本银行在职工为其提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。本银行发生的职工福利费，在实际发生时根据实际发生额计入当期损益或相关资产成本。职工福利费为非货币性福利的，按照公允价值计量。

本银行为职工缴纳的医疗保险费、工伤保险费、生育保险费等社会保险费和住房公积金，以及本银行按规定提取的工会经费和职工教育经费，在职工为本银行提供服务的会计期间，根据规定的计提基础和计提比例计算确定相应的职工薪酬金额，并确认相应负债，计入当期损益或相关资产成本。

本银行在职工为其提供服务的会计期间，将根据设定提存计划计算的应缴存金额确认为负债，并计入当期损益或相关资产成本。

本银行向职工提供辞退福利的，在下列两者孰早日确认辞退福利产生的职工薪酬负债，并计入当期损益：本银行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；本银行确认与涉及支付辞退福利的重组相关的成本或费用时。

对于设定受益计划，本银行根据预期累计福利单位法确定的公式将设定受益计划产生的福利义务归属于职工提供服务的期间，并计入当期损益或相关资产成本。设定受益计划产生的职工薪酬成本划分为下列组成部分：

- 服务成本(包括当期服务成本、过去服务成本和结算利得和损失)；
- 设定受益计划净负债或净资产的利息净额(包括计划资产的利息收益、设定受益计划义务的利息费用以及资产上限影响的利息)；以及
- 重新计量设定受益计划净负债或净资产所产生的变动。

服务成本及设定受益计划净负债或净资产的利息净额计入当期损益或相关资产成本。重新计量设定受益计划净负债或净资产所产生的变动(包括精算利得或损失、计划资产回报扣除包括在设定受益计划净负债或净资产的利息净额中的金额、资产上限影响的变动扣除包括在设定受益计划净负债或净资产的利息净额中的金额)计入其他综合收益。

四、 重要会计政策及会计估计 - 续

12. 预计负债

当与装修复原支出或有事项相关的义务是本公司承担的现时义务，且履行该义务很可能导致经济利益流出，以及该义务的金额能够可靠地计量，则确认为预计负债。

在资产负债表日，考虑与或有事项有关的风险、不确定性和货币时间价值等因素，按照履行相关现时义务所需支出的最佳估计数对预计负债进行计量。如果货币时间价值影响重大，则以预计未来现金流出折现后的金额确定最佳估计数。

13. 一般风险准备

根据财政部 2012 年 3 月 30 日颁布的《金融企业准备金计提管理办法》(财金[2012]20 号)及相关规定的要求，金融企业应当根据自身实际情况，选择内部模型法或标准法对风险资产所面临的风险状况定量分析，确定潜在风险估计值。对于潜在风险估计值高于资产减值准备的差额，计提一般准备。当潜在风险估计值低于资产减值准备时，可不计提一般准备。一般准备余额原则上不得低于风险资产期末余额的 1.5%。

本银行 2020 年末根据资产负债表日风险资产余额的 1.5%提取一般风险准备。提取的一般风险准备作为利润分配，并在所有者权益内单独列示。

14. 利息收入和支出

利息收入和支出按照相关金融资产和金融负债的摊余成本采用实际利率法计算，并计入当期损益。实际利率与合同利率差异较小的，也可按合同利率计算。

15. 手续费及佣金收入

手续费及佣金收入在服务提供时按权责发生制确认。

16. 所得税

所得税费用包括当期所得税和递延所得税。

16.1 当期所得税

资产负债表日，对于当期和以前期间形成的当期所得税负债(或资产)，以按照税法规定计算的预期应缴纳(或返还)的所得税金额计量。

16.2 递延所得税资产及递延所得税负债

对于某些资产、负债项目的账面价值与其计税基础之间的差额，以及未作为资产和负债确认但按照税法规定可以确定其计税基础的项目的账面价值与计税基础之间的差额产生的暂时性差异，采用资产负债表债务法确认递延所得税资产及递延所得税负债。

四、 重要会计政策及会计估计 - 续

16. 所得税 - 续

16.2 递延所得税资产及递延所得税负债 - 续

一般情况下所有暂时性差异均确认相关的递延所得税。但对于可抵扣暂时性差异，本银行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，确认相关的递延所得税资产。

对于能够结转以后年度的可抵扣亏损和税款抵减，以很可能获得用来抵扣可抵扣亏损和税款抵减的未来应纳税所得额为限，确认相应的递延所得税资产。

资产负债表日，对于递延所得税资产和递延所得税负债，根据税法规定，按照预期收回相关资产或清偿相关负债期间的适用税率计量。

除与直接计入其他综合收益或所有者权益的交易和事项相关的当期所得税和递延所得税计入其他综合收益或所有者权益外，其余当期所得税和递延所得税费用或收益计入当期损益。

资产负债表日，对递延所得税资产的账面价值进行复核，如果未来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。

16.3 所得税的抵销

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

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

17. 外币业务折算

外币交易在初始确认时采用交易发生日的即期汇率折算。

于资产负债表日，外币货币性项目采用该日即期汇率折算为记账本位币，因该日的即期汇率与初始确认时或者前一资产负债表日即期汇率不同而产生的汇兑差额，均计入当期损益。

以历史成本计量的外币非货币性项目仍以交易发生日的即期汇率折算的记账本位币金额计量。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，折算后的记账本位币金额与原记账本位币金额的差额，作为公允价值变动(含汇率变动)处理，计入当期损益。

四、 重要会计政策及会计估计 - 续

18. 租赁

经营租赁的租金支出在租赁期内的各个期间按直线法计入相关资产成本或当期损益。初始直接费用于发生时计入当期损益。或有租金于实际发生时计入当期损益。

19. 政府补助

政府补助是指本银行从政府无偿取得货币性资产和非货币性资产，不包括政府作为所有者投入的资本。政府补助分为与资产相关的政府补助和与收益相关的政府补助。

政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能够可靠取得的，按照名义金额计量。按照名义金额计量的政府补助，直接计入当期损益。

与资产相关的政府补助，冲减相关资产的账面价值/确认为递延收益，在相关资产的使用寿命内平均分配计入当期损益。

与收益相关的政府补助，用于补偿以后期间的相关成本费用和损失的，确认为递延收益，并在确认相关费用或损失的期间，计入当期损益/冲减相关成本；用于补偿已经发生的相关成本费用和损失的，直接计入当期损益/冲减相关成本。

与本银行日常活动相关的政府补助，按照经济业务实质，计入其他收益/冲减相关成本费用。与本银行日常活动无关的政府补助，计入营业外收支。

已确认的政府补助需要退回时，初始确认时冲减相关资产账面价值的，调整资产账面价值。存在相关递延收益余额的，冲减相关递延收益账面余额，超出部分计入当期损益；不存在相关递延收益的，直接计入当期损益。

五、 运用会计政策过程中所作的重要判断和会计估计所采用的关键假设和不确定因素

本银行在运用附注四所描述的会计政策过程中，由于经营活动内在的不确定性，本银行需要对无法准确计量的报表项目的账面价值进行判断、估计和假设。这些判断、估计和假设是基于本银行管理层过去的历史经验，并在考虑其他相关因素的基础上作出的。实际的结果可能与本银行的估计存在差异。

本银行对前述判断、估计和假设在持续经营的基础上进行定期复核，会计估计的变更仅影响变更当期的，其影响数在变更当期予以确认；既影响变更当期又影响未来期间的，其影响数在变更当期和未来期间予以确认。

运用会计政策过程中所作的重要判断

本银行在运用会计政策过程中无对财务报表产生重大影响的重要判断。

五、 运用会计政策过程中所作的重要判断和会计估计所采用的关键假设和不确定因素 - 续

会计估计所采用的关键假设和不确定因素

金融工具的公允价值

本银行对没有活跃交易市场的金融工具，通过各种估值方法确定其公允价值。本银行使用的估值方法包括贴现现金流模型等。本银行需对诸如自身和交易对手的信用风险、市场波动率和相关性等方面进行估计。这些相关因素假设的变化会对金融工具公允价值产生影响。

贷款和垫款的减值损失

除在每季度末前已确定的贷款减值外，本银行还于每季度末对贷款组合进行减值准备的评估。对于组合中单笔贷款的现金流尚未发现减少的贷款组合，本银行对该组合是否存在预计未来现金流减少的迹象进行判断，以确定是否需要计提减值准备。发生减值损失的证据包括有可观察数据表明该组合中借款人的支付状况发生了不利的变化(例如，借款人不按规定还款)，或出现了可能导致组合内贷款违约的国家或地方经济状况的不利变化等。对具有相近似的信用风险特征和客观减值证据的贷款组合资产，本银行采用此类似资产的历史损失经验作为测算该贷款组合未来现金流的基础。本银行会定期审阅对未来现金流的金额和时间进行估计所使用的方法和假设，以减少估计贷款减值损失和实际贷款减值损失情况之间的差异。

所得税

本银行在正常的经营活动中，有部分交易其最终的税务处理和计算存在一定的不确定性。部分项目是否能够在税前列支需要政府主管机关的审批。如果这些税务事项的最终认定结果同最初入账的金额存在差异，则该差异将对其最终认定期间的当期所得税和递延所得税产生影响。

递延所得税资产及负债

递延所得税资产及负债，根据税法规定，按照预期收回该资产或清偿该负债期间的适用税率计量。在很有可能有足够的应纳税所得额来抵扣亏损的限度内，本银行就所有未利用的可抵扣亏损确认递延所得税资产。这需要管理层运用大量的判断来估计未来应纳税所得额发生的时间和金额以及适用的税率，以决定应确认的递延所得税资产和负债的金额。

六、 主要税项

所得税

本银行 2020 年度的所得税税率为 25% (2019: 25%)。根据《跨省市总分机构企业所得税分配及预算管理暂行办法》(财预[2012]40 号)及《跨地区经营汇总纳税企业所得税征收管理办法》(国税发[2012]57 号)的规定,本银行分支机构实行“统一计算、分级管理、就地预缴、汇总清算、财政调库”的所得税征收管理办法。

增值税

应纳增值税为销项税额减可抵扣进项税后的余额,销项税额根据相关税法规定计算的应税金融服务乘以相应的增值税税率 6%计算。

其他税项

本银行城市维护建设税按应缴增值税的 7%缴纳。

本银行教育费附加按应缴增值税的 3%缴纳,地方教育附加按应缴增值税的 2%缴纳。

七、 财务报表项目附注

1. 存放中央银行款项

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
存放中央银行法定准备金	61,183,963.37	70,638,420.83
存放中央银行的其他款项	292,583,110.22	269,736,284.20
合计	<u>353,767,073.59</u>	<u>340,374,705.03</u>

存款准备金按中国人民银行的有关规定缴存。根据[银发(2007)134 号]《中国人民银行关于提高外汇存款准备金率的通知》,从 2007 年 5 月 15 日起,金融机构外汇存款准备金率统一调整为 5%。本银行外汇业务存款准备金根据月末各有关存款科目余额的 5%缴存。外币存款准备金不计利息。根据中国人民银行规定,2019 年 12 月 31 日和 2020 年 12 月 31 日人民币存款准备金缴存比率分别为 11%和 10.5%,本银行人民币业务存款准备金根据每旬各有关存款科目的平均余额按缴存比率予以缴存。人民币存款准备金按 1.62%计息。

七、 财务报表项目附注 - 续

2. 存放同业款项

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
存放境内同业	14,853,329.61	6,651,702.18
存放境外同业	33,122,181.89	65,226,712.81
合计	<u>47,975,511.50</u>	<u>71,878,414.99</u>
减：减值准备	165,610.90	326,133.58
账面价值	<u><u>47,809,900.60</u></u>	<u><u>71,552,281.41</u></u>

3. 拆出资金

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
拆放境内同业	100,000,000.00	800,000,000.00
拆放境外同业	182,883,156.78	-
合计	<u>282,883,156.78</u>	<u>800,000,000.00</u>
减：减值准备	914,415.80	-
账面价值	<u><u>281,968,740.98</u></u>	<u><u>800,000,000.00</u></u>

4. 以公允价值计量且其变动计入当期损益的金融资产

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
交易性金融资产		
- 政府债券	259,610,984.71	200,606,456.00
- 金融机构债券	1,043,748,517.00	560,447,907.00
合计	<u><u>1,303,359,501.71</u></u>	<u><u>761,054,363.00</u></u>

七、 财务报表项目附注 - 续

5. 发放贷款和垫款

(1)按性质分布情况如下：

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
企业贷款和垫款	300,000,000.00	300,000,000.00
减：贷款损失准备	4,500,000.00	4,500,000.00
账面价值	<u>295,500,000.00</u>	<u>295,500,000.00</u>

(2)按行业分布情况如下：

<u>行业分布</u>	<u>年末数</u> 人民币元	<u>比例(%)</u>	<u>上年年末数</u> 人民币元	<u>比例(%)</u>
金融业	300,000,000.00	100.00	300,000,000.00	100.00
合计	300,000,000.00	100.00	300,000,000.00	100.00
减：贷款损失准备	4,500,000.00		4,500,000.00	
账面价值	<u>295,500,000.00</u>		<u>295,500,000.00</u>	

(3)按借款人注册地分布情况如下：

<u>地区分布</u>	<u>年末数</u> 人民币元	<u>比例(%)</u>	<u>上年年末数</u> 人民币元	<u>比例(%)</u>
华北地区	200,000,000.00	66.67	200,000,000.00	66.67
华东地区	100,000,000.00	33.33	100,000,000.00	33.33
合计	300,000,000.00	100.00	300,000,000.00	100.00
减：贷款损失准备	4,500,000.00		4,500,000.00	
账面价值	<u>295,500,000.00</u>		<u>295,500,000.00</u>	

七、 财务报表项目附注 - 续

5. 发放贷款和垫款 - 续

(4)按合同条款及担保方式分布情况如下：

	年末数				上年年末数			
	1年以内 (含1年) 人民币元	1至5年 (含5年) 人民币元	5年以上 人民币元	合计 人民币元	1年以内 (含1年) 人民币元	1至5年 (含5年) 人民币元	5年以上 人民币元	合计 人民币元
信用贷款	300,000,000.00	-	-	300,000,000.00	300,000,000.00	-	-	300,000,000.00
合计	300,000,000.00	-	-	300,000,000.00	300,000,000.00	-	-	300,000,000.00
减：贷款损失准备				4,500,000.00				4,500,000.00
账面价值				295,500,000.00				295,500,000.00

(5)贷款损失准备：

2020 年度

	<u>个别方式评估</u> 人民币元	<u>组合方式评估</u> 人民币元	<u>合计</u> 人民币元
年初余额	-	4,500,000.00	4,500,000.00
本年计提	-	-	-
年末余额	-	4,500,000.00	4,500,000.00

2019 年度

	<u>个别方式评估</u> 人民币元	<u>组合方式评估</u> 人民币元	<u>合计</u> 人民币元
年初余额	-	3,000,000.00	3,000,000.00
本年计提	-	1,500,000.00	1,500,000.00
年末余额	-	4,500,000.00	4,500,000.00

七、 财务报表项目附注 - 续

6. 固定资产

	<u>电子及办公设备</u> 人民币元
原值	
年初数	19,922,579.88
本年新增	4,744,343.74
本年处置	(125,045.30)
年末数	<u>24,541,878.32</u>
累计折旧	
年初数	16,332,166.74
本年计提	1,070,229.90
本年处置	(73,781.72)
年末数	<u>17,328,614.92</u>
净额	
年初数	<u>3,590,413.14</u>
年末数	<u><u>7,213,263.40</u></u>

7. 在建工程

	<u>办公室装修</u> 人民币元
年初数	-
本年转入	426,787.54
本年新增	8,344,261.97
年末数	<u><u>8,771,049.51</u></u>

七、 财务报表项目附注 - 续

8. 无形资产

	软件 人民币元
原值	
年初数	38,274,983.39
本年新增	485,439.97
年末数	<u>38,760,423.36</u>
累计摊销	
年初数	37,475,648.29
本年摊销	304,756.41
年末数	<u>37,780,404.70</u>
净额	
年初数	799,335.10
年末数	<u><u>980,018.66</u></u>

9. 递延所得税资产和递延所得税负债

(1)按总额列示的递延所得税资产和递延所得税负债

	可抵扣/应纳税暂时性差异		递延所得税资产/递延所得税负债	
	年末数 人民币元	上年年末数 人民币元	年末数 人民币元	上年年末数 人民币元
长期服务金与员工激励计划	14,454,989.82	12,831,739.31	3,613,747.21	3,207,934.58
无形资产摊销税法与会计差异	6,800,150.45	9,438,327.37	1,700,037.61	2,359,581.84
交易性金融资产公允价值变动	(3,485,241.01)	(1,923,212.30)	(871,310.25)	(480,803.08)
国别风险准备	192,017.75	351,840.57	48,004.44	87,960.14
预计负债	608,513.57	-	152,128.39	-
合计	<u>18,570,430.58</u>	<u>20,698,694.95</u>	<u>4,642,607.40</u>	<u>5,174,673.48</u>

七、 财务报表项目附注 - 续

9. 递延所得税资产和递延所得税负债 - 续

(2)本银行相关递延所得税资产与递延所得税负债进行了抵销，以净额列示。按净额列示的递延所得税资产和递延所得税负债如下：

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
递延所得税资产	5,513,917.65	5,655,476.56
递延所得税负债	(871,310.25)	(480,803.08)
净额	<u>4,642,607.40</u>	<u>5,174,673.48</u>

10. 其他资产

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
预付账款(1)	7,071,041.87	2,066,902.40
应收咨询费	5,281,368.44	5,098,569.10
存出保证金	2,581,037.76	2,581,037.76
长期待摊费用(2)	136,082.83	625,825.58
应收利息(3)	23,082,387.84	16,791,903.33
预缴税款(4)	3,058,867.90	1,331,295.77
其他	513.67	1,100.09
合计	<u>41,211,300.31</u>	<u>28,496,634.03</u>
减：减值准备	26,406.85	25,706.99
账面价值	<u>41,184,893.46</u>	<u>28,470,927.04</u>

(1) 预付账款主要系预付电脑系统费及预付租金等。

七、 财务报表项目附注 - 续

10. 其他资产 - 续

(2)长期待摊费用

	<u>租入固定资产装修</u> 人民币元
原值	
年初数	13,066,289.33
本年新增	132,202.23
本年转出	(426,787.54)
年末数	<u>12,771,704.02</u>
累计摊销	
年初数	12,440,463.75
本年摊销	195,157.44
年末数	<u>12,635,621.19</u>
净额	
年初数	<u>625,825.58</u>
年末数	<u><u>136,082.83</u></u>

(3)应收利息

(a)按变动列示

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
年初余额	16,791,903.33	23,333,670.55
本年计提数	53,301,740.99	62,182,847.59
本年收回数	(47,011,256.48)	(68,724,614.81)
年末余额	<u><u>23,082,387.84</u></u>	<u><u>16,791,903.33</u></u>

七、 财务报表项目附注 - 续

10. 其他资产 - 续

(3)应收利息 - 续

(b)按性质列示

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
应收利息		
- 存放央行及同业款项	53,566.04	97,399.09
- 拆出资金	162,185.69	1,469,358.99
- 发放贷款和垫款	1,123,153.60	561,099.21
- 以公允价值计量且其变动 计入当期损益的金融资产	21,743,482.51	14,664,046.04
合计	<u>23,082,387.84</u>	<u>16,791,903.33</u>

(4)预缴税款

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
企业所得税	2,252,992.69	1,331,295.77
增值税	805,875.21	-
合计	<u>3,058,867.90</u>	<u>1,331,295.77</u>

11. 吸收存款

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
活期存款		
公司客户	11,051,071.13	18,558,451.97
个人客户	1,944.53	2,069.40
定期存款		
公司客户	630,950,955.57	627,547,856.77
个人客户	1,151,142.54	2,311,327.37
合计	<u>643,155,113.77</u>	<u>648,419,705.51</u>

七、 财务报表项目附注 - 续

12. 应付职工薪酬

	本年度			
	上年年末数 人民币元	本年计提 人民币元	本年支付 人民币元	年末数 人民币元
工资、奖金、津贴和补贴	11,145,596.29	42,504,744.34	(39,879,387.74)	13,770,952.89
社会保险费	273,387.23	765,565.47	(473,636.33)	565,316.37
住房公积金	-	1,367,931.00	(1,367,931.00)	-
设定受益计划(注)	8,324,526.61	1,983,971.61	(526,875.22)	9,781,623.00
合计	19,743,510.13	46,622,212.42	(42,247,830.29)	24,117,892.26

(注) 设定受益计划

除按规定参加由政府机构设立的职工社会保障体系外，本银行亦为员工设立了与退休/离职相关的设定受益计划。本银行按照员工月基本工资的 8%(最高不超过每人人民币 10,000/月)并考虑利率影响后确认相关应付款项。自 2012 年 1 月 1 日起，对于服务满 10 年的员工，本银行按照该员工基本工资的 12%(最高不超过每人人民币 15,000/月) 并考虑利率影响后确认相关应付款项。此等应付款项有待员工退休、离职或身故时进行支付，该长期服务金计划的可行权比率以员工服务年份达到 5 年为限，逐年递增 20%直至 100%。

本银行于资产负债表日对上述长期服务金计划之设定受益义务进行精算评估，设定受益义务的现值以及相关的当期服务成本和过去服务成本均使用预计单位福利法计量。

设定受益计划使本银行面临精算风险，这些风险包括利率风险、长寿风险和通货膨胀风险。折现率的降低将导致设定受益计划义务现值增加。设定受益计划义务现值基于参与计划的员工的死亡率的最佳估计来计算，计划成员预期寿命的增加将导致计划负债的增加。此外，设定受益计划义务现值与计划未来的支付标准相关，而支付标准根据薪金的预期增长率确定，因此，薪金的预期增长率的上升亦将导致计划负债的增加。

(a) 资产负债表日，精算评估所采用的主要假设如下：

	年末数	上年年末数
折现率	3.10%	3.00%
薪金的预期增长率	7.00%	7.00%
设定受益计划利率	1.75%	1.75%

	年末数	上年年末数
身故比例	中国 2010 年-2013 年寿命表	中国 2010 年-2013 年寿命表
离职比例	15%	15%
退休年龄	女性 55 岁、男性 60 岁	女性 55 岁、男性 60 岁

七、 财务报表项目附注 - 续

12. 应付职工薪酬 - 续

(注) 设定受益计划 - 续

(b) 计入业务及管理费的设定受益计划金额如下：

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
当期服务成本	1,371,184.61	1,675,000.00
设定受益义务的利息费用	234,561.00	283,000.00
合计	<u>1,605,745.61</u>	<u>1,958,000.00</u>

(c) 计入应付职工薪酬的设定受益计划义务所产生的金额如下：

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
未注入资金的设定受益义务的现值	9,781,623.00	8,324,526.61
赤字	<u>9,781,623.00</u>	<u>8,324,526.61</u>
设定受益义务产生的负债净额	<u>9,781,623.00</u>	<u>8,324,526.61</u>

(d) 当期设定受益计划净负债的变动情况如下：

	<u>本年度</u> 人民币元	<u>上年度</u> 人民币元
上年年末数	8,324,526.61	8,833,604.58
计入当期损益的设定受益成本		
- 当期服务成本	1,371,184.61	1,675,000.00
- 利息费用	234,561.00	283,000.00
计入其他综合收益的设定受益成本		
- 精算损失	378,226.00	685,869.00
已支付的福利	(526,875.22)	(2,817,583.97)
转入	-	197,803.00
转出	-	(533,166.00)
年末数	<u>9,781,623.00</u>	<u>8,324,526.61</u>

本银行对设定收益计划的关键假设(如折现率、薪金增长率等)进行了敏感性分析，敏感性分析结果显示对设定收益计划义务现值影响不重大。

七、 财务报表项目附注 - 续

13. 应交税费

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
个人所得税	1,492,522.54	557,676.92
应交增值税	-	393,742.21
合计	<u>1,492,522.54</u>	<u>951,419.13</u>

14. 其他负债

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
其他应付款 (1)	10,493,174.68	2,686,500.31
预提费用	3,875,063.68	3,995,220.37
递延收益	-	232,540.43
应付利息 (2)	3,321,539.22	2,223,915.98
合计	<u>17,689,777.58</u>	<u>9,138,177.09</u>

(1)其他应付款

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
暂收银团贷款资金	7,227,368.65	-
应付购建长期资产款	1,137,410.78	400,595.90
应付不动户款项	1,831,604.16	1,950,541.39
应付其他款	296,791.09	335,363.02
合计	<u>10,493,174.68</u>	<u>2,686,500.31</u>

七、 财务报表项目附注 - 续

14. 其他负债 - 续

(2)应付利息

(a)按变动列示

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
上年年末数	2,223,915.98	1,959,727.98
本年计提数	8,552,770.21	8,835,187.31
本年支付数	(7,455,146.97)	(8,570,999.31)
年末余额	<u>3,321,539.22</u>	<u>2,223,915.98</u>

(b)按性质列示

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
应付利息		
- 吸收存款	<u>3,321,539.22</u>	<u>2,223,915.98</u>

15. 实收资本

本银行注册资本为等值人民币 1,000,000,000.00 元，已全部到位。投资者按本银行章程规定的资本投入情况如下：

	<u>年末数</u>	
	币种	出资比例 等值人民币元
	人民币	845,367,604.00
	港币	154,632,396.00
摩根士丹利国际银行有限公司	100%	<u>1,000,000,000.00</u>

	<u>上年年末数</u>	
	币种	出资比例 等值人民币元
	人民币	820,284,000.00
	港币	179,716,000.00
摩根士丹利国际银行有限公司	100%	<u>1,000,000,000.00</u>

上述投入资本已经广东恒信德律会计师事务所有限公司验资报告验证，并出具了编号为(2002)恒德珠验 72 号和(2007)恒德珠验 11 号验资报告。

七、 财务报表项目附注 - 续

16. 盈余公积

	<u>本年度</u> 人民币元	<u>上年度</u> 人民币元
年初余额	81,088,392.12	78,285,360.75
本年计提	3,015,301.28	2,803,031.37
年末余额	<u>84,103,693.40</u>	<u>81,088,392.12</u>

17. 其他综合收益

	<u>本年度</u> 人民币元	<u>上年度</u> 人民币元
年初余额	(1,286,152.00)	(771,750.00)
增减变动金额	(283,669.50)	(514,402.00)
不能重分类进损益的其他综合收益		
其中：重新计量设定受益计划变动额		
之税前金额	(378,226.00)	(685,869.00)
上述变动的递延所得税影响	94,556.50	171,467.00
年末余额	<u>(1,569,821.50)</u>	<u>(1,286,152.00)</u>

本银行其他综合收益均为重新计量设定受益计划净负债所产生的变动金额。

18. 一般风险准备

	<u>本年度</u> 人民币元	<u>上年度</u> 人民币元
年初余额	17,950,000.00	15,840,000.00
本年(转回)/计提	(8,020,000.00)	2,110,000.00
年末余额	<u>9,930,000.00</u>	<u>17,950,000.00</u>

七、 财务报表项目附注 - 续

19. 未分配利润

	本年数 人民币元	上年数 人民币元
年初未分配利润	530,511,646.22	507,394,363.90
本年度净利润	30,153,012.75	28,030,313.69
提取盈余公积(1)	(3,015,301.28)	(2,803,031.37)
转回/(提取)一般风险准备(2)	8,020,000.00	(2,110,000.00)
年末未分配利润	<u>565,669,357.69</u>	<u>530,511,646.22</u>

(1)提取盈余公积

根据本银行董事会决议，本银行自 2007 年开始每年按 10%税后利润计提盈余公积，直至董事会日后修订有关分配事宜为止。

(2)提取一般风险准备

根据财政部 2012 年 3 月 30 日颁布的《金融企业准备金计提管理办法》(财金[2012]20 号)及相关规定的要求，本银行自 2012 年开始按年末的风险资产的 1.5%计提一般风险准备。

20. 利息净收入

	本年累计数 人民币元	上年累计数 人民币元
利息收入		
-存放同业款项	37,460.85	43,742.56
-存放中央银行款项	2,522,457.07	2,765,286.84
-拆出资金	18,053,190.52	20,599,694.39
-以公允价值计量且变动计入当期损益的金融资产	23,672,098.76	34,445,944.51
-发放贷款和垫款	9,016,533.79	4,328,179.29
小计	<u>53,301,740.99</u>	<u>62,182,847.59</u>
利息支出		
-卖出回购金融资产款	100,454.80	-
-吸收存款	8,452,315.41	8,835,187.31
小计	<u>8,552,770.21</u>	<u>8,835,187.31</u>
利息净收入	<u>44,748,970.78</u>	<u>53,347,660.28</u>

七、 财务报表项目附注 - 续

21. 手续费及佣金净收入

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
手续费及佣金收入		
-咨询费收入	75,472,806.89	55,853,129.36
-银团贷款安排费	223,363.96	996,370.07
-结算与清算手续费	8,477.19	995.27
-其他	8,409.14	12,493.22
	<u>75,713,057.18</u>	<u>56,862,987.92</u>
小计		
手续费及佣金支出		
-交易中心费	356,783.05	493,477.54
-其他手续费支出	898,272.72	1,054,831.03
	<u>1,255,055.77</u>	<u>1,548,308.57</u>
小计		
手续费及佣金净收入	<u>74,458,001.41</u>	<u>55,314,679.35</u>

22. 投资损失

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
出售交易性金融资产损失	<u>(3,276,208.30)</u>	<u>(306,130.57)</u>

23. 公允价值变动收益

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
交易性金融资产	<u>1,562,028.71</u>	<u>1,843,533.00</u>

七、 财务报表项目附注 - 续

24. 其他收益

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
代扣代缴税款手续费	161,289.51	2,578.54
政府补助	386,532.00	-
合计	<u>547,821.51</u>	<u>2,578.54</u>

25. 税金及附加

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
附加税	528,530.88	311,579.45
印花税	32,670.40	49,928.80
合计	<u>561,201.28</u>	<u>361,508.25</u>

26. 业务及管理费

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
职工薪酬及福利	46,243,986.42	46,701,042.47
无形资产摊销	304,756.41	99,980.87
房租水电费	11,276,242.80	8,471,285.23
电子设备运转及通讯费	8,303,567.97	7,021,119.50
差旅费	994,836.30	1,527,322.45
折旧费用	1,070,229.90	776,741.69
关联方服务费	2,076,497.31	1,132,915.35
业务招待费	59,504.54	12,253.22
长期待摊费用摊销	195,157.44	230,928.79
其他	8,280,927.92	8,349,590.97
合计	<u>78,805,707.01</u>	<u>74,323,180.54</u>

七、 财务报表项目附注 - 续

27. 资产减值损失

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
贷款减值损失	-	1,500,000.00
拆出资金减值损失	914,415.80	-
存放同业款项减值转回	(96,524.10)	(34,223.40)
应收款项减值损失	699.86	13,696.39
合计	<u>818,591.56</u>	<u>1,479,472.99</u>

截至 2020 年 12 月 31 日, 本银行贷款拨备率为 1.5%(2019: 1.5%)。由于本银行无不良贷款, 拨备覆盖率不适用。

28. 所得税费用

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
当期所得税费用	8,157,455.82	5,561,618.27
递延所得税费用	626,622.58	1,442,043.36
汇算清缴差异	-	(148,158.51)
合计	<u>8,784,078.40</u>	<u>6,855,503.12</u>

所得税费用与会计利润的调节表如下:

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
会计利润	38,937,091.15	34,885,816.81
按税率 25%计算的所得税费用	9,734,272.79	8,721,454.20
加: 不可抵扣的纳税影响	164,071.78	163,192.00
加: 汇算清缴差异的纳税影响	-	(148,158.51)
减: 免税收入的纳税影响	1,114,266.17	1,880,984.57
所得税费用	<u>8,784,078.40</u>	<u>6,855,503.12</u>

七、 财务报表项目附注 - 续

29. 现金及现金等价物

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
存放中央银行款项	353,767,073.59	340,374,705.03
法定存款准备金	(61,183,963.37)	(70,638,420.83)
原到期日为三个月以内： 存放同业款项	47,975,511.50	71,878,414.99
拆出资金	182,883,156.78	500,000,000.00
合计	<u>523,441,778.50</u>	<u>841,614,699.19</u>

30. 现金流量表补充资料

	<u>本年累计数</u> 人民币元	<u>上年累计数</u> 人民币元
将净利润调节为经营活动产生的现金流量		
净利润	30,153,012.75	28,030,313.69
加： 资产减值损失	818,591.56	1,479,472.99
固定资产折旧	1,070,229.90	776,741.69
无形资产摊销	304,756.41	99,980.87
长期待摊费用摊销	195,157.44	230,928.79
固定资产报废损失	51,263.58	-
投资损失	3,276,208.30	306,130.57
债券投资利息收入	(23,672,098.76)	(34,445,944.51)
公允价值变动收益	(1,562,028.71)	(1,843,533.00)
递延所得税费用	626,622.58	1,442,043.36
经营性应收项目的减少/(增加)	188,176,770.67	(103,965,266.41)
经营性应付项目的增加	7,518,735.04	69,149,965.86
经营活动产生的现金流量净额	<u>206,957,220.76</u>	<u>(38,739,166.10)</u>
现金及现金等价物净增加情况		
现金及现金等价物的年末余额	523,441,778.50	841,614,699.19
减： 现金及现金等价物的年初余额	841,614,699.19	744,106,186.45
现金及现金等价物净(减少)/增加额	<u>(318,172,920.69)</u>	<u>97,508,512.74</u>

七、 财务报表项目附注 - 续

31. 分部报告

根据本银行的内部组织结构、管理要求及内部报告制度，本银行的经营业务划分为以下报告分部，这些报告分部是以本银行的营业地为基础确定的。本银行的管理层定期评价这些报告分部的经营成果，以决定向其分配资源及评价其业绩。

分部报告信息根据各分部向管理层报告时采用的会计政策及计量基础披露，这些计量基础与编制财务报表时采用的会计政策与计量基础保持一致。

分部报告信息：

单位：人民币元

	本年累计数			合计
	总行	北京分行	抵销	
营业收入	103,482,909.97	15,690,642.40	-	119,173,552.37
利息净收入	37,577,446.61	7,171,524.17	-	44,748,970.78
其中：分部间利息净收入	(5,528,070.46)	5,528,070.46	-	-
手续费及佣金净收入	66,715,853.36	7,742,148.05	-	74,458,001.41
其中：分部间手续费净收入	(7,736,733.75)	7,736,733.75	-	-
其他收入净额	(810,390.00)	776,970.18	-	(33,419.82)
营业支出	44,022,630.10	36,162,869.75	-	80,185,499.85
营业利润	59,460,279.87	(20,472,227.35)	-	38,988,052.52
分部资产总额	2,223,580,371.20	278,688,105.16	157,071,427.05	2,345,197,049.31
分部负债总额	481,371,408.31	262,763,838.46	57,071,427.05	687,063,819.72
补充信息：				
折旧和摊销费用	1,214,101.80	356,041.95	-	1,570,143.75
资本性支出	2,634,950.14	11,071,297.77	-	13,706,247.91
其中：购置固定资产支出	265,676.73	4,478,667.01	-	4,744,343.74
在建工程费用支出	1,751,631.21	6,592,630.76	-	8,344,261.97
购置无形资产	485,439.97	-	-	485,439.97
长期待摊费用支出	132,202.23	-	-	132,202.23

七、 财务报表项目附注 - 续

31. 分部报告 - 续

	上年累计数			
	总行	北京分行	抵销	合计
营业收入	94,886,122.01	16,163,856.58	-	111,049,978.59
利息净收入	37,347,703.23	15,999,957.05	-	53,347,660.28
其中：分部间利息净收入	(18,207,146.08)	18,207,146.08	-	-
手续费及佣金净收入	55,058,125.18	256,554.17	-	55,314,679.35
其他收入净额	2,480,293.60	(92,654.64)	-	2,387,638.96
营业支出	45,745,889.76	30,418,272.02	-	76,164,161.78
营业利润	49,140,232.25	(14,254,415.44)	-	34,885,816.81
分部资产总额	2,199,961,185.73	484,715,919.75	378,160,407.28	2,306,516,698.20
分部负债总额	508,179,341.78	448,233,877.36	278,160,407.28	678,252,811.86
补充信息：				
折旧和摊销费用	856,448.95	251,202.40	-	1,107,651.35
资本性支出	2,048,621.02	454,864.49	-	2,503,485.51
其中：购置固定资产支出	1,312,096.05	-	-	1,312,096.05
购置无形资产	697,514.61	-	-	697,514.61
长期待摊费用支出	39,010.36	454,864.49	-	493,874.85

(1)按收入来源地划分的对外交易收入

	本年累计数 人民币元	上年累计数 人民币元
来源于境内的对外交易收入	47,593,174.92	54,306,679.08
来源于境外的对外交易收入	71,580,377.45	56,743,299.51
合计	119,173,552.37	111,049,978.59

(2)按资产所在地划分的非流动资产

本银行的非流动资产均位于中国境内。

(3)对主要客户的依赖程度

本银行对非关联方客户不存在重大依赖关系。

分部间转移交易以实际交易价格为基础计量。分部收入和分部费用按各分部的实际收入和费用确定。

八、 承诺及或有事项

1. 信贷承诺和担保

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
保函	771,000.00	1,203,000.00

2. 经营租赁承诺

至资产负债表日止，本银行作为承租方，对外签订的不可撤销的经营租赁合同情况如下：

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
不可撤销经营租赁的最低租赁付款额：		
资产负债表日后第 1 年	5,262,758.57	7,621,553.14
资产负债表日后第 2 年	3,157,498.06	3,167,601.43
资产负债表日后第 3 年	3,575,398.51	3,157,498.06
资产负债表日后 3 年以上	21,549,929.47	25,125,327.98
合计	33,545,584.61	39,071,980.61

3. 资本承诺

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
已签约但尚未于财务报表中确认的：		
- 租入固定资产装修承诺	1,424,879.33	1,022,758.60
- 其他承诺	87,744.52	-
合计	1,512,623.85	1,022,758.60

九、 关联方关系及其交易

(1)存在控制关系的关联方

名称	注册地点	业务性质	注册资本	持股本银行比例
摩根士丹利国际银行有限公司	英国	金融服务	英镑 340,000,000.00	100%

本银行股东摩根士丹利国际银行有限公司 2020 年度持股比例无变化。

本银行集团最终母公司为 Morgan Stanley。Morgan Stanley 是一家注册在美国特拉华州的国际金融服务公司，其财务报表可以在以下网址查询：

www.morganstanley.com/investorrelations

(2)与本银行发生交易但不存在控制关系的其他关联方

名称	注册地点	经济性质或类型	主营业务	法定代表人	注册资本	注册资本是否有变化	关联方关系
摩根士丹利亚洲有限公司	中国香港	有限责任公司	投资银行、外汇买卖及经纪业务	不适用	美元29,455,000	否	同集团子公司
摩根士丹利资产服务咨询(中国)有限公司	中国北京	有限责任公司	咨询服务	周彦	美元610万	否	同集团子公司
摩根士丹利投资顾问(北京)有限公司	中国北京	有限责任公司	咨询服务	陈健浩	美元17万	否	同集团子公司
摩根士丹利投资顾问(上海)有限公司	中国上海	有限责任公司	咨询服务	陈健浩	美元10万	否	同集团子公司
摩根士丹利商贸(中国)有限公司	中国上海	有限责任公司	有色金属、矿产、农产品进出口和批发	Humphreys Brett	美元3,410万	否	同集团子公司
摩根士丹利管理服务(上海)有限公司	中国上海	有限责任公司	咨询、企业管理服务	Yahlin Chang	美元100万	否	同集团子公司
摩根士丹利(中国)股权投资管理有限公司	中国杭州	有限责任公司	股权投资咨询、管理服务	许磊	人民币1亿	否	同集团子公司
摩根士丹利商务咨询(上海)有限公司	中国上海	有限责任公司	咨询服务	孙炯	美元16万	否	同集团子公司
摩根士丹利投资管理咨询(上海)有限公司	中国上海	有限责任公司	咨询服务	Hsuan-Chin Chou	美元17万	否	同集团子公司
三菱日联银行(中国)有限公司	中国上海	有限责任公司	外汇业务及部分人民币业务	大和健一	人民币1,000,000万	否	对集团有重大影响
日本三菱日联银行股份有限公司	日本东京	股份有限公司	金融服务	三毛兼承	日元1,711,958百万	否	对集团有重大影响

摩根士丹利商贸(中国)有限公司已于2020年中注销，上述该公司相关信息系注销前的信息。本银行关联方还包括本银行关键管理人员及与其关系密切的家庭成员或与关系密切的家庭成员控制或共同控制的其他公司。本银行对于重大关联交易进行逐笔披露，对于一般关联交易进行合并披露。

(3)本银行与关联方在本年间发生了如下关联交易

利息收入

	本年累计数		上年累计数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利国际银行 有限公司	1,362,556.10	2.56	-	-
三菱日联银行(中国) 有限公司	108,622.22	0.20	-	-
合计	1,471,178.32	2.76	-	-

九、 关联方关系及其交易 - 续

(3)本银行与关联方在本年间发生了如下关联交易 - 续

利息支出

	本年累计数		上年累计数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利资产服务 咨询(中国)有限公司	1,491,076.80	17.43	1,464,138.64	16.57
摩根士丹利投资顾问 (北京)有限公司	400,654.26	4.68	368,621.09	4.17
摩根士丹利商务咨询 (上海)有限公司	331,289.32	3.87	267,649.94	3.03
摩根士丹利商贸 (中国)有限公司	257,713.15	3.01	3,165,391.85	35.83
摩根士丹利(中国)股权 投资管理有限公司	549,290.71	6.42	768,052.76	8.69
摩根士丹利管理服务 (上海)有限公司	2,592,905.32	30.32	2,268,611.52	25.68
摩根士丹利投资顾问 (上海)有限公司	427,554.96	5.00	390,077.14	4.42
摩根士丹利投资管理咨询 (上海)有限公司	100,686.91	1.18	2,200.00	0.02
合计	<u>6,151,171.43</u>	<u>71.91</u>	<u>8,694,742.94</u>	<u>98.41</u>

手续费及佣金收入

	本年累计数		上年累计数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利 亚洲有限公司	<u>75,472,806.89</u>	<u>99.68</u>	<u>55,853,129.39</u>	<u>98.22</u>

业务及管理费

	本年累计数		上年累计数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利管理服务 (上海)有限公司	<u>2,076,497.31</u>	<u>2.63</u>	<u>1,132,915.35</u>	<u>1.52</u>

本银行在日常业务过程中按一般商业条款与关联方进行交易。

九、 关联方关系及其交易 - 续

(4)关联交易未结算金额

存放同业

	年末数		上年年末数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
日本三菱日联银行 股份有限公司	241.31	0.00	257.37	0.00

拆出资金

	年末数		上年年末数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利国际银行 有限公司	182,883,156.78	64.86	-	-

根据《商业银行与内部人和股东关联交易管理办法》，该交易已构成重大关联交易。

应收利息

	年末数		上年年末数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利国际银行 有限公司	11,074.58	0.05	-	-

九、 关联方关系及其交易 - 续

(4)关联交易未结算金额 - 续

吸收存款

	年末数		上年年末数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利资产服务 咨询(中国)有限公司	97,024,665.55	15.09	95,545,016.17	14.74
摩根士丹利投资顾问 (北京)有限公司	27,151,044.21	4.22	28,164,464.09	4.34
摩根士丹利商贸 (中国)有限公司	-	-	218,312,568.82	33.67
摩根士丹利(中国)股权 投资管理有限公司	28,141,526.00	4.38	49,189,477.15	7.59
摩根士丹利管理服务 (上海)有限公司	181,531,880.25	28.23	157,243,427.46	24.25
摩根士丹利商务咨询 (上海)有限公司	21,501,415.64	3.34	21,173,653.73	3.27
摩根士丹利投资顾问 (上海)有限公司	28,757,175.98	4.47	31,164,541.97	4.81
摩根士丹利投资管理咨询 (上海)有限公司	6,100,650.00	0.95	6,000,000.00	0.93
合计	<u>390,208,357.63</u>	<u>60.68</u>	<u>606,793,149.39</u>	<u>93.60</u>

应付利息

	年末数		上年年末数	
	金额 人民币元	比例(%)	金额 人民币元	比例(%)
摩根士丹利资产服务 咨询(中国)有限公司	321,563.08	9.68	310,135.66	13.95
摩根士丹利投资顾问(北京) 有限公司	80,266.37	2.42	77,186.95	3.47
摩根士丹利商贸 (中国)有限公司	-	-	237,588.21	10.68
摩根士丹利(中国) 股权投资管理有限公司	171,546.05	5.16	261,033.78	11.74
摩根士丹利管理服务(上海) 有限公司	1,234,508.82	37.17	930,056.29	41.82
摩根士丹利商务咨询 (上海)有限公司	169,500.29	5.10	165,972.88	7.46
摩根士丹利投资顾问(上海) 有限公司	171,246.69	5.16	167,624.06	7.54
摩根士丹利投资管理咨询 (上海)有限公司	2,236.91	0.07	2,200.00	0.10
合计	<u>2,150,868.21</u>	<u>64.76</u>	<u>2,151,797.83</u>	<u>96.76</u>

九、 关联方关系及其交易 - 续

(4)关联交易未结算金额 - 续

其他资产

	<u>年末数</u>		<u>上年年末数</u>	
	<u>金额</u> 人民币元	<u>比例(%)</u>	<u>金额</u> 人民币元	<u>比例(%)</u>
摩根士丹利 亚洲有限公司	<u>5,281,368.44</u>	<u>29.17</u>	<u>5,098,569.10</u>	<u>43.66</u>

其他负债

	<u>年末数</u>		<u>上年年末数</u>	
	<u>金额</u> 人民币元	<u>比例(%)</u>	<u>金额</u> 人民币元	<u>比例(%)</u>
摩根士丹利管理服务 (上海)有限公司	<u>369,523.65</u>	<u>2.02</u>	<u>628,247.45</u>	<u>6.87</u>

以上未结算的关联交易款项均为非证券业务并将以现金结算。

(5)关键管理人员报酬

	<u>本年累计数</u>		<u>上年累计数</u>	
	<u>金额</u> 人民币元	<u>比例(%)</u>	<u>金额</u> 人民币元	<u>比例(%)</u>
关键管理人员报酬	<u>10,854,748.07</u>	<u>23.47</u>	<u>8,705,667.75</u>	<u>18.64</u>

十、 风险管理

1. 风险管理概述

风险概述

本银行从事的各种经营活动使本银行面临各种类型的风险，特别是金融工具的运用，使风险趋于多样化和复杂化。本银行目前面临的主要风险包括：信用风险、流动性风险、市场风险和操作风险，其中市场风险包括外汇风险和利率风险。

本银行从事风险管理的目标是在风险和收益之间取得适当的平衡，将风险对本银行经营业绩的负面影响降低到最低水平，使本银行的利益最大化。基于该风险管理目标，本银行风险管理的基本策略是确定和分析本银行所面临的各种风险，建立适当的风险承受底线和进行风险管理，并通过系统提供的信息及时可靠地对各种风险进行监督，将风险控制在限定的范围之内。

本银行董事会负责制定本银行整体风险管理战略，通过风险委员会、合规管理委员会、行务会议等各类委员会，监督控制本银行整体经营活动及业务风险。本银行在风险委员会下设立了贷款承诺委员会、资产负债管理委员会、操作风险监督委员会、业务连续性管理委员会以管理信用风险、市场风险、流动性风险、操作风险以及业务连续性风险。

本银行董事会承担全面风险管理的最终责任，授权其下设的风险委员会履行其全面风险管理的部分职责，并作为牵头职能部门监督本银行各风险管理部门的全面风险管理工作。本银行监事会承担全面风险管理的监督责任。高级管理层承担全面风险管理的实施责任，执行董事会的决议，董事会定期审阅管理层递交的关于全面风险管理的报告。本银行已设立全面风险管理的治理架构，明确全面风险管理职能部门、业务部门以及其他部门在风险管理中的职责分工，建立部门之间相互协调、有效制衡的运行机制。

2. 信用风险

(1) 信用风险管理

信用风险是债务人或交易对手违约而产生损失的风险。

本银行的信用风险敞口主要来自于贷款及拆放同业等。本银行在风险委员会的领导下，执行本银行制定的信用风险管理制度。由本银行董事会批准及每年复审的《摩根士丹利国际银行(中国)有限公司信用风险政策》是主导内部信用风险管理和控制政策文件，包括对信用评估、内部信用评级、贷款分类、国别风险管理、授信限额框架及问题敞口管理等的描述。

信用风险管理部负责对本银行所承受的信用风险进行独立于业务的尽职调查、信贷审批和贷后跟踪、控制及管理，以确保本银行的信用风险敞口能限制在由本银行董事会制定的可承受范围内。信用风险管理部定期向资产负债管理委员会及风险委员会汇报信用风险敞口情况。

十、 风险管理 - 续

2. 信用风险 - 续

(2) 最大信用风险敞口信息

在不考虑可利用的担保物或其他信用增级的情况下，于资产负债表日最大信用风险敞口是指金融资产扣除减值准备后的账面价值，最大信用风险敞口金额列示如下：

	<u>年末数</u> 人民币元	<u>上年年末数</u> 人民币元
表内项目		
发放贷款和垫款	295,500,000.00	295,500,000.00
应收同业款项	329,778,641.58	871,552,281.41
其中：存放同业款项	47,809,900.60	71,552,281.41
拆出资金	281,968,740.98	800,000,000.00
以公允价值计量且其变动 计入当期损益的金融资产	1,303,359,501.71	761,054,363.00
其他金融资产	30,918,900.86	24,446,903.31
表内项目合计	<u>1,959,557,044.15</u>	<u>1,952,553,547.72</u>
表外项目合计	<u>771,000.00</u>	<u>1,203,000.00</u>
合计	<u><u>1,960,328,044.15</u></u>	<u><u>1,953,756,547.72</u></u>

存放央行款项无信用风险。

其他金融资产中包括应收利息、存出保证金、应收手续费等。

表外项目包括金额完全覆盖的定期存款质押保函。除此之外，本银行没有采取任何其他信用增强措施来管理其信贷风险敞口。

十、 风险管理 - 续

2. 信用风险 - 续

(3) 发放贷款和垫款和应收同业款项

逾期和减值

(i) 截至 2020 年 12 月 31 日止，本银行不存在逾期和减值的贷款和垫款以及应收同业款项(2019 年：无)。

(ii) 尚未逾期和减值

	年末数	
	正常 人民币元	合计 人民币元
发放贷款和垫款	295,500,000.00	295,500,000.00
应收同业款项	329,778,641.58	329,778,641.58
	上年年末数	
	正常 人民币元	合计 人民币元
发放贷款和垫款	295,500,000.00	295,500,000.00
应收同业款项	871,552,281.41	871,552,281.41

本银行对于尚未逾期和减值的贷款和垫款以及应收同业款项已按照组合评估的结果计提减值准备。

(4) 以公允价值计量且其变动计入当期损益的金融资产

	年末数 人民币元	上年年末数 人民币元
尚未逾期和减值的 交易性债券投资	1,303,359,501.71	761,054,363.00

本银行债权性投资品种均为国债和金融机构债券。

十、 风险管理 - 续

2. 信用风险 - 续

(5) 金融资产信用风险集中度分析

本银行通过行业性管理金融资产信用风险集中度，相关分析参见附注七、5(2)。

3. 流动性风险

流动性风险是指商业银行无法以合理成本及时获得充足资金，用于偿付到期债务、履行其他支付义务和满足正常业务开展的其他资金需求的风险。

(1) 流动性风险管理

本银行已建立有效的流动性风险的治理结构，制订了流动性风险管理政策及策略，规范了识别、计量、监测、控制流动性风险的方法，以确保本银行实施审慎的流动性风险管理并保障本银行资金满足日常和压力情况下的流动性需求。具体包括：

- (i) 本银行流动性风险治理结构主要包括：董事会对流动性风险管理负最终责任。董事会风险委员会、资产负债委员会与高级管理层定期审核本银行的流动性仓位报告和压力测试报告，掌握重要变动和潜在变化。资金部负责日常流动性风险管理，风险管理部作为第二道防线负责监督流动性风险和流动性风险的日常管理；
- (ii) 本银行已经根据流动性风险偏好建立了流动性风险管理策略，并将其纳入流动性风险管理政策中。该政策规定了流动性风险管理范围和目标、职责责任、监管要求、流动性管理工具、报告及应急计划；
- (iii) 本银行监测早期预警指标、流动性风险监管比率及压力测试结果，用于识别、计量、监测我行流动性风险总体水平，并通过建立流动性风险限额管理、完善融资策略、加强融资抵押品管理、制定流动性应急预案等方法控制管理流动性风险；
- (iv) 截至2020年底，银行流动性比率为878.40%，优质流动性资产充足率为2838.94%，均高于相关监管要求；
- (v) 本银行及时前瞻性的监测可能影响我行流动性风险的相关因素，主要包括本银行的资产负债期限匹配情况，市场流动性情况及可能对我行产生流动性影响的市场或特殊事件；
- (vi) 本银行每日开展流动性风险压力测试，确保准确、及时监测本币和外币的流动性风险运行情况及潜在的风险冲击，并定期向我行高级管理层、资产负债管理委员会、风险委员会及董事会汇报压力测试情况。

十、 风险管理 - 续

3. 流动性风险 - 续

(2) 非衍生流动风险分析

本银行的资产及负债的到期分析列示如下：

下表为本银行资产负债表日非衍生金融资产与金融负债按未折现剩余合同现金流的到期期限分析。

	年末数						合计 人民币千元
	即期/已逾期 人民币千元	1个月以内 人民币千元	1-3个月以内 人民币千元	3-12个月以内 人民币千元	1年以上 人民币千元	未定期限 人民币千元	
金融资产							
存放中央银行款项	292,637	-	-	-	-	61,184	353,821
存放同业款项	47,810	-	-	-	-	-	47,810
拆出资金	-	181,981	850	2,597	106,026	-	291,454
以公允价值计量且其变动 计入当期损益的金融资产	-	1,325,103	-	-	-	-	1,325,103
发放贷款和垫款	-	1,031	100,294	201,618	-	-	302,943
其他金融资产	-	5,256	-	-	-	2,581	7,837
金融资产合计	340,447	1,513,371	101,144	204,215	106,026	63,765	2,328,968
金融负债							
吸收存款	11,053	186,610	42,964	410,311	-	-	650,938
其他金融负债	-	13,145	-	-	-	1,832	14,977
金融负债合计	11,053	199,755	42,964	410,311	-	1,832	665,915
净额	329,394	1,313,616	58,180	(206,096)	106,026	61,933	1,663,053

	上年年末数						合计 人民币千元
	即期/已逾期 人民币千元	1个月以内 人民币千元	1-3个月以内 人民币千元	3-12个月以内 人民币千元	1年以上 人民币千元	未定期限 人民币千元	
金融资产							
存放中央银行款项	269,834	-	-	-	-	70,638	340,472
存放同业款项	71,552	-	-	-	-	-	71,552
拆出资金	-	500,246	3,422	303,422	-	-	807,090
以公允价值计量且其变动 计入当期损益的金融资产	-	775,718	-	-	-	-	775,718
发放贷款和垫款	-	808	199,111	101,799	-	-	301,718
其他金融资产	-	5,074	-	-	-	2,581	7,655
金融资产合计	341,386	1,281,846	202,533	405,221	-	73,219	2,304,205
金融负债							
吸收存款	18,561	1,338	204,827	429,368	-	-	654,094
其他金融负债	-	4,732	-	-	-	1,950	6,682
金融负债合计	18,561	6,070	204,827	429,368	-	1,950	660,776
净额	322,825	1,275,776	(2,294)	(24,147)	-	71,269	1,643,429

十、 风险管理 - 续

4. 市场风险

市场风险是指因市场价格出现不利变动而使银行表内和表外业务发生损失的风险。本银行市场风险主要包括外汇风险和利率风险。本银行对市场风险管理的方式主要有：限额管理(包括交易限额，风险限额和止损限额)，市场风险计量、监测和报告，市值比较和市场风险资本管理。市场风险管理部门负责市场风险的监控并定期向风险委员会汇报。本银行已经建立和完善了市场风险限额管理体系，规范了市场风险管理的流程和报告机制。审计部定期对市场风险管理进行审计。本银行定期进行压力测试，衡量在异常情况下的潜在市场风险损失，并以此帮助加强市场风险的管理。

(1) 外汇风险

本银行在中华人民共和国境内成立及经营，外币交易以美元、港币为主。

本银行对外汇风险主要实施敞口限额管理。

有关资产和负债按币种列示如下：

	年末数				
	人民币 人民币千元	美元折人民币 折合人民币千元	港币折人民币 折合人民币千元	其他币种折人民币 折合人民币千元	本外币合计 折合人民币千元
金融资产					
存放中央银行款项	338,995	14,688	84	-	353,767
存放同业款项	14,623	31,693	1,467	27	47,810
拆出资金	100,000	181,969	-	-	281,969
以公允价值计量且其变动 计入当期损益的金融资产	1,303,360	-	-	-	1,303,360
发放贷款及垫款	295,500	-	-	-	295,500
其他金融资产	30,907	11	1	-	30,919
金融资产合计	<u>2,083,385</u>	<u>228,361</u>	<u>1,552</u>	<u>27</u>	<u>2,313,325</u>
金融负债					
吸收存款	447,365	195,754	36	-	643,155
其他金融负债	8,268	8,337	1,693	-	18,298
金融负债合计	<u>455,633</u>	<u>204,091</u>	<u>1,729</u>	<u>-</u>	<u>661,453</u>
资产负债净头寸	<u>1,627,752</u>	<u>24,270</u>	<u>(177)</u>	<u>27</u>	<u>1,651,872</u>

十、 风险管理 - 续

4. 市场风险 - 续

(1) 外汇风险 - 续

	上年年末数				
	人民币 人民币千元	美元折人民币 折合人民币千元	港币折人民币 折合人民币千元	其他币种折人民币 折合人民币千元	本外币合计 折合人民币千元
金融资产					
存放中央银行款项	340,278	7	90	-	340,375
存放同业款项	6,148	39,263	26,114	27	71,552
拆出资金	800,000	-	-	-	800,000
以公允价值计量且其变动 计入当期损益的金融资产	761,054	-	-	-	761,054
发放贷款及垫款	295,500	-	-	-	295,500
其他金融资产	24,446	-	1	-	24,447
金融资产合计	2,227,426	39,270	26,205	27	2,292,928
金融负债					
吸收存款	648,381	-	39	-	648,420
其他金融负债	5,271	1,833	1,802	-	8,906
金融负债合计	653,652	1,833	1,841	-	657,326
资产负债净头寸	1,573,774	37,437	24,364	27	1,635,602

下表显示了人民币对所有外币的即期与远期汇率同时升值 5%或贬值 5%的情况下，对本银行该年度所有者权益的影响。

	本年数	上年数
	所有者权益 增加/(减少) 人民币千元	所有者权益 增加/(减少) 人民币千元
升值 5%	(905)	(2,319)
贬值 5%	905	2,319

十、 风险管理 - 续

4. 市场风险 - 续

(2)利率风险

利率风险指市场利率变动对资产负债表上资产及负债之公允价值以及损益表中之年度利息收入及支出之潜在影响。

截至资产负债表日，本银行的计息资产及负债状况如下：

	年末数						合计 人民币千元
	1个月内 人民币千元	1至3个月 人民币千元	3至12个月 人民币千元	1至5年 人民币千元	5年以上 人民币千元	不计息 人民币千元	
金融资产							
存放中央银行款项	338,995	-	-	-	-	14,772	353,767
存放同业款项	47,810	-	-	-	-	-	47,810
拆出资金	181,969	-	-	100,000	-	-	281,969
以公允价值计量且其变动 计入当期损益的金融资产	-	129,606	559,235	614,519	-	-	1,303,360
发放贷款及垫款	-	98,500	197,000	-	-	-	295,500
其他金融资产	-	-	-	-	-	30,919	30,919
金融资产合计	568,774	228,106	756,235	714,519	-	45,691	2,313,325
金融负债							
吸收存款	196,324	42,391	404,440	-	-	-	643,155
其他金融负债	-	-	-	-	-	18,298	18,298
金融负债合计	196,324	42,391	404,440	-	-	18,298	661,453
资产负债净头寸	372,450	185,715	351,795	714,519	-	27,393	1,651,872
	上年年末数						
	1个月内 人民币千元	1至3个月 人民币千元	3至12个月 人民币千元	1至5年 人民币千元	5年以上 人民币千元	不计息 人民币千元	合计 人民币千元
金融资产							
存放中央银行款项	340,278	-	-	-	-	97	340,375
存放同业款项	71,552	-	-	-	-	-	71,552
拆出资金	500,000	-	300,000	-	-	-	800,000
以公允价值计量且其变动 计入当期损益的金融资产	150,027	-	350,452	160,656	99,919	-	761,054
发放贷款及垫款	98,500	197,000	-	-	-	-	295,500
其他金融资产	-	-	-	-	-	24,447	24,447
金融资产合计	1,160,357	197,000	650,452	160,656	99,919	24,544	2,292,928
金融负债							
吸收存款	18,570	204,663	425,187	-	-	-	648,420
其他金融负债	-	-	-	-	-	8,906	8,906
金融负债合计	18,570	204,663	425,187	-	-	8,906	657,326
资产负债净头寸	1,141,787	(7,663)	225,265	160,656	99,919	15,638	1,635,602

十、 风险管理 - 续

4. 市场风险 - 续

(2)利率风险 - 续

利率敏感性分析

下列的敏感性分析是基于资产负债表日生息资产如存放中央银行款项、存放于同业及其他金融机构的款项、以公允价值计量且其变动计入当期损益的金融资产、贷款、应收款项和付息负债如客户存款、卖出回购等所形成的利率敞口。管理层通过利率上浮或下降50个基点以评估利率的变动趋势及相关利率风险。

(i) 银行账户

下表列示了从盈利角度看，当所有货币的利率上浮或下降50个基点时对未来一年内本银行净利息收入的影响。银行账户系除以公允价值计量且其变动计入当期损益的金融资产之外的生息资产和生息负债。

	本年数 净利息收入 增加/(减少) 人民币千元	上年数 净利息收入 增加/(减少) 人民币千元
利率上升 50 个基点	1,682	4,580
利率下降 50 个基点	(1,682)	(4,580)

(ii) 交易账户

下表列示了从经济价值角度看，当所有货币的利率上浮或下降50个基点时对未来一年内本银行净值的影响。交易账户主要包括以公允价值计量且其变动计入当期损益的金融资产。

	本年数 净值 (减少)/增加 人民币千元	上年数 净值 (减少)/增加 人民币千元
利率上升 50 个基点	(5,546)	(6,279)
利率下降 50 个基点	5,546	6,279

十、 风险管理 - 续

5. 资本管理

本银行资本管理遵循如下原则：

- 保持较高的资本质量和充足的资本水平，支持银行发展战略规划实施，满足监管要求；
- 充分识别、计量、监测、缓释和控制各类主要风险，确保资本水平与面临的风险及风险管理水平相适应；

本银行管理层基于银保监会的监管规定以及巴塞尔委员会的相关指引，定期监控资本的充足性和监管资本的运用情况。本银行定期向银保监会上报所要求的资本信息。

资本充足率反映了本银行稳健经营和抵御风险的能力。按照银保监会《商业银行资本管理办法(试行)》及相关规定，自 2013 年 1 月 1 日起，商业银行应达到最低资本要求，其中核心一级资本充足率不得低于 5%，一级资本充足率不得低于 6%，资本充足率不得低于 8%；商业银行应当在最低资本要求的基础上计提储备资本，储备资本要求为风险加权资产的 2.5%。特定情况下，还应计提逆周期资本，逆周期资本要求为风险加权资产的 0-2.5%，但目前银保监会暂未要求提取逆周期资本。另外对系统重要性银行的附加资本要求为风险加权资产的 1%，但本银行目前未被认定为系统重要性银行。

本银行的资本管理通过对资本充足率及杠杆率进行及时监控、分析和报告，与内部管理目标进行比较，采取包括控制资产增速、调整风险资产结构、提高内部资本积累、从外部补充资本等各项措施，确保本银行的各级资本充足水平持续满足监管要求和内部管理需要，抵御潜在风险，支持各项业务的健康可持续发展。

本年内，本银行遵守了监管部门规定的资本要求。

十、 风险管理 - 续

5. 资本管理 - 续

本银行根据自2013年1月1日起实施的《商业银行资本管理办法(试行)》计算资本充足率、一级资本充足率与核心一级资本充足率。截至2020年12月31日和2019年12月31日，根据银行监管报告进行的资本充足率统计如下：

	<u>年末数</u> 人民币百万	<u>上年年末数</u> 人民币百万
核心一级资本		
实收资本	1,000	1,000
一般风险准备	10	18
盈余公积及未分配利润	649	611
核心一级资本	<u>1,659</u>	<u>1,629</u>
核心一级资本扣除项目	-	-
核心一级资本净额	<u>1,659</u>	<u>1,629</u>
其他一级资本	-	-
一级资本净额	<u>1,659</u>	<u>1,629</u>
二级资本		
超额贷款损失准备	5	5
总资本净额	<u>1,664</u>	<u>1,634</u>
信用风险加权资产	501	748
市场风险加权资产	152	158
操作风险加权资产	232	196
风险资产总额	<u>885</u>	<u>1,102</u>
核心一级资本充足率	187%	148%
一级资本充足率	187%	148%
资本充足率	188%	148%

十一、金融资产和金融负债的公允价值

公允价值估计是在某一具体时点根据相关市场讯息及与金融工具有关的资讯而作出的。在存在活跃市场的情况下，如经授权的证券交易所，市价乃金融工具公允价值的最佳体现。在缺乏活跃市场的情况下，公允价值乃使用估值技术估算(详见附注四)。

金融资产和金融负债的公允价值按照下述方法确定：

- 具有标准条款及条件并存在活跃市场的金融资产及金融负债的公允价值分别参照相应的活跃市场现行出价及现行要价确定；
- 其他金融资产及金融负债(不包括衍生工具)的公允价值按照未来现金流量折现法为基础的通用定价模型确定或采用可观察的现行市场交易价格确认；
- 衍生工具的公允价值采用活跃市场的公开报价确定。如果不存在公开报价，不具有选择权的衍生工具的公允价值采用未来现金流量折现法在适用的收益曲线的基础上估计确定；具有选择权的衍生工具的公允价值采用期权定价模型(如二项式模型)计算确定。

1. 持续的以公允价值计量的资产和负债

下表列示了本银行资产负债表日持续的以公允价值计量的资产和负债的公允价值层次：

	年末数			
	第1层次 人民币千元	第2层次 人民币千元	第3层次 人民币千元	合计 人民币千元
以公允价值计量且其变动 计入当期损益的金融资产	-	1,303,360	-	1,303,360
	<u>-</u>	<u>1,303,360</u>	<u>-</u>	<u>1,303,360</u>
	上年年末数			
	第1层次 人民币千元	第2层次 人民币千元	第3层次 人民币千元	合计 人民币千元
以公允价值计量且其变动 计入当期损益的金融资产	-	761,054	-	761,054
	<u>-</u>	<u>761,054</u>	<u>-</u>	<u>761,054</u>

本年度及上年度本银行的金融资产的公允价值计量未发生第1层次和第2层次之间的转换。

本银行持有的以公允价值计量的金融资产本年度计入当期损益的公允价值变动收益为人民币 1,562,028.71 元(上年度：人民币 1,843,533.00 元)。

十一、金融资产和金融负债的公允价值 - 续

1. 持续的以公允价值计量的资产和负债 - 续

本银行实施相关控制程序验证金融工具的公允价值的合理性，包括由定价模型确定金融工具公允价值。设计这些控制程序的目的旨在确保财务报告中披露的金融工具的公允价值的计价基础是使用公开获取的数据得到的。而对于那些无法使用公开获取的数据的情况，该等控制程序也将确保本银行使用适当且一致的定价方法并采用合理假设。相关控制程序包括由摩根士丹利集团内部具有相关专业知识和独立于交易部门的人员，对公允价值定价模型理论的合理性和适当性进行复核。

此外，财务控制、市场风险管理以及信用风险管理等独立于交易部门的机构，也将参与复核和确认由定价模型得到的公允价值是适当的。当使用定价模型来确定公允价值时，本银行将最近发生的有可比性的交易结果和其他市场可观察数据作为参考来确认定价模型所使用的假设数据。

本银行本期所持有的以公允价值计量的金融资产主要为政府债券及金融机构债券等。当存在活跃市场时，本银行采用活跃市场报价作为公允价值；当不存在活跃市场报价时，采用估值模型计算公允价值。在估值模型中涉及到的参数包括收益曲线，交叉货币基础指数利差，国家信用利差等，均应参考与被评估对象在发行方、到期期限、债券优先级等方面类似的债券的相关参数。一般而言，上述金融资产在公允价值的层次中被归类在一级或二级。

2. 资产负债表日不以公允价值计量但以公允价值披露的资产和负债的公允价值层次

资产负债表中未以公允价值计量的金融资产和负债主要包括：存放中央银行款项、存放同业款项、拆出资金、发放贷款和垫款、应收利息、同业及其他金融机构存放款项、卖出回购金融资产款、吸收存款及应付利息等。其公允价值与账面价值基本一致。

十二、财务报表之批准

本财务报表于 2021 年 4 月 1 日经本银行董事会批准。

* * *财务报表结束* *

MORGAN STANLEY BANK INTERNATIONAL
(CHINA) LIMITED

Financial Statements and Auditors' Report
For the year ended 31 December 2020

The financial statements and auditors' report have been issued in Chinese. The English translation is prepared for your reference only. If there is any conflict of meaning between the Chinese and English versions, the Chinese version prevails.

MORGAN STANLEY BANK INTERNATIONAL (CHINA) LIMITED

FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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AUDITOR'S REPORT

De Shi Bao (Shen) Zi (21) No. P02426
[Translation]

TO THE BOARD OF DIRECTORS OF
MORGAN STANLEY BANK INTERNATIONAL (CHINA) LIMITED:

I. Opinion

We have audited the financial statements of Morgan Stanley Bank International (China) Limited (the "Bank"), which comprise the balance sheet as at 31 December 2020, the income statement, the cash flow statement and the statement of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2020, and the results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("CAS").

II. Basis for the Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). 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 Bank in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code") 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.

III. Other Information

The Bank's Management is responsible for the other information. The other information comprises the information included in the 2020 annual report, but does not include 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 no matters to report in this respect.

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (21) No. P02426
[Translation]

IV. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Management is responsible for the preparation and fair presentation of the financial statements in accordance with CAS, and for such internal control as management determines 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 statement, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

V. 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 CSAs 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 decision of users taken on the basis of these financial statement.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- (1) 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, intended omissions, misrepresentations, or the override of internal control,.
- (2) 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 internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

AUDITOR'S REPORT - continued

De Shi Bao (Shen) Zi (21) No. P02426
[Translation]

V. Auditor's responsibility for the financial statements - continued

- (4) Conclude on the appropriateness of management's use of the going concern assumption and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by CSAs 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 Bank to cease to continue as a going concern.
- (5) Evaluate the overall presentation, including the disclosures, structure and content of the financial statement, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 audit.

Deloitte Touche Tohmatsu
Certified Public Accountant LLP.
Shanghai, China

China Certified Public Accountant

Ma, Henry Qing Hui

Lu, Kevin Ze Hao

1 April 2021

BALANCE SHEET
AT 31 DECEMBER 2020

	<u>Note VII</u>	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
ASSETS			
Balances with the Central Bank	1	353,767,073.59	340,374,705.03
Due from banks	2	47,809,900.60	71,552,281.41
Placements with banks and other financial institutions	3	281,968,740.98	800,000,000.00
Financial assets at FVTPL	4	1,303,359,501.71	761,054,363.00
Loans and advances to customers	5	295,500,000.00	295,500,000.00
Fixed assets	6	7,213,263.40	3,590,413.14
Construction in progress	7	8,771,049.51	-
Intangible assets	8	980,018.66	799,335.10
Deferred tax assets	9	4,642,607.40	5,174,673.48
Other assets	10	41,184,893.46	28,470,927.04
TOTAL ASSETS		<u>2,345,197,049.31</u>	<u>2,306,516,698.20</u>

(Continued)

BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2020

	<u>Note VII</u>	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
LIABILITIES			
Customer deposits	11	643,155,113.77	648,419,705.51
Employee benefit payable	12	24,117,892.26	19,743,510.13
Current tax payable	13	1,492,522.54	951,419.13
Provision		608,513.57	-
Other liabilities	14	17,689,777.58	9,138,177.09
TOTAL LIABILITIES		<u>687,063,819.72</u>	<u>678,252,811.86</u>
OWNER'S EQUITY			
Paid-in capital	15	1,000,000,000.00	1,000,000,000.00
Surplus reserves	16	84,103,693.40	81,088,392.12
Other comprehensive income	17	(1,569,821.50)	(1,286,152.00)
General reserves	18	9,930,000.00	17,950,000.00
Retained earnings	19	565,669,357.69	530,511,646.22
TOTAL OWNER'S EQUITY		<u>1,658,133,229.59</u>	<u>1,628,263,886.34</u>
TOTAL LIABILITIES AND OWNER'S EQUITY		<u>2,345,197,049.31</u>	<u>2,306,516,698.20</u>

The accompanying notes are part of the financial statements.

The financial statements on pages 4 to 62 were signed by the following:

Head of the Bank

Head of Finance Department

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note VII</u>	<u>2020</u> RMB	<u>2019</u> RMB
Operating income		119,173,552.37	111,049,978.59
Net interest income	20	44,748,970.78	53,347,660.28
Interest income	20	53,301,740.99	62,182,847.59
Interest expenses	20	8,552,770.21	8,835,187.31
Net fee and commission income	21	74,458,001.41	55,314,679.35
Fee and commission income	21	75,713,057.18	56,862,987.92
Fee and commission expenses	21	1,255,055.77	1,548,308.57
Investment income losses	22	(3,276,208.30)	(306,130.57)
Gain from changes in fair value	23	1,562,028.71	1,843,533.00
Exchange gain		1,132,938.26	847,657.99
Other income	24	547,821.51	2,578.54
Operating expenses		80,185,499.85	76,164,161.78
Tax and surcharges	25	561,201.28	361,508.25
General and administrative expenses	26	78,805,707.01	74,323,180.54
Impairment loss	27	818,591.56	1,479,472.99
Operating profit		38,988,052.52	34,885,816.81
Add: Non-operating income		302.21	-
Less: Non-operating expenses		51,263.58	-
PROFIT BEFORE TAX		38,937,091.15	34,885,816.81
Less: Income tax expenses	28	8,784,078.40	6,855,503.12
NET PROFIT FROM CONTINUOUS OPERATION		30,153,012.75	28,030,313.69
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	17	(283,669.50)	(514,402.00)
Included: Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of defined benefit obligation		(283,669.50)	(514,402.00)
TOTAL COMPREHENSIVE INCOME		29,869,343.25	27,515,911.69

The accompanying notes are part of the financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Note VII</u>	<u>2020</u> RMB	<u>2019</u> RMB
Cash flow from operating activities			
Net decrease in balances with the Central Bank and due from banks		9,454,457.46	1,205,760.07
Net increase in customer deposits, due to banks and other financial institutions		-	72,821,798.13
Net decrease in Placements with banks and other financial institutions		200,000,000.00	-
Interest, fee and commission received		91,566,615.13	87,560,572.27
Other cash received relating to operating activities		548,123.72	2,578.54
Subtotal of cash inflows from operating activities		<u>301,569,196.31</u>	<u>161,590,709.01</u>
Net increase in loans and advances to customers		-	100,000,000.00
Net decrease in customer deposits, due to banks and other financial institutions		5,264,591.74	-
Interest, fee and commission paid		8,710,202.74	10,119,307.88
Cash paid to and for employees		42,247,830.29	47,377,061.27
Tax payments		22,494,692.25	24,204,606.84
Other cash paid relating to operating activities		15,894,658.53	18,628,899.12
Subtotal of cash outflows from operating activities		<u>94,611,975.55</u>	<u>200,329,875.11</u>
Net cash flow from operating activities	30	<u>206,957,220.76</u>	<u>(38,739,166.10)</u>
Cash flow from investing activities			
Cash received from disposal of investments		11,013,544,790.00	14,952,713,720.00
Investment income received		27,475,326.93	39,515,318.58
Subtotal of cash inflows from investing activities		<u>11,041,020,116.93</u>	<u>14,992,229,038.58</u>
Cash paid to purchase fixed assets, intangible assets and other long-term assets		12,568,837.13	2,102,889.61
Cash paid to purchase investments		11,554,287,900.00	14,854,620,870.00
Subtotal of cash outflows from investing activities		<u>11,566,856,737.13</u>	<u>14,856,723,759.61</u>
Net cash flow from investing activities		<u>(525,836,620.20)</u>	<u>135,505,278.97</u>
Effect of exchange rate changes on cash and cash equivalents		706,478.75	742,399.87
Net (decrease) / increase in cash and cash equivalents		<u>(318,172,920.69)</u>	<u>97,508,512.74</u>
Add: Cash and cash equivalents at the beginning of the year	30	<u>841,614,699.19</u>	<u>744,106,186.45</u>
Cash and cash equivalents at the end of the year	29	<u><u>523,441,778.50</u></u>	<u><u>841,614,699.19</u></u>

The accompanying notes are part of the financial statements.

STATEMENT OF CHANGES IN OWNER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020					
	Paid-in capital RMB (Note VII, 15)	Surplus reserves RMB (Note VII, 16)	General reserves RMB (Note VII, 18)	Other comprehensive income RMB (Note VII, 17)	Retained earnings RMB (Note VII, 19)	Total owner's equity RMB
I. Balance as at 31 December 2019 and 1 January 2020	1,000,000,000.00	81,088,392.12	17,950,000.00	(1,286,152.00)	530,511,646.22	1,628,263,886.34
II. Current year movement	-	3,015,301.28	(8,020,000.00)	(283,669.50)	35,157,711.47	29,869,343.25
(I) Total comprehensive income	-	-	-	(283,669.50)	30,153,012.75	29,869,343.25
(II) Distribution of profit	-	3,015,301.28	(8,020,000.00)	-	5,004,698.72	-
1. Appropriation to surplus reserves	-	3,015,301.28	-	-	(3,015,301.28)	-
2. Reverse from general reserves	-	-	(8,020,000.00)	-	8,020,000.00	-
III. Balance as at 31 December 2020	1,000,000,000.00	84,103,693.40	9,930,000.00	(1,569,821.50)	565,669,357.69	1,658,133,229.59

	2019					
	Paid-in capital RMB (Note VII, 15)	Surplus reserves RMB (Note VII, 16)	General reserves RMB (Note VIII, 18)	Other comprehensive income RMB (Note VIII, 17)	Retained earnings RMB (Note VIII, 19)	Total owner's equity RMB
I. Balance as at 31 December 2018 and 1 January 2019	1,000,000,000.00	78,285,360.75	15,840,000.00	(771,750.00)	507,394,363.90	1,600,747,974.65
II. Current year movement	-	2,803,031.37	2,110,000.00	(514,402.00)	23,117,282.32	27,515,911.69
(I) Total comprehensive income	-	-	-	(514,402.00)	28,030,313.69	27,515,911.69
(II) Distribution of profit	-	2,803,031.37	2,110,000.00	-	(4,913,031.37)	-
1. Appropriation to surplus reserves	-	2,803,031.37	-	-	(2,803,031.37)	-
2. Appropriation to general reserves	-	-	2,110,000.00	-	(2,110,000.00)	-
III. Balance as at 31 December 2019	1,000,000,000.00	81,088,392.12	17,950,000.00	(1,286,152.00)	530,511,646.22	1,628,263,886.34

The accompanying notes are part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

I. GENERAL

Morgan Stanley Bank International (China) Limited (the “Bank”), formerly known as Nan Tung Bank Ltd., Zhuhai, was established by Nan Tung Investment (Macao) Limited which is wholly-owned by Bank of China Macao Branch. The Bank was approved by the People’s Bank of China (“PBOC”) to establish on 19 October 1984 and obtained its business license on 14 December 1984.

With the approval from the China Banking and Insurance Regulatory Commission (which was China Banking Regulatory Commission, “CBIRC”) on 8 September 2006, Morgan Stanley Bank International Limited (“MSBIL”) took over 100% equity interest of the Bank from Nan Tung Investment (Macao) Limited. The Bank renewed the obtained business license after the change of shareholder. As of 31 December 2020, the Bank’s registered capital was RMB 1 billion, including RMB 845,367,604.00 for RMB business and Hong Kong Dollars (“HKD”) equivalent of RMB 154,632,396.00 for foreign currency business. The Bank’s parent company is Morgan Stanley Bank International Limited, and the ultimate parent company of the Bank is Morgan Stanley. Details of capital contribution by the investor are described in Note VII, 15.

The Bank was approved by CBIRC on 10 June 2009 to establish a branch in Beijing and obtained a branch business license on 24 June 2009.

The registered address of the Bank is Room 2801-2807 and Room 2816, 28/F, Yuecai Building No.188 Jingshan Road, Jida, Zhuhai, Guangdong, People’s Republic of China (“PRC”). The Bank is formed as a limited liability company.

The Bank is permitted to provide the following services to various customers for foreign currency business and to customers except for China citizens in the territory of China for RMB business: accepting public deposits; providing short-term, medium and long-term loans; undertaking acceptance and discounting of negotiable instruments; purchasing and selling government bonds, financial bonds, and other foreign currency securities except for shares; providing letters of credit (L/C) service and guarantee; conducting domestic and international settlements; buying and selling foreign currency for its own accounts or as agents; inter-bank borrowing and lending; providing bank card service; providing safety box service; providing credit investigation and consultancy service; and other businesses approved by CBIRC.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Bank has adopted the Accounting Standards for Business Enterprises (“CAS”) issued by the Ministry of Finance (“MOF”) and other relevant regulations.

1. COVID-19

The coronavirus disease (“COVID-19”) pandemic and related voluntary and government-imposed social and business restrictions has adversely impacted global economic conditions, resulting in volatility in the global financial markets, increased unemployment, and operational challenges such as the temporary closure of businesses, sheltering-in-place directives and increased remote work protocols.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS - continued

1. COVID-19 - continued

Governments around the world have been working to develop, manufacture, and distribute COVID-19 vaccines. Moreover, governments and central banks have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, including adequate distribution of effective vaccines, the adverse impact on the global economy will deepen, and the future results of operations and financial condition of Morgan Stanley and the Bank may be adversely affected.

Should these global market conditions worsen, or the pandemic lead to additional market disruptions, Morgan Stanley could experience reduced client activity and demand for products and services, impairments of other financial assets and other negative impacts on its financial position, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to credit ratings. A slowdown of commercial activity could cause overall investment banking revenues to decline and the decline in client balances could also further reduce fee and financing revenues.

Although Morgan Stanley is unable to estimate the extent of the impact of the ongoing COVID-19 pandemic and related global economic crisis on future operating results, the high levels of client trading and capital markets activity experienced in the current year may not be repeated and certain other client-driven activity could be subdued.

Operationally, Morgan Stanley had initiated a work remotely protocol and restricted business travel of the workforce, with a return-to-workplace program, which is phased based on role, location and employee willingness and ability to return. While Morgan Stanley and the Bank have not experienced a decrease in productivity as a result of the remote work environment, there can be no assurance that the transition will not have an adverse effect in the long term. If significant portions of the workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the business impact of the pandemic could be exacerbated.

In response to the significant economic impact of the COVID-19 pandemic, global regulators have released a suite of regulatory updates and programs to facilitate market continuation.

Morgan Stanley and the Bank continue to use their Risk Management framework, including stress testing, to manage the significant uncertainty in the present economic and market conditions.

As of 31 December 2020, Morgan Stanley and the Bank continue to be fully operational, with the majority of the Bank employees back to the office.

2. Going Concern

The existing and potential effects of COVID-19 on the business of the Bank have been considered as part of the going concern analysis, including impact on operational capacity, access to liquidity and capital, contractual obligations, asset valuations and other critical accounting judgements and key sources of estimation uncertainty.

Taking all of these factors into consideration, the Bank believe it is reasonable to assume that the Bank will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and financial statements.

III. STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements of the Bank have been prepared in accordance with CAS, and present truly and completely, the Bank's financial position as of 31 December 2020, and results of operations and cash flows for the year then ended.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The following significant accounting policies and accounting estimates are determined in accordance with the CAS.

1. Accounting year

The Bank has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Functional currency

The Bank's functional currency is RMB, the currency of the primary economic environment in which the Bank operates. The reporting currency of the financial statements is RMB.

3. Basis of accounting and principle of measurement

The Bank has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Bank has adopted the historical cost model as the principle of measurement of the financial statements. Where assets are impaired, provisions for asset impairment are accrued in accordance with relevant requirements.

Under historical cost model, the assets are initially recognized at the amount of cash and cash equivalents paid or fair value of other consideration given to acquire an asset. The liabilities are measured at the amount of asset or cash received bearing the present obligation or contractual amount of present obligation or amount of cash or cash equivalents expected to pay to settle the liability in daily activities.

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measured or disclosed in the financial statements are determined on aforementioned basis, regardless of whether it is directly observable or estimated using valuation technique.

The fair value measurement is categorized into 3 levels based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Cash and cash equivalents

Cash comprises cash on hand and the deposits which can be paid on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Financial instruments

The Bank recognizes a financial asset or a financial liability when the Bank becomes a party to the contract of the financial instrument. Financial assets and financial liabilities are initially recognized at fair value. All subsequent changes in fair value are reflected in the income statement in 'Gain/(loss) from changes in fair value'. Interest income and interest expense are recognized in profit or loss for current period under 'Interest income' and 'Interest expense' in the income statement respectively. For financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL"), related transaction costs are charged to the profit or loss for the current period under 'Operating expenses'; for financial assets and financial liabilities classified as other categories, related transaction costs are included in the initial recognition amounts.

5.1 The effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Bank estimates the future cash flows considering all contractual terms of financial assets and financial liabilities (without considering future credit losses). The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate i.e. transaction costs, and all other premiums or discounts etc.

5.2 Classification, recognition and measurement of financial assets

On initial recognition, financial assets are classified into the following categories: FVTPL, 'held-to-maturity' investments, 'loans and receivables' and 'available-for-sale' ("AFS") financial assets. For a financial asset traded in regular way, the Bank recognizes and derecognizes the financial asset using trade date accounting.

The Bank's financial assets classified as financial assets at FVTPL, and loans and receivables.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. The Bank's financial assets at FVTPL is held for trading.

A financial asset is classified as held for trading if: (1) it has been acquired principally for the purpose of selling in the near future; or (2) it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (3) it is a derivative, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price from an active market) whose fair value cannot be reliably measured.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Financial instruments - continued

5.2 Classification, recognition and measurement of financial assets - continued

Financial assets at FVTPL are subsequently measured at fair value, with gains or losses arising from changes in fair value as well as dividends and interest income related to such financial assets recognized in profit or loss for the current period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables of the Bank include balances with the Central Bank, due from banks, placements with banks and other financial institutions, loans and advances to customers, interest receivable and security deposits etc.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortization are recognized in profit or loss for the current period.

5.3 Impairment of financial assets

The Bank assesses the carrying amount of financial assets, other than those at FVTPL, at each balance sheet date. If there is objective evidence that financial assets are impaired the Bank determines the amount of any impairment loss. Objective evidence that a financial asset is impaired refers to one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset which can be reliably estimated.

Objective evidences that financial assets are impaired include evidences arising from the following events:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower;
- (4) It has become probable that the borrower will enter into bankruptcy or other financial reorganization;
- (5) The financial assets discontinue trading in an active market because of financial difficulties of the issuer;
- (6) Upon an overall assessment of a group of financial assets, observable data indicates that there is a measurable decrease in the estimated future cash flows from group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group of financial assets. Such observable data includes:
 - adverse changes in the payment status of borrowers in the Bank;
 - adverse changes in industry or country conditions of the borrowers that might affect the repayment of the Bank of financial assets;
- (7) Other objective evidence indicating there is an impairment of a financial asset.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Financial instruments - continued

5.3 Impairment of financial assets - continued

Impairment of financial assets carried at amortized cost

If financial assets carried at amortized cost are impaired, the carrying amount of the financial assets shall be reduced to the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (excluding future credit losses that have not been incurred). The amount of reduction shall be recognized as an impairment loss in profit or loss. If, after the recognition of impairment losses, the carrying amount of financial assets increases and the increase can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment losses are reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For a financial asset that is individually significant, the Bank conducts the impairment testing individually. For a financial asset that is not individually significant, the Bank assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. For a financial asset that does not need impairment after individual assessment (include financial assets individually material and immaterial), the Bank reassesses the asset collectively with a group of financial assets with similar credit risk characteristics for impairment. The financial asset that has impaired in individual assessment does not need to be included in collectively assessment for impairment with a group of financial assets with similar credit risk characteristics.

5.4 Transfers of financial assets

The Bank derecognizes a financial asset only when: 1) the contractual rights to receive the cash flows from the financial asset expire; or 2) it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to the transferee; or 3) it transfers the financial asset, neither transfers nor retains substantially all the risks and rewards of ownership but has not retained control of the financial asset.

Where the Bank does not either transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, and if the Bank does not relinquish control over the financial asset, it shall, to the extent of its continuous involvement in the financial asset, recognize it as a related financial asset and recognize the relevant liability accordingly. The term "continuous involvement in the transferred financial asset" shall refer to the risk level that the Bank faces as a result of any change in the value of the financial asset.

If the transfer of an entire financial asset satisfies the conditions relating to derecognition, the difference between the amounts described in the following two items shall be recorded in the profit or loss for the current period: 1) the carrying amount of the transferred financial asset; and 2) the sum of the total consideration received from the transfer and the cumulative amount of the change in the fair value originally recorded in the owner's equity.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Financial instruments - continued

5.4 Transfers of financial assets - continued

If the transfer of part of a financial asset satisfies the conditions for derecognition, the Bank shall allocate the carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognize on the basis of the relative fair values of those parts (under such circumstances, the service asset retained shall be deemed to be a portion of the financial asset which continues to be recognized). And the difference between the amounts described in the following two items shall be recorded in the profit or loss for the current period: 1) the carrying amount of the derecognized portion; and 2) the sum of the total consideration paid for the derecognized portion and the portion of the cumulative amount of changes in the fair value originally recorded in the owner's equity which corresponds to the derecognized portion (in the event that the financial asset involved in the transfer is a financial asset available for sale).

A financial asset which sold with an agreement to repurchase in the near future, the Bank continues to recognize it in the balance sheet. Proceeds from sales of such assets including the interest are recognized as financial assets sold under repurchase agreement in the balance sheet. The difference between selling price and repurchase price at the duration of the agreement is recognized by the effective interest method as interest expense.

5.5 Classification, recognition and measurement of financial liabilities

The Bank initially recognizes the issued financial instruments as financial liabilities or equity instruments according to the economic substance of the contractual provisions of the financial instrument rather than the legal form and the definition of financial liabilities or equity instruments.

On initial recognition, financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'. The Bank's financial liabilities are other financial liabilities.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method; gains or losses arising from derecognition or amortization is recognized in profit or loss for the current period.

Financial guarantee contracts

Financial guarantee contracts are contracts between a guarantor and a creditor that when the debtor defaults, the guarantor should perform agreed obligations. Financial guarantee contracts that are not designated as financial liabilities at FVTPL are initially recognized at fair value, and are subsequently measured at the higher of the following two amounts: (1) the amount determined in accordance with CAS No. 13 – Contingencies; and (2) the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in CAS No. 14 – Revenue.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

5. Financial instruments - continued

5.6 Derecognition of financial liabilities

The Bank derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Bank (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Bank derecognizes a financial liability or a part of it, the Bank recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

5.7 Offsetting a financial asset and a financial liability

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if, and only if, the Bank has a currently enforceable legal right to set off the recognized amounts and intends to settle on a net basis, or to realize an asset and settle the liability simultaneously. In all other situations they are presented separately in the balance sheet and are not offset.

6. Fixed assets

Fixed assets are tangible assets that are held for supply of services, or for administrative purposes and have useful lives more than one accounting year. Fixed assets shall be recognized only when it is probable that economic benefits associated with the assets will flow to the enterprise and the cost of the assets can be measured reliably. Fixed assets are initially measured at historical cost.

Subsequent expenditure incurred on a fixed asset is included in the cost of the fixed asset, only if it is probable that economic benefits associated with the asset will flow to the Bank and the relevant cost can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditure that fails to meet the capitalization criteria is recorded to profit or loss when incurred.

Fixed assets are depreciated over their estimated useful lives from the month after they are in available condition for the intended use, applying the straight-line method. The useful lives, estimated net residual values rates and annual depreciation rates of each class of fixed assets are as follows:

<u>Classes</u>	<u>Useful Life</u>	<u>Estimated Net Residual Value</u>	<u>Annual Depreciation Rate</u>
Electronic and office equipment	3-8years	-	13%-33%

Estimated net residual value of a fixed asset is the estimated amount that the Bank would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the expected condition at the end of its useful life.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

6. Fixed assets - continued

The fixed assets shall be derecognized when the asset is on disposal or when no future economic benefits are expected to be generated from its use or disposal. When fixed assets are sold, transferred, retired or damaged, the Bank recognizes the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes in profit or loss for the current period.

The Bank reviews the useful life and estimated net residual value of fixed assets and the depreciation method applied at least at each financial year-end. Any change in the useful life or estimated net residual value of fixed assets or the depreciation method used is treated as a change in an accounting estimate.

7. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

8. Intangible assets

Intangible assets of the Bank include software.

An intangible asset is initially measured at cost. An intangible asset with a finite useful life is amortized using the straight-line method over its useful life when the asset is available for use. The Bank estimates that the useful life of an intangible asset with a finite useful life of 1-5 years.

For an intangible asset with a finite useful life, the Bank reviews the useful life and amortization method at least at each financial year-end and makes adjustments if necessary.

9. Long-term prepayments

Long-term prepayments are various expenditures incurred but that should be allocated over the current and future periods of more than one year. Long-term prepayments are evenly amortized over their respective beneficial period.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

10. Impairment of non-financial assets other than goodwill

The Bank reviews at each balance sheet date whether there is any indication that fixed assets and intangible assets with finite useful life may be impaired. If any indication of that an asset may be impaired, the recoverable amount is estimated.

The recoverable amount is estimated on the basis of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Bank determines the recoverable amount of the group of assets to which the asset belongs. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount of an asset is less than its carrying amount, the difference between recoverable amount and carry amount is recognized as an impairment loss and recorded as profit or loss for the current period.

Once an impairment loss of fixed assets and intangible assets with finite useful life is recognized, it is not reversed in a subsequent period.

11. Employee benefits

When an employee has rendered service to the Bank during an accounting period, the Bank shall recognize the short-term employee benefits expected to be paid in exchange for that service as a liability, and as an expense or the cost of an asset. For the employee welfare incurred, the Bank shall recognize the actual amount of employee welfare as an expense or the cost of an asset when it occurs. If the employee benefit is non-monetary, it shall be measured at fair value.

For social insurance including medical care, employment injury insurance, maternity insurance and housing fund, as well as labor union cost and employee training expense, the Bank will calculate the amount of employee benefit according to defined base and percentage and recognize as a liability and an expense or the cost of an asset.

The Bank shall recognize the contribution payable to a defined contribution plan, in exchange for the service rendered by an employee during an accounting period, as a liability and as an expense or the cost of an asset.

The Bank shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- when the Bank can no longer unilaterally withdraw the offer of those benefits induced from terminating employment relationship or lay off plan; and
- when the Bank recognizes costs for a restructuring and involves the payment of termination benefits.

For the defined benefit plan, the Bank uses the projected unit credit method to determine the present value of its defined benefit obligations and attributes the defined benefit obligation to periods of service according to the formula. The defined benefit cost can be categorized as follows:

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

11. Employee benefits - continued

- service cost (including current service cost, past service cost and gains and losses on settlement) in profit or loss;
- net interest on the net defined benefit liability or asset (including interest income on plan assets, interest expense on the defined benefit obligation and interest on the effect of the asset ceiling) in profit or loss; and
- changes from remeasurements of the net defined benefit liability or asset.

Service cost and net interest on the net defined benefit liability or asset are recognized as expenses in current period or as cost of assets. Changes from remeasurements of the net defined benefit liability or asset (including actuarial gains and losses, the return on plan assets excluding amounts included in net interest on the net defined benefit liability or asset, change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability or asset), are recognized in other comprehensive income.

12. Provisions

When the obligation related to the decoration and restoration expenses is a current obligation of the company, and the performance of the obligation is likely to lead to the outflow of economic benefits, and the amount of the obligation can be reliably measured, it is recognized as provisions.

On the reporting date, taking into account the risk, uncertainty and time value of money related to contingencies, the provisions are measured according to the best estimate of the expenditure required to perform the relevant current obligations. If the time value of money has a significant impact, the best estimate is determined by the discounted amount of the expected future cash outflow.

13. General reserves

Pursuant to CAIJIN [2012] No. 20 “Administrative Rules of Provisions for Financial Enterprise” issued by the MOF and the related regulations on 30 March 2012, the financial institutions should select the internal model method or standard method according to their actual situation and make quantitative analysis of exposures in risk assets to determine the potential risk estimate. If the risk estimate is higher than the impairment of assets, the difference should be recorded as general reserves, otherwise no provision of general reserves is required. In principle, the general reserves should not be less than 1.5% of the risk assets.

The Bank provides 1.5% of risk assets balance at the balance sheet date as the general reserves effective at the end of 2020. The provision of general reserves is considered as the current distribution of profits and presented separately in the owner's equity.

14. Interest income and expenses

Interest income and expenses are determined at amortized costs of relevant financial assets and financial liabilities using the effective interest rate, and recognized to profit or loss in the current period. If the difference between effective interest rate and contract interest rate is small, the contract interest method is used.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

15. Fee and commission income

Fee and commission income is recognized when the related services are delivered on an accrual basis.

16. Income tax

Income tax expenses comprise current tax expense and deferred tax expense.

16.1 Current tax

At the balance sheet date, the current income tax liabilities (or assets) for the current period or previous periods are measured at the amount expected to be paid (or recoverable) according to the requirements of tax law.

16.2 Deferred tax assets and deferred tax liabilities

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base, or the difference between the tax base and the carrying amount of those items that are not recognized as assets or liabilities but have a tax base that can be determined according to tax laws, are recognized as deferred tax assets and deferred tax liabilities using the balance sheet liability method.

Generally, all the deferred tax asset due to the timing difference should be recognized. However, for the deductible timing difference, the Bank recognized a deferred tax asset with the limit of the taxable profits that is probably utilized for against deductible timing difference.

For the deductible losses and tax credits to the extent which can be carried forward, the Bank recognizes a deferred tax asset for the carry forward of unused deductible losses and tax credits to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

16. Income tax - continued

16.2 Deferred tax assets and deferred tax liabilities - continued

Current income tax and deferred tax is recognized in current year profit and loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the current tax is also dealt with in other comprehensive income or equity.

At the balance sheet date, the Bank reviews the carrying amount of any deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

16.3 Tax asset and tax liability offset

When the Bank has a legal right to offset the recognized amounts and intends to either settle on a net basis or realize the asset and settle the liability simultaneously, tax asset and tax liability of current period are offset and the net amount is presented on the balance sheet.

When the Bank has a legal right to offset the current income tax assets and current income tax liabilities, the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, are reported on a net basis.

17. Translation of transactions denominated in foreign currencies

On initial recognition, foreign currency transactions are translated by applying the spot exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the spot exchange rate of the balance sheet date. Exchange differences arising from the differences between the spot exchange rate of the balance sheet date and the exchange rates used on initial recognition or at the previous balance sheet date are recognized in profit or loss for the current period.

Non-monetary assets and liabilities denominated in foreign currency are carried at historical cost using the exchange rates at the dates of the transactions; non-monetary assets and liabilities carried at fair value and denominated in foreign currency are translated using the exchange rates at the date when the fair value was determined. Differences between the translated amount at functional currency and the original amount at functional currency are accounted for as changes in fair value (including changes in exchange rates) in profit or loss for the period.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES - continued

18. Leases

Lease payments under an operating lease are recognized on a straight-line basis over the lease term to the cost of the assets or to profit or loss for the period in which they are incurred. The initial expenses are recorded as profit or loss when incurred. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

19. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Bank at no consideration, not including the capital paid by the government as the owner. The government grants are classified into asset related and income related government grants.

A monetary government grants is measured at the amount received or receivable. A non-monetary government grants are measured at fair value. While the fair value of a non-monetary government grant is not reliably available, it will be measured at nominal amount and recognized in the profit or loss of the period.

A government grant related to an asset offsets against the carrying amount of related assets / is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized /offsets related costs. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period /offsets related costs.

A government grant related to the Bank's operating activities is recognized as other income / offsets related costs in accordance with economic substance. A government grant not related to the Bank's operating activities is recognized as non-operating income or expenses.

For repayment of a government grant already recognized, if a government grant offsets against the carrying amount of related assets on initial recognition, the carrying amount of assets is adjusted. If there is related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognized in profit or loss for the period. If there is no related deferred income, the repayment is recognized immediately in profit or loss for the period.

V. THE CRITICAL JUDGMENTS THAT MADE IN THE PROCESS OF APPLYING THE ACCOUNTING POLICY AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Bank's accounting policies, due to inherent uncertainty of operating activities, which are described in Note IV, the Bank is required to make judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately. These judgments, estimates and assumptions are based on historical experience of the Bank's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgments that made in the process of applying the accounting policy

There are no critical accounting judgements made in the process of applying the Bank's accounting policies that have significant impact on the Bank's financial statements.

Key assumptions and uncertainties in accounting estimates

Fair value of financial instruments

For the financial instrument without active trading market, the Bank determines its fair value by various valuation techniques. The valuation techniques that the Bank adopts include discounted cash flow model. The Bank needs to make estimation such as the credit risks, market volatility and correlation of itself and counterparties. Any changes in the assumptions made will impact the fair values of the financial instruments.

Impairment losses of loans and advances

Besides the loan loss provision provided before each quarter-end, the Bank reviews its loan portfolios to assess impairment on a quarterly basis. In determining whether an impairment loss should be provided, the Bank makes judgments as to whether there is any objective evidence that there is a measurable decrease in the estimated future cash flows from loan portfolios if there is no such decrease identified with an individual loan in that portfolio. The objective evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank (e.g. payment delinquency or default), or national or local economic conditions that correlate with defaults on assets in the Bank. The Bank uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating expected future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

V. THE CRITICAL JUDGMENTS THAT MADE IN THE PROCESS OF APPLYING THE ACCOUNTING POLICY AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES - continued

Income tax

There are a number of transactions for which the final tax determination and calculation is uncertain during the ordinary course of business operation. In particular, the deductibility of certain items is subjected to government approval. Where the final tax outcome is different from the amount that was initially recorded, such differences will impact the income tax and deferred income tax provisions in the period during which such a determination is made.

Deferred tax assets and liabilities

Deferred tax assets and liabilities, are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, according to the requirements of tax laws. Within the limit of sufficient available taxable profits against which the loss can be deductible, the Bank recognizes deferred tax assets against the deductible losses. This requires management judgment to estimate the time of taxable profits and appropriate tax rate to determine the amount of deferred tax assets and liabilities.

VI. TAXATION

Income tax

The applicable tax rate for year 2020 is 25% (2019:25%). The Branch of the Bank implements the management method of income tax collection in terms of unified calculation, hierarchical management, local prepaid, unitary liquidation and fiscal adjustment in accordance with “The Temporary Measurement of Corporate Income Tax Allocation and Budget Management for Multiple Provinces and Cities”. (Cai Yu [2012] No.40) and “The Management Methodology of Cross-regional Operating Corporate Income Tax Collection Unitarily for Cross-regional Operation Enterprise” (Guo Fa [2012] No. 57).

Value-added tax

The tax payable should be the balance between output tax and input tax. The output tax should be calculated based on the taxable financial service income at the rate of 6% according to applicable tax laws and regulations.

Other tax

Urban Maintenance and Construction Tax is 7% of value-added tax.

Education Surcharge is 3% of value-added tax, while Local Education Surcharge is 2% of value-added tax.

VII. FINANCIAL STATEMENT NOTES

1. BALANCES WITH THE CENTRAL BANK

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Statutory reserves with the Central Bank	61,183,963.37	70,638,420.83
Other deposits with the Central Bank	292,583,110.22	269,736,284.20
Total	<u>353,767,073.59</u>	<u>340,374,705.03</u>

Statutory reserves are placed according to the relevant regulations promulgated by the PBOC. In accordance with “Notice on Raising Reserve Rate for Foreign Currency Deposits Issued by the People’s Bank of China” [YinFa (2007) No.134], reserve rate for all foreign currency deposits of financial institutions was adjusted to 5% effective 15 May 2007. Statutory reserve for foreign currency business is deposited at 5% of the month-end balances of the relevant deposit items and is non-interest bearing. The PBOC reserve rate for all RMB deposits of financial institutions was 11% on 31 December 2019 and 10.5% on 31 December 2020. The statutory reserves for RMB business is deposited at PBOC reserve rate of the average RMB deposits balance of every ten days. The interest rate of statutory reserve for RMB business is 1.62%.

2. DUE FROM BANKS

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Due from domestic banks	14,853,329.61	6,651,702.18
Due from overseas banks	33,122,181.89	65,226,712.81
Total	<u>47,975,511.50</u>	<u>71,878,414.99</u>
Less: Provision	165,610.90	326,133.58
Net book value	<u>47,809,900.60</u>	<u>71,552,281.41</u>

3. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Placements with domestic financial institutions	100,000,000.00	800,000,000.00
Placements with overseas financial institutions	182,883,156.78	-
Total	<u>282,883,156.78</u>	<u>800,000,000.00</u>
Less: Provision	914,415.80	-
Net book value	<u>281,968,740.98</u>	<u>800,000,000.00</u>

VII. FINANCIAL STATEMENT NOTES - continued

4. FINANCIAL ASSETS AT FVTPL

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Financial assets held for trading		
- Government bonds	259,610,984.71	200,606,456.00
- Financial institution bonds	1,043,748,517.00	560,447,907.00
Total	<u>1,303,359,501.71</u>	<u>761,054,363.00</u>

5. LOANS AND ADVANCES TO CUSTOMERS

(1) Categorized by nature is as follows:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Corporate loans and advances	300,000,000.00	300,000,000.00
Less: Loan loss provision	4,500,000.00	4,500,000.00
Net book value	<u>295,500,000.00</u>	<u>295,500,000.00</u>

(2) Categorized by industry are as follows:

	<u>31/12/2020</u> RMB	<u>Proportion</u> (%)	<u>31/12/2019</u> RMB	<u>Proportion</u> (%)
Financial industry	300,000,000.00	100.00	300,000,000.00	100.00
Total	<u>300,000,000.00</u>	<u>100.00</u>	<u>300,000,000.00</u>	<u>100.00</u>
Less: Loan loss provision	4,500,000.00		4,500,000.00	
Net book value	<u>295,500,000.00</u>		<u>295,500,000.00</u>	

(3) Categorized by registered location of the borrowers are as follows:

	<u>31/12/2020</u> RMB	<u>Proportion</u> (%)	<u>31/12/2019</u> RMB	<u>Proportion</u> (%)
Northern China	200,000,000.00	66.67	100,000,000.00	33.33
Eastern China	100,000,000.00	33.33	200,000,000.00	66.67
Total	<u>300,000,000.00</u>	<u>100.00</u>	<u>300,000,000.00</u>	<u>100.00</u>
Less: Loan loss provision	4,500,000.00		4,500,000.00	
Net book value	<u>295,500,000.00</u>		<u>295,500,000.00</u>	

VII. FINANCIAL STATEMENT NOTES - continued

5. LOANS AND ADVANCES TO CUSTOMERS - continued

(4) Categorized by contract agreement terms and guarantee pattern are as follows:

	31/12/2020				31/12/2019			
	Within a year (including 1 year) RMB	1 year to 5 years (including 5 years) RMB	Over 5 years RMB	Total RMB	Within a year (including 1 year) RMB	1 year to 5 years (including 5 years) RMB	Over 5 years RMB	Total RMB
Clean loans	300,000,000.00	-	-	300,000,000.00	300,000,000.00	-	-	300,000,000.00
Total	300,000,000.00	-	-	300,000,000.00	300,000,000.00	-	-	300,000,000.00
Less: Loan loss provision				4,500,000.00				4,500,000.00
Net book value				295,500,000.00				295,500,000.00

(5) Loan loss provision:

2020

	<u>Individual assessment</u> RMB	<u>Collective assessment</u> RMB	<u>Total</u> RMB
Opening balance	-	4,500,000.00	4,500,000.00
Addition during the year	-	-	-
Closing balance	-	4,500,000.00	4,500,000.00

2019

	<u>Individual assessment</u> RMB	<u>Collective assessment</u> RMB	<u>Total</u> RMB
Opening balance	-	3,000,000.00	3,000,000.00
Addition during the year	-	1,500,000.00	1,500,000.00
Closing balance	-	4,500,000.00	4,500,000.00

6. FIXED ASSETS

Electronic and office equipment
RMB

Cost

Opening balance	19,922,579.88
Additions during the year	4,744,343.74
Disposals during the year	(125,045.30)

Closing balance 24,541,878.32

Accumulated depreciation

Opening balance	16,332,166.74
Charge for the year	1,070,229.90
Disposals for the year	(73,781.72)

Closing balance 17,328,614.92

Net book value

Opening balance 3,590,413.14

Closing balance 7,213,263.40

VII. FINANCIAL STATEMENT NOTES - continued

7. Construction in progress

	<u>Office decoration</u> RMB
Opening balance	-
Transferred in	426,787.54
Addition during the year	8,344,261.97
Closing balance	<u>8,771,049.51</u>

8. INTANGIBLE ASSETS

	<u>Software</u> RMB
Cost	
Opening balance	38,274,983.39
Additions during the year	485,439.97
Closing balance	<u>38,760,423.36</u>
Accumulated amortization	
Opening balance	37,475,648.29
Amortization for the year	304,756.41
Closing balance	<u>37,780,404.70</u>
Net book value	
Opening balance	<u>799,335.10</u>
Closing balance	<u>980,018.66</u>

VII. FINANCIAL STATEMENT NOTES - continued

9. DEFERRED TAX ASSETS AND LIABILITIES

(1) Deferred tax assets and liabilities are disclosed in gross as follows:

	<u>Deductible/Taxable temporary differences</u>		<u>Deferred tax assets/Deferred tax liabilities</u>	
	<u>31/12/2020</u>	<u>31/12/2019</u>	<u>31/12/2020</u>	<u>31/12/2019</u>
	RMB	RMB	RMB	RMB
Long-term service benefit & employee benefit	14,454,989.82	12,831,739.31	3,613,747.21	3,207,934.58
Intangible asset amortization difference between tax and accounting	6,800,150.45	9,438,327.37	1,700,037.61	2,359,581.84
Change in fair value of financial assets held for trading	(3,485,241.01)	(1,923,212.30)	(871,310.25)	(480,803.08)
Country-risk provisions	192,017.75	351,840.57	48,004.44	87,960.14
Provision	608,513.57	-	152,128.39	-
Total	<u>18,570,430.58</u>	<u>20,698,694.95</u>	<u>4,642,607.40</u>	<u>5,174,673.48</u>

(2) The Bank offsets deferred tax assets and liabilities and presents in net basis. Deferred tax assets and liabilities are disclosed in net basis as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
	RMB	RMB
Deferred tax assets	5,513,917.65	5,655,476.56
Deferred tax liabilities	(871,310.25)	(480,803.08)
Net total	<u>4,642,607.40</u>	<u>5,174,673.48</u>

10. OTHER ASSETS

	<u>31/12/2020</u>	<u>31/12/2019</u>
	RMB	RMB
Prepaid expenses (1)	7,071,041.87	2,066,902.40
Consulting fee receivables	5,281,368.44	5,098,569.10
Security deposits	2,581,037.76	2,581,037.76
Long-term prepayments (2)	136,082.83	625,825.58
Interest receivable (3)	23,082,387.84	16,791,903.33
Prepaid taxes (4)	3,058,867.90	1,331,295.77
Others	513.67	1,100.09
Total	<u>41,211,300.31</u>	<u>28,496,634.03</u>
Less: Provision	<u>26,406.85</u>	<u>25,706.99</u>
Net book value	<u>41,184,893.46</u>	<u>28,470,927.04</u>

VII. FINANCIAL STATEMENT NOTES - continued

10. OTHER ASSETS - continued

(1) Prepaid expenses mainly represent prepaid computer system expense and prepaid rental expense.

(2) Long-term prepayments

	<u>Leasehold improvement</u> RMB
Cost	
Opening balance	13,066,289.33
Additions during the year	132,202.23
Transferred to Construction in progress	(426,787.54)
Closing balance	<u>12,771,704.02</u>
Accumulated amortization	
Opening balance	12,440,463.75
Amortization for the year	195,157.44
Closing balance	<u>12,635,621.19</u>
Net book value	
Opening balance	<u>625,825.58</u>
Closing balance	<u><u>136,082.83</u></u>

(3) Interest receivable

(a) Movement in interest receivable is as follows:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Opening balance	16,791,903.33	23,333,670.55
Addition during the year	53,301,740.99	62,182,847.59
Received during the year	(47,011,256.48)	(68,724,614.81)
Closing balance	<u>23,082,387.84</u>	<u>16,791,903.33</u>

VII. FINANCIAL STATEMENT NOTES - continued

10. OTHER ASSETS - continued

(3) Interest receivable - continued

(b) Categorized by nature is as follows:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Interest receivable from		
- Balances with the Central Bank and due from banks	53,566.04	97,399.09
- Placements with banks and other financial institutions	162,185.69	1,469,358.99
- Loans and advances to customers	1,123,153.60	561,099.21
- Financial assets at FVTPL	21,743,482.51	14,664,046.04
Total	<u>23,082,387.84</u>	<u>16,791,903.33</u>

(4) Prepaid taxes

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Corporation income tax	2,252,992.69	1,331,295.77
Value-added tax	805,875.21	-
Total	<u>3,058,867.90</u>	<u>1,331,295.77</u>

11. CUSTOMER DEPOSITS

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Current deposits		
Corporate	11,051,071.13	18,558,451.97
Individual	1,944.53	2,069.40
Term deposits		
Corporate	630,950,955.57	627,547,856.77
Individual	1,151,142.54	2,311,327.37
Total	<u>643,155,113.77</u>	<u>648,419,705.51</u>

VII. FINANCIAL STATEMENT NOTES - continued

12. EMPLOYEE BENEFIT PAYABLE

	<u>1/1/2020</u> RMB	<u>Accruals</u> <u>for the year</u> RMB	<u>Payments</u> <u>for the year</u> RMB	<u>31/12/2020</u> RMB
Salaries, bonuses, allowances and subsidies	11,145,596.29	42,504,744.34	(39,879,387.74)	13,770,952.89
Social security contributions	273,387.23	765,565.47	(473,636.33)	565,316.37
Housing fund	-	1,367,931.00	(1,367,931.00)	-
Defined benefit plan (Note)	8,324,526.61	1,983,971.61	(526,875.22)	9,781,623.00
Total	<u>19,743,510.13</u>	<u>46,622,212.42</u>	<u>(42,247,830.29)</u>	<u>24,117,892.26</u>

(Note) Defined benefit plan (“DBP”)

The Bank provides DBP related to retirement and termination for the Bank’s employees in addition to the government retirement plan. Monthly provisions of the plan are calculated based on base salary with contribution rate of 8% (subject to a maximum of RMB10,000 of employer’s provision per month). Effective 1 January 2012, for employees who have over 10 years of services, the above provisions of the plan are calculated based on base salary with contribution rate of 12% (subject to a maximum of RMB15,000 of employer’s provision per month). The plan benefits are equal to the accrued benefits plus interest and are payable upon the retirement, leaving service or death of the employees. Vesting percentage will have a 20% increase for each full year of firm services, until 100% for 5 full years of firm services.

The Bank evaluates the present value of unfunded defined benefit obligation on an actuarial basis. The present value of unfunded defined benefit obligation, current service cost and past service cost are all measured at projected unit credit method.

The plan leads to actuarial risks, including interest risk, longevity risk and inflation risk, to the Bank. The decrease of discount rate can result in the increase of present value of defined benefit obligation. The present value of defined benefit obligation is calculated based on the best estimation on mortality rate of employees. The increase in life expectancy of employees will lead to the increase in liability of the plan. Moreover, the present value of defined benefit obligation is affected by the expected future payment, which is determined based on the expected growth rate of salaries. Thus, the increase of expected growth rate of salaries shall lead to the increase in defined benefit obligation.

VII. FINANCIAL STATEMENT NOTES - continued

12. EMPLOYEE BENEFIT PAYABLE - continued

(Note) Defined benefit plan (“DBP”) - continued

(a) The principal actuarial assumptions at the balance sheet date are as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Discount rate	3.10%	3.00%
Expected growth rate of salaries	7.00%	7.00%
Interest rate of defined benefit plan	1.75%	1.75%
	<u>31/12/2020</u>	<u>31/12/2019</u>
Mortality rate	<small>China Life Table 2010-2013</small>	<small>China Life Table 2010-2013</small>
Withdrawal rate	15%	15%
Retirement age	<small>Age 55 for females and age 60 for males</small>	<small>Age 55 for females and age 60 for males</small>

(b) The amounts recognized in general and administrative expenses in respect of DBP are as follows:

	<u>2020</u> RMB	<u>2019</u> RMB
Current service cost	1,371,184.61	1,675,000.00
Interest cost on the defined benefit obligation	234,561.00	283,000.00
Total	<u>1,605,745.61</u>	<u>1,958,000.00</u>

(c) DBP obligation included in employee benefit payable as followings:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Present value of unfunded defined benefit obligation	<u>9,781,623.00</u>	<u>8,324,526.61</u>
Net liability	<u>9,781,623.00</u>	<u>8,324,526.61</u>
Net ability of defined benefit obligation	<u>9,781,623.00</u>	<u>8,324,526.61</u>

VII. FINANCIAL STATEMENT NOTES - continued

12. EMPLOYEE BENEFIT PAYABLE - continued

(Note) Defined benefit plan (“DBP”) - continued

(d) Movements in net liability of DBP were as follows:

	<u>2020</u> RMB	<u>2019</u> RMB
Opening	8,324,526.61	8,833,604.58
Defined benefit cost recognized in profit or loss		
-Current service cost	1,371,184.61	1,675,000.00
-Interest cost	234,561.00	283,000.00
Defined benefit cost recognized in other comprehensive income		
-Actuarial losses	378,226.00	685,869.00
Benefits paid	(526,875.22)	(2,817,583.97)
Transfer in	-	197,803.00
Transfer out	-	(533,166.00)
Closing	<u>9,781,623.00</u>	<u>8,324,526.61</u>

The Bank conducted a sensitivity analysis on key assumptions of DBP (discount rate, growth rate of salaries and etc.), the result of sensitivity analysis indicated that the key assumptions had no significant impact on the present value of DBP obligation.

13. CURRENT TAX PAYABLE

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Individual income tax	1,492,522.54	557,676.92
Value added tax payable	-	393,742.21
Total	<u>1,492,522.54</u>	<u>951,419.13</u>

VII. FINANCIAL STATEMENT NOTES - continued

14. OTHER LIABILITIES

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Other payables (1)	10,493,174.68	2,686,500.31
Accrued expenses	3,875,063.68	3,995,220.37
Deferred income	-	232,540.43
Interest payable (2)	3,321,539.22	2,223,915.98
Total	<u>17,689,777.58</u>	<u>9,138,177.09</u>

(1) Other payables

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Fund temporarily received for syndicate loans	7,227,368.65	-
Payable for long-term assets	1,137,410.78	400,595.90
Payable for non-moving accounts	1,831,604.16	1,950,541.39
Payable for others	296,791.09	335,363.02
Total	<u>10,493,174.68</u>	<u>2,686,500.31</u>

(2) Interest payable

(a) Movement in interest payable is as follows:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Opening balance	2,223,915.98	1,959,727.98
Addition during the year	8,552,770.21	8,835,187.31
Payment during the year	(7,455,146.97)	(8,570,999.31)
Closing balance	<u>3,321,539.22</u>	<u>2,223,915.98</u>

(b) Categorized by nature is as follows:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Interest payable		
- Customer deposits	<u>3,321,539.22</u>	<u>2,223,915.98</u>

VII. FINANCIAL STATEMENT NOTES - continued

15. PAID-IN CAPITAL

The registered capital of the Bank is RMB 1,000,000,000.00, and has been fully paid up. Details of capital contributions from the investor according to the Bank's Articles of Association are as follows:

	<u>31/12/2020</u>	
	Proportion	Amount Equivalent to RMB
	RMB	845,367,604.00
	HKD	<u>154,632,396.00</u>
Morgan Stanley Bank International Limited	100%	<u>1,000,000,000.00</u>

	<u>31/12/2019</u>	
	Proportion	Amount Equivalent to RMB
	RMB	820,284,000.00
	HKD	<u>179,716,000.00</u>
Morgan Stanley Bank International Limited	100%	<u>1,000,000,000.00</u>

The paid-in capital has been verified by Guangdong HengXin DeLv CPA firm with the capital verification reports of HengDe Zhu Yan No.72 (2002) and HengDe Zhu Yan No.11 (2007) respectively.

16. SURPLUS RESERVES

	<u>2020</u>	<u>2019</u>
	RMB	RMB
Opening balance	81,088,392.12	78,285,360.75
Addition during the year	<u>3,015,301.28</u>	<u>2,803,031.37</u>
Closing balance	<u><u>84,103,693.40</u></u>	<u><u>81,088,392.12</u></u>

VII. FINANCIAL STATEMENT NOTES - continued

17. OTHER COMPREHENSIVE INCOME

	<u>2020</u> RMB	<u>2019</u> RMB
Opening balance	(1,286,152.00)	(771,750.00)
Movement during the year	(283,669.50)	(514,402.00)
Items that will not be reclassified subsequently to profit or loss		
Including: Remeasurement of defined benefit obligation before income tax	(378,226.00)	(685,869.00)
Deferred tax effected from the changes	94,556.50	171,467.00
Closing balance	<u>(1,569,821.50)</u>	<u>(1,286,152.00)</u>

The other comprehensive income only comprised of changes from remeasurement of defined benefit obligation.

18. GENERAL RESERVES

	<u>2020</u> RMB	<u>2019</u> RMB
Opening balance	17,950,000.00	15,840,000.00
(Reverse)/addition during the year	(8,020,000.00)	2,110,000.00
Closing balance	<u>9,930,000.00</u>	<u>17,950,000.00</u>

19. RETAINED EARNINGS

	<u>2020</u> RMB	<u>2019</u> RMB
Opening balance	530,511,646.22	507,394,363.90
Net profit for the year	30,153,012.75	28,030,313.69
Appropriation to surplus reserves (1)	(3,015,301.28)	(2,803,031.37)
Reverse / (appropriation) to general reserves (2)	8,020,000.00	(2,110,000.00)
Closing balance	<u>565,669,357.69</u>	<u>530,511,646.22</u>

(1) Surplus reserves

According to the Board meeting resolution, the Bank appropriates 10% of profit after tax to the surplus reserves effective year 2007 until the Board amends the distribution policy in the future periods.

VII. FINANCIAL STATEMENT NOTES - continued

19. RETAINED EARNINGS - continued

(2) General reserves

According to CAIJIN [2012] No. 20 "Administrative Rules of Provisions for Financial Enterprise" issued by the MOF and the related regulations, the Bank appropriates 1.5% to general reserves based on total risk assets at the end of year since year 2012.

20. NET INTEREST INCOME

	<u>2020</u> RMB	<u>2019</u> RMB
Interest income		
- Due from banks	37,460.85	43,742.56
- Balances with the Central Bank	2,522,457.07	2,765,286.84
- Placements with banks and other financial institutions	18,053,190.52	20,599,694.39
- Financial assets at FVTPL	23,672,098.76	34,445,944.51
- Loans and advances to customers	9,016,533.79	4,328,179.29
Subtotal	<u>53,301,740.99</u>	<u>62,182,847.59</u>
Interest expenses		
- Asset sold with repurchase agreements	100,454.80	-
- Customer deposits	8,452,315.41	8,835,187.31
Subtotal	<u>8,552,770.21</u>	<u>8,835,187.31</u>
Net interest income	<u>44,748,970.78</u>	<u>53,347,660.28</u>

21. NET FEE AND COMMISSION INCOME

	<u>2020</u> RMB	<u>2019</u> RMB
Fee and commission income		
-Consulting fee	75,472,806.89	55,853,129.36
-Arrangement fee for syndicated loans	223,363.96	996,370.07
-Settlement and clearing fee	8,477.19	995.27
-Others	8,409.14	12,493.22
Subtotal	<u>75,713,057.18</u>	<u>56,862,987.92</u>
Fee and commission expenses		
-Trading center expenses	356,783.05	493,477.54
-Other fee expenses	898,272.72	1,054,831.03
Subtotal	<u>1,255,055.77</u>	<u>1,548,308.57</u>
Net fee and commission income	<u>74,458,001.41</u>	<u>55,314,679.35</u>

VII. FINANCIAL STATEMENT NOTES - continued

22. INVESTMENT LOSSES

	<u>2020</u> RMB	<u>2019</u> RMB
Losses of disposal of financial assets held for trading	(3,276,208.30)	(306,130.57)

23. GAIN FROM CHANGES IN FAIR VALUE

	<u>2020</u> RMB	<u>2019</u> RMB
Financial assets held for trading	1,562,028.71	1,843,533.00

24. OTHER INCOME

	<u>2020</u> RMB	<u>2019</u> RMB
Rebate of individual income tax commission and others	161,289.51	2,578.54
Government grants	386,532.00	-
Total	547,821.51	2,578.54

25. TAX AND SURCHARGES

	<u>2020</u> RMB	<u>2019</u> RMB
Surcharges and other tax	528,530.88	311,579.45
Stamp duty	32,670.40	49,928.80
Total	561,201.28	361,508.25

VII. FINANCIAL STATEMENT NOTES - continued

26. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2020</u> RMB	<u>2019</u> RMB
Staff salaries and welfare	46,243,986.42	46,701,042.47
Intangible assets amortization	304,756.41	99,980.87
Operating lease rentals and utilities expenses	11,276,242.80	8,471,285.23
Electrical equipment maintenance and telecommunication fees	8,303,567.97	7,021,119.50
Travelling expenses	994,836.30	1,527,322.45
Depreciation	1,070,229.90	776,741.69
Related party service fees	2,076,497.31	1,132,915.35
Entertainment expenses	59,504.54	12,253.22
Long-term prepayments amortization	195,157.44	230,928.79
Others	8,280,927.92	8,349,590.97
Total	<u>78,805,707.01</u>	<u>74,323,180.54</u>

27. IMPAIRMENT LOSS

	<u>2020</u> RMB	<u>2019</u> RMB
Impairment loss of loans and advances to customers	-	1,500,000.00
Impairment loss of placements with banks and other financial institutions	914,415.80	-
Impairment reversal of due from banks	(96,524.10)	(34,223.40)
Impairment loss of receivables	699.86	13,696.39
Total	<u>818,591.56</u>	<u>1,479,472.99</u>

As of 31 December 2020, the loan loss provision ratio of the Bank is 1.5% (2019: 1.5%). The provision coverage ratio is not applicable because the Bank has nil non-performing loans.

VII. FINANCIAL STATEMENT NOTES - continued

28. INCOME TAX EXPENSES

	<u>2020</u> RMB	<u>2019</u> RMB
Income tax expenses	8,157,455.82	5,561,618.27
Deferred tax expenses	626,622.58	1,442,043.36
Tax Settlement difference	-	(148,158.51)
Total	<u>8,784,078.40</u>	<u>6,855,503.12</u>

Reconciliation of income tax expenses to accounting profits is as follows:

	<u>2020</u> RMB	<u>2019</u> RMB
Profit before tax	38,937,091.15	34,885,816.81
Tax calculated at tax rate 25%	9,734,272.79	8,721,454.20
Add: Expenses not deductible for tax purposes	164,071.78	163,192.00
Add: Tax Settlement difference for tax purposes	-	(148,158.51)
Less: Non-taxable income	1,114,266.17	1,880,984.57
Income tax expenses	<u>8,784,078.40</u>	<u>6,855,503.12</u>

29. CASH AND CASH EQUIVALENTS

	<u>2020</u> RMB	<u>2019</u> RMB
Balances with the Central Bank	353,767,073.59	340,374,705.03
Statutory reserve	(61,183,963.37)	(70,638,420.83)
Original maturity within 3 months:		
Due from banks	47,975,511.50	71,878,414.99
Placements with banks and other financial institutions	182,883,156.78	500,000,000.00
Total	<u>523,441,778.50</u>	<u>841,614,699.19</u>

VII. FINANCIAL STATEMENT NOTES - continued

30. CASH FLOW STATEMENT SUPPLEMENTARY INFORMATION

	<u>2020</u> RMB	<u>2019</u> RMB
Reconciliation of net profit to cash flows from operating activities		
Net profit	30,153,012.75	28,030,313.69
Add: Addition impairment loss	818,591.56	1,479,472.99
Depreciation of fixed assets	1,070,229.90	776,741.69
Amortization of intangible assets	304,756.41	99,980.87
Amortization of long-term prepayments	195,157.44	230,928.79
Loss on disposal of fixed assets	51,263.58	-
Investment losses	3,276,208.30	306,130.57
Bond interest income	(23,672,098.76)	(34,445,944.51)
Gains from changes in fair value	(1,562,028.71)	(1,843,533.00)
Deferred tax expenses	626,622.58	1,442,043.36
Decrease / (Increase) in operating receivables	188,176,770.67	(103,965,266.41)
Increase in operating payables	7,518,735.04	69,149,965.86
Net cash flow from operating activities	<u>206,957,220.76</u>	<u>(38,739,166.10)</u>
Net increase in cash and cash equivalents		
Cash and cash equivalents as at 31 December	523,441,778.50	841,614,699.19
Less: Cash and cash equivalents as at 1 January	<u>841,614,699.19</u>	<u>744,106,186.45</u>
Net (decrease) / increase cash and cash equivalents	<u>(318,172,920.69)</u>	<u>97,508,512.74</u>

VII. FINANCIAL STATEMENT NOTES - continued

31. SEGMENT INFORMATION

According to the Bank's internal organizational structure, regulatory requirements and internal reporting system, the Bank's businesses are divided into following reporting segments, which are based on the Bank's operational location. The Bank's management periodically evaluates operating results of these segments reporting to determine resources allocation and evaluates operating results.

Information of segment reporting is disclosed based on the accounting policies and measurement used when segments report is provided to the management. These measurement bases are consistent with the accounting policies and measurement used when preparing the financial statements.

Segment report information:

	2020			
	<u>Head Office</u> RMB	<u>Beijing Branch</u> RMB	<u>Elimination</u> RMB	<u>Total</u> RMB
Operating income	103,482,909.97	15,690,642.40	-	119,173,552.37
Net interest income	37,577,446.61	7,171,524.17	-	44,748,970.78
Include:				
Net interest income				
between segments	(5,528,070.46)	5,528,070.46	-	-
Net fee and				
commission income	66,715,853.36	7,742,148.05	-	74,458,001.41
Include:				
Net fee and commission				
Income between segments	(7,736,733.75)	7,736,733.75	-	-
Net other income	(810,390.00)	776,970.18	-	(33,419.82)
Operating expenses	44,022,630.10	36,162,869.75	-	80,185,499.85
Operating profit	59,460,279.87	(20,472,227.35)	-	38,988,052.52
Segment assets	2,223,580,371.20	278,688,105.16	157,071,427.05	2,345,197,049.31
Segment liabilities	481,371,408.31	262,763,838.46	57,071,427.05	687,063,819.72
Additional information:				
Depreciation and amortization	1,214,101.80	356,041.95	-	1,570,143.75
Capital expenditures	2,634,950.14	11,071,297.77	-	13,706,247.91
Include: Expenditures on				
purchasing fixed assets	265,676.73	4,478,667.01	-	4,744,343.74
Expenditures on purchasing				
assets in the course of				
construction	1,751,631.21	6,592,630.76	-	8,344,261.97
Expenditures on purchasing				
intangible assets	485,439.97	-	-	485,439.97
Expenditures on				
Long-term prepayments	132,202.23	-	-	132,202.23

VII. FINANCIAL STATEMENT NOTES - continued

31. SEGMENT INFORMATION - continued

Segment report information - continued

	2019			
	<u>Head Office</u> RMB	<u>Beijing Branch</u> RMB	<u>Elimination</u> RMB	<u>Total</u> RMB
Operating income	94,886,122.01	16,163,856.58	-	111,049,978.59
Net interest income	37,347,703.23	15,999,957.05	-	53,347,660.28
Include:				
Net interest income				
between segments	(18,207,146.08)	18,207,146.08	-	-
Net fee and				
commission income	55,058,125.18	256,554.17	-	55,314,679.35
Net other income	2,480,293.60	(92,654.64)	-	2,387,638.96
Operating expenses	45,745,889.76	30,418,272.02	-	76,164,161.78
Operating profit	49,140,232.25	(14,254,415.44)	-	34,885,816.81
Segment assets	2,199,961,185.73	484,715,919.75	378,160,407.28	2,306,516,698.20
Segment liabilities	508,179,341.78	448,233,877.36	278,160,407.28	678,252,811.86
Additional information:				
Depreciation and amortization	856,448.95	251,202.40	-	1,107,651.35
Capital expenditures	2,048,621.02	454,864.49	-	2,503,485.51
Include: Expenditures on				
purchasing fixed assets	1,312,096.05	-	-	1,312,096.05
Expenditures on purchasing				
intangible assets	697,514.61	-	-	697,514.61
Expenditures on				
Long-term prepayments	39,010.36	454,864.49	-	493,874.85

(1) External revenue categorized by regions

	<u>2020</u> RMB	<u>2019</u> RMB
Domestic external revenue	47,593,174.92	54,306,679.08
Overseas external revenue	71,580,377.45	56,743,299.51
Total	119,173,552.37	111,049,978.59

(2) Non-current assets categorized by assets locations

The Bank's non-current assets are all located in China.

VII. FINANCIAL STATEMENT NOTES - continued

31. SEGMENT INFORMATION- continued

(3) Key client's dependency

The Bank does not have significant dependency relationship with non-related party.

Inter-segment transfers are measured on the basis of actual transaction price for such transfers. Segment revenue and segment expenses are determined on the basis of actual revenue and expenses of the segments respectively.

VIII. COMMITMENTS AND CONTINGENT MATTERS

1. CREDIT COMMITMENTS AND GUARANTEE

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Letters of guarantee	771,000.00	1,203,000.00

2. OPERATING LEASE COMMITMENTS

As of the balance sheet date, the Bank had the following commitments in respect of non-cancellable operating leases:

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
The minimum lease payments under non-cancelable operating leases:		
Within one year	5,262,758.57	7,621,553.14
In the second year	3,157,498.06	3,167,601.43
In the third year	3,575,398.51	3,157,498.06
Over three years	21,549,929.47	25,125,327.98
Total	<u>33,545,584.61</u>	<u>39,071,980.61</u>

3. CAPITAL COMMITMENTS

	<u>31/12/2020</u> RMB	<u>31/12/2019</u> RMB
Capital expenditures contracted for but not provided in the financial statements:		
- Commitments for leasehold improvement	1,424,879.33	1,022,758.60
- Other commitments	87,744.52	-
Total	<u>1,512,623.85</u>	<u>1,022,758.60</u>

IX. RELATED PARTIES RELATIONSHIP AND TRANSACTIONS

1. Related party with controlling relationship

<u>Name</u>	<u>Place of registration</u>	<u>Principal business</u>	<u>Registered capital</u>	<u>Share holding in the Bank</u>
Morgan Stanley Bank International Limited	United Kingdom	Financial service	GBP 340,000,000.00	100%

There are no changes of shareholdings in the Bank for Morgan Stanley Bank International Limited.

The Bank's ultimate parent company is Morgan Stanley, which was incorporated in the State of Delaware, the United States of America and copies of its financial statements can be obtained from www.morganstanley.com/investorrelations.

2. Other related parties which have transactions with the Bank with no controlling relationship

<u>Name</u>	<u>Place of Registration</u>	<u>Company Type</u>	<u>Business Scope</u>	<u>Legal Representative</u>	<u>Registered Capital</u>	<u>Change on Registered Capital</u>	<u>Related Party Relationship</u>
Morgan Stanley Asia Limited	Hong Kong China	Limited Responsibility	Investment banking, Foreign exchange trading and brokerage	N/A	USD29,455,000	No	Subsidiary of the parent group
Morgan Stanley Properties (China) Co., Ltd	Beijing, China	Limited Responsibility	Consulting service	Zhou, Yan	USD6,100,000	No	Subsidiary of the parent group
Morgan Stanley Investment Consultancy (Beijing) Limited	Beijing, China	Limited Responsibility	Consulting service	Chen, Jian Hao	USD170,000	No	Subsidiary of the parent group
Morgan Stanley Investment Consultancy (Shanghai) Limited	Shanghai, China	Limited Responsibility	Consulting service	Chen, Jian Hao	USD100,000	No	Subsidiary of the parent group
Morgan Stanley Commodities Trading (China) Limited	Shanghai, China	Limited Responsibility	Nonferrous Metal, Minerals, Agricultural Products Import and Export	Humphreys Brett	USD34,100,000	No	Subsidiary of the parent group
Morgan Stanley Management Service (Shanghai) Limited	Shanghai, China	Limited Responsibility	Consulting, business Management services	Yahlin Chang	USD1,000,000	No	Subsidiary of the parent group
Morgan Stanley (China) Equity Investment Management Co Ltd	Hangzhou, China	Limited Responsibility	Equity investment advisory and management services	Lei, Xu	RMB100,000,000	No	Subsidiary of the parent group
Morgan Stanley Business Consulting (Shanghai) Limited	Shanghai, China	Limited Responsibility	Consulting service	Sun, Xun	USD160,000	No	Subsidiary of the parent group
Morgan Stanley Investment Management Consultancy (Shanghai) Limited	Shanghai, China	Limited Responsibility	Consulting service	Hsuan-Chin Chou	USD170,000	No	Subsidiary of the parent group
MUFJ Bank (China), Limited	Shanghai, China	Limited Responsibility	Foreign exchange business renminbi business	Yamato Kenichi	RMB10,000,000,000	No	Subsidiary of investor which has significant influence over the parent group
MUFG Bank, Limited	Tokyo, Japan	Joint Stock Enterprises	Financial Service	Kanetsugu Mike	JPY1,711,958 million	No	Subsidiary of investor which has significant influence over the parent group

Morgan Stanley Commodities Trading (China) Limited has been deregistered in mid-2020. Above company information on MS Commodities is before the company deregistered. The related parties of the Bank also includes key management personnel, their close family members or entities which are subject to control, joint control or significant influence from key management personnel's close family members. Transactions between the Bank and the related parties that are significant are disclosed separately and those that are not significant are disclosed on an aggregate basis.

3. As of balance sheet date, the transactions between the Bank and the above related parties for the year are as follows:

Interest income

	2020		2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Bank International Limited	1,362,556.10	2.56	-	-
MUFJ Bank (China), Limited	108,622.22	0.20	-	-
Total	1,471,178.32	2.76	-	-

IX. RELATED PARTIES RELATIONSHIP AND TRANSACTIONS - continued

3. As of balance sheet date, the transactions between the Bank and the above related parties for the year are as follows: - continued

Interest expenses

	2020		2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Properties (China) Co., Ltd.	1,491,076.80	17.43	1,464,138.64	16.57
Morgan Stanley Investment Consultancy (Beijing) Company Limited	400,654.26	4.68	368,621.09	4.17
Morgan Stanley Business Consulting (Shanghai) Company Limited	331,289.32	3.87	267,649.94	3.03
Morgan Stanley Commodities Trading (China) Limited	257,713.15	3.01	3,165,391.85	35.83
Morgan Stanley (China) Private Equity Investment Management Co., Ltd	549,290.71	6.42	768,052.76	8.69
Morgan Stanley Management Service (Shanghai) Limited	2,592,905.32	30.32	2,268,611.52	25.68
Morgan Stanley Investment Consultancy (Shanghai) Company Limited	427,554.96	5.00	390,077.14	4.42
Morgan Stanley Investment Management Consultancy (Shanghai) Limited	100,686.91	1.18	2,200.00	0.02
Total	<u>6,151,171.43</u>	<u>71.91</u>	<u>8,694,742.94</u>	<u>98.41</u>

Fee and commission income

	2020		2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Asia Limited	<u>75,472,806.89</u>	<u>99.68</u>	<u>55,853,129.39</u>	<u>98.22</u>

General and administrative expenses

	2020		2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Management Service (Shanghai) Limited	<u>2,076,497.31</u>	<u>2.63</u>	<u>1,132,915.35</u>	<u>1.52</u>

The Bank conducts business with related parties in the course of daily business according to ordinary business terms.

IX. RELATED PARTIES RELATIONSHIP AND TRANSACTIONS - continued

4. Unsettled amount of related transactions:

Due from banks

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
MUFG Bank, Limited	241.31	0.00	257.37	0.00

Placements with banks and other financial institutions

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Bank International Limited	182,883,156.78	64.86	-	-

In accordance with *Measures for the administration of related party transactions between commercial banks, insiders and shareholders*, this transaction constitutes significant related-party transaction.

Interest receivables

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Bank International Limited	11,074.58	0.05	-	-

Customer deposits

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Properties (China) Co., Ltd.	97,024,665.55	15.09	95,545,016.17	14.74
Morgan Stanley Investment Consultancy (Beijing) Company Limited	27,151,044.21	4.22	28,164,464.09	4.34
Morgan Stanley Commodities Trading (China) Limited	-	-	218,312,568.82	33.67
Morgan Stanley (China) Private Equity Investment Management Co., Ltd	28,141,526.00	4.38	49,189,477.15	7.59
Morgan Stanley Management Service (Shanghai) Limited	181,531,880.25	28.23	157,243,427.46	24.25
Morgan Stanley Business Consulting (Shanghai) Limited	21,501,415.64	3.34	21,173,653.73	3.27
Morgan Stanley Investment Consultancy (Shanghai) Limited	28,757,175.98	4.47	31,164,541.97	4.81
Morgan Stanley Investment Management Consultancy (Shanghai) Limited	6,100,650.00	0.95	6,000,000.00	0.93
Total	390,208,357.63	60.68	606,793,149.39	93.60

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IX. RELATED PARTIES RELATIONSHIP AND TRANSACTIONS - continued

4. Unsettled amount of related transactions: - continued

Interest payable

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Properties (China) Co., Ltd.	321,563.08	9.68	310,135.66	13.95
Morgan Stanley Investment Consultancy (Beijing) Company Limited	80,266.37	2.42	77,186.95	3.47
Morgan Stanley Commodities Trading (China) Limited	-	-	237,588.21	10.68
Morgan Stanley (China) Private Equity Investment Management Co., Ltd	171,546.05	5.16	261,033.78	11.74
Morgan Stanley Management Service (Shanghai) Limited	1,234,508.82	37.17	930,056.29	41.82
Morgan Stanley Business Consulting (Shanghai) Limited	169,500.29	5.10	165,972.88	7.46
Morgan Stanley Investment Consultancy (Shanghai) Limited	171,246.69	5.16	167,624.06	7.54
Morgan Stanley Investment Management Consultancy (Shanghai) Limited	2,236.91	0.07	2,200.00	0.10
Total	<u>2,150,868.21</u>	<u>64.76</u>	<u>2,151,797.83</u>	<u>96.76</u>

Other assets

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Asia Limited	<u>5,281,368.44</u>	<u>29.17</u>	<u>5,098,569.10</u>	<u>43.66</u>

Other liabilities

	31/12/2020		31/12/2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Morgan Stanley Management Service (Shanghai) Limited	<u>369,523.65</u>	<u>2.02</u>	<u>628,247.45</u>	<u>6.87</u>

The above unsettled amount of related transactions are not securities and will be settled in cash.

5. Compensation of key management personnel

	2020		2019	
	<u>Amount</u> RMB	<u>Proportion</u> (%)	<u>Amount</u> RMB	<u>Proportion</u> (%)
Compensation of key management personnel	<u>10,854,748.07</u>	<u>23.47</u>	<u>8,705,667.75</u>	<u>18.64</u>

X. RISK MANAGEMENT

1. Overview of risk management

(1) Overview of risks

The Bank is exposed to various risks in its business operations, especially the use of financial instruments; risks are becoming diversified and complicated. The key risks faced by the Bank are credit risk, liquidity risk, market risk and operational risk. Market risks include foreign exchange risk and interest rate risk.

The Bank's risk management objectives are to achieve proper balance between risks and yield, minimize the adverse impacts of risks on the Bank's performance, and maximize the benefits of the Bank. Based on these risk management objectives, the Bank's basic risk management strategy is to identify and analyze the industry's exposure to various risks, establish appropriate bottom line for risk tolerance, implement risk management, and monitor these exposures to ensure appropriate measurements are implemented on a timely and effective manner.

The Board of Directors of the Bank is responsible for establishing the Bank's overall risk management strategies, monitoring and evaluating the Bank's overall business operation and risks, through Risk Committee, Compliance Management Committee, Senior Management Committee and other committees. Under Risk Committee, the Bank has established the Loan Commitment Committee, Asset and Liability Management Committee, Operational Risk Oversight Committee, and BCP Committee to manage its credit, market, operational, liquidity and business contingency risks.

The Board of Directors of the Bank is ultimately responsible for comprehensive risk management, and delegates certain responsibilities to the Risk Committee, who serves as the leading function to supervise MSBIC's comprehensive risk management of the different risk management functions. The Board of Supervisors bears the supervisory responsibility of the Bank's comprehensive risk management, while the senior management is responsible for the implementation and executes the decision made by the Board. The Board regularly review reports on comprehensive risk management from the Bank management. The Bank has established comprehensive risk management governance structure, set up risk appetite framework, clarified the roles and responsibility of the risk management functions, business units and other functions, and set up the operating mechanism for inter-departmental coordination and balancing.

X. RISK MANAGEMENT - continued

2. Credit risk

(1) Credit risk management

Credit risk arises when the borrower or counterparty fails to meet the required obligations in the agreement on due date.

The Bank's credit exposure is mainly from corporate loan lending and interbank placements. The Bank implements its credit risk management practices under the leadership of the Bank's Risk Committee. The Bank's Credit Policy was approved and annually reviewed by the Bank's Board and is the primary policy document that governs the credit risk management and control framework, which includes descriptions on credit assessment, credit rating, loan classification, country risk management, credit limit authorities and problem exposure management etc.

Credit Risk Department performs independent credit risk oversight and monitoring, including the independent assessment, approval monitoring and control of credit risk for the Bank to ensure credit risk taken is within the risk level set by the Board of Directors of the Bank.

(2) Maximum credit risk exposure information

Without taking into account of any collateral held or any other credit enhancement, the maximum credit risk exposure as of the balance sheet date is the carrying amount of financial assets less impairment loss. The maximum credit risk exposure is disclosed below:

	<u>31/12/2020</u>	<u>31/12/2019</u>
	RMB	RMB
On-balance sheet items		
Loans and advances to customers	295,500,000.00	295,500,000.00
Inter-banks receivable	329,778,641.58	871,552,281.41
Include: Due from banks	47,809,900.60	71,552,281.41
Placements with banks and other financial institutions	281,968,740.98	800,000,000.00
Financial assets at FVTPL	1,303,359,501.71	761,054,363.00
Other financial assets	30,918,900.86	24,446,903.31
Total on-balance sheet items	<u>1,959,557,044.15</u>	<u>1,952,553,547.72</u>
Total off-balance sheet items	<u>771,000.00</u>	<u>1,203,000.00</u>
Total	<u><u>1,960,328,044.15</u></u>	<u><u>1,953,756,547.72</u></u>

This table does not include Balances with the Central Bank as there is no credit risk for these.

Other financial assets include interest receivable, security deposit, fees receivable etc.

Off-balance sheet items consist of letters of guarantee with fixed deposits of the same or larger amount as securities collateral. Other than that, the Bank has not entered into any other credit enhancements to manage its exposure to credit risk.

X. RISK MANAGEMENT - continued

2. Credit risk - continued

(3) Loans and advances to customers and inter-banks receivable

Overdue and impaired

(i) As of 31 December 2020, the Bank has nil overdue or impaired loans and advances to customers and inter-banks receivable. (31/12/2019: Nil)

(ii) Not overdue and not impaired

	<u>31/12/2020</u>	
	<u>Pass</u> RMB	<u>Total</u> RMB
Loans and advances to customers	295,500,000.00	295,500,000.00
Inter-banks receivable	329,778,641.58	329,778,641.58
	<u>295,500,000.00</u>	<u>295,500,000.00</u>
	<u>329,778,641.58</u>	<u>329,778,641.58</u>

	<u>31/12/2019</u>	
	<u>Pass</u> RMB	<u>Total</u> RMB
Loans and advances to customers	295,500,000.00	295,500,000.00
Inter-banks receivable	871,552,281.41	871,552,281.41
	<u>295,500,000.00</u>	<u>295,500,000.00</u>
	<u>871,552,281.41</u>	<u>871,552,281.41</u>

For loans and advances to customers and inter-banks receivable not overdue and not impaired, the Bank has provided provision according to collective assessment.

(4) Financial assets at FVTPL

	<u>31/12/2020</u>	<u>31/12/2019</u>
	RMB	RMB
Neither overdue nor impaired		
Bonds held for trading	1,303,359,501.71	761,054,363.00
	<u>1,303,359,501.71</u>	<u>761,054,363.00</u>

The investments in debt securities include mainly government and financial institution bonds held by the Bank.

(5) Analysis on credit risk concentration of financial assets

The Bank manages credit risk concentration of financial assets by industry, relevant analysis can be referred to Note VII, 5(2).

X. RISK MANAGEMENT - continued

3. Liquidity risk

Liquidity risk is the risk that commercial banks could not raise sufficient fund at reasonable cost to repay maturing debt, fulfill other liabilities and meet the funding needs to operate regular businesses.

(1) Liquidity risk management

The Bank has established effective liquidity risk governance structure, set up liquidity risk management policy and strategies, enhanced procedures to identify, measure, review and control liquidity risk to ensure the Bank operates with prudent liquidity environment, and at the same time also meet the requirement of the Bank's daily operation funding. Details include the following :

- (i) The Bank's liquidity risk governance mainly include: Board of Directors is ultimately responsible of liquidity risk management. The Board's Risk Committee (RC), Asset and Liability Committee (ALCO) and senior management review liquidity level report and stress testing report periodically. Treasury is responsible of daily liquidity risk management and Risk Management Department as second line of defense oversees liquidity risk and liquidity risk day to day management.
- (ii) The Bank has established liquidity risk management strategy based on Bank's risk appetite and included the strategy in the liquidity risk management policy. The policy stipulates the scope, goal, responsibilities, regulatory requirements, tools, reports and contingency plan of liquidity risk management.
- (iii) The Bank monitors liquidity risk early indicator, regulatory required ratios and stress testing result to identify, measure, and monitor overall liquidity risk level of the Bank, and sets up liquidity risk limits, improves funding strategy, enhances funding collateral management, establish contingency funding plan, etc. to control liquidity risk.
- (iv) As of the end of year 2020, the Bank's liquidity ratio is 878.40%, the HQLA adequacy ratio is 2838.94%, both above regulatory requirements.
- (v) The Bank proactively monitors the main factors that affect the liquidity of the Bank, including the mismatch between asset and liability terms, market liquidity level and other market or special event that may affect the liquidity of the Bank.
- (vi) The Bank conducts liquidity risk stress testing on a daily basis to ensure accurate and timely monitoring of CNY and Non-CNY liquidity risk and potential risk impact. The stress testing result is reported to senior management, ALCO, Risk Committee and Board of Directors periodically.

X. RISK MANAGEMENT - continued

3. Liquidity risk - continued

(2) Analysis on liquidity risk of non-derivative instruments

The following is the maturity analysis for assets and liabilities held by the Bank:

The following table presents the undiscounted remaining contractual cash flow of the Bank for non-derivative financial assets and liabilities as at balance sheet date.

	31/12/2020						
	Current & overdue RMB'000	Within one month RMB'000	1-3 months RMB'000	3-12 months RMB'000	Over 1 year RMB'000	No maturity date RMB'000	Total RMB'000
Financial assets							
Balances with the Central Bank	292,637	-	-	-	-	61,184	353,821
Due from banks	47,810	-	-	-	-	-	47,810
Placements with banks and other financial institutions	-	181,981	850	2,597	106,026	-	291,454
Financial assets at FVTPL	-	1,325,103	-	-	-	-	1,325,103
Loans and advances to customers	-	1,031	100,294	201,618	-	-	302,943
Other financial assets	-	5,256	-	-	-	2,581	7,837
Total financial assets	340,447	1,513,371	101,144	204,215	106,026	63,765	2,328,968
Financial liabilities							
Customer deposits	11,053	186,610	42,964	410,311	-	-	650,938
Other financial liabilities	-	13,145	-	-	-	1,832	14,977
Total financial liabilities	11,053	199,755	42,964	410,311	-	1,832	665,915
Net value	329,394	1,313,616	58,180	(206,096)	106,026	61,933	1,663,053

	31/12/2019						
	Current & overdue RMB'000	Within one month RMB'000	1-3 months RMB'000	3-12 months RMB'000	Over 1 year RMB'000	No maturity date RMB'000	Total RMB'000
Financial assets							
Balances with the Central Bank	269,834	-	-	-	-	70,638	340,472
Due from banks	71,552	-	-	-	-	-	71,552
Placements with banks and other financial institutions	-	500,246	3,422	303,422	-	-	807,090
Financial assets at FVTPL	-	775,718	-	-	-	-	775,718
Loans and advances to customers	-	808	199,111	101,799	-	-	301,718
Other financial assets	-	5,074	-	-	-	2,581	7,655
Total financial assets	341,386	1,281,846	202,533	405,221	-	73,219	2,304,205
Financial liabilities							
Customer deposits	18,561	1,338	204,827	429,368	-	-	654,094
Other financial liabilities	-	4,732	-	-	-	1,950	6,682
Total financial liabilities	18,561	6,070	204,827	429,368	-	1,950	660,776
Net value	322,825	1,275,776	(2,294)	(24,147)	-	71,269	1,643,429

X. RISK MANAGEMENT - continued

4. Market risk

Market risk refers to the risk of losses in the Bank's on-balance sheet and off-balance sheet business due to adverse changes in market prices. The Bank's market risks mainly include foreign exchange risk and interest rate risk. The Bank manages its market risk through limit control (including trading limit, risk limit and stop loss limit), market risk measurement, monitoring and reporting, bond market value comparison and market risk capital management. Market Risk Department is responsible for monitoring market risk and report to Risk Committee on a regular basis. The Bank has established and enhanced market risk limit management system, specified and standardized the process and reporting of market risk management. The Internal Audit Department performs audit on market risks management on a regular basis. The Bank has regularly performed stress testing to evaluate the potential loss arising from market risk under specific adverse incident in order to strengthen market risk management.

(1) Foreign exchange risk

The Bank is set up and operates in China, the Bank's foreign currency business is mainly in USD and HKD.

The Bank monitors the foreign exchange risk mainly through the management of exposure limits.

The following table presents the structure analysis of the Bank's financial assets and financial liabilities by currencies as at balance sheet date:

	31/12/2020				
	RMB RMB'000	USD in RMB eqv. RMB eqv'000	HKD in RMB eqv. RMB eqv'000	Other currencies in RMB eqv. RMB eqv'000	Total RMB eqv'000
Financial assets					
Balances with the Central Bank	338,995	14,688	84	-	353,767
Due from banks	14,623	31,693	1,467	27	47,810
Placements with banks and other financial institution	100,000	181,969	-	-	281,969
Financial assets at FVTPL	1,303,360	-	-	-	1,303,360
Loans and advances to customers	295,500	-	-	-	295,500
Other financial assets	30,907	11	1	-	30,919
Total financial assets	2,083,385	228,361	1,552	27	2,313,325
Financial liabilities					
Customer deposits	447,365	195,754	36	-	643,155
Other financial liabilities	8,268	8,337	1,693	-	18,298
Total financial liabilities	455,633	204,091	1,729	-	661,453
Net open position	1,627,752	24,270	(177)	27	1,651,872

X. RISK MANAGEMENT - continued

4. Market risk - continued

(1) Foreign exchange risk - continued

	31/12/2019				
	<u>RMB</u> RMB'000	<u>USD</u> <u>in RMB eqv.</u> RMB eqv'000	<u>HKD</u> <u>in RMB eqv.</u> RMB eqv'000	<u>Other currencies</u> <u>in RMB eqv.</u> RMB eqv'000	<u>Total</u> RMB eqv'000
Financial assets					
Balances with the Central Bank	340,278	7	90	-	340,375
Due from banks	6,148	39,263	26,114	27	71,552
Placements with banks and other financial institution	800,000	-	-	-	800,000
Financial assets at FVTPL	761,054	-	-	-	761,054
Loans and advances to customers	295,500	-	-	-	295,500
Other financial assets	24,446	-	1	-	24,447
Total financial assets	2,227,426	39,270	26,205	27	2,292,928
Financial liabilities					
Customer deposits	648,381	-	39	-	648,420
Other financial liabilities	5,271	1,833	1,802	-	8,906
Total financial liabilities	653,652	1,833	1,841	-	657,326
Net open position	1,573,774	37,437	24,364	27	1,635,602

The following table illustrates the impact of 5% appreciation or 5% depreciation of the spot exchange rate and forward exchange rate of RMB against all foreign currencies on owner's equity of the Bank.

	<u>2020</u> (Decrease)/ increase in owner's equity RMB'000	<u>2019</u> (Decrease)/ increase in owner's equity RMB'000
Appreciate by 5%	(905)	(2,319)
Depreciate by 5%	905	2,319

X. RISK MANAGEMENT - continued

4. Market risk - continued

(2) Interest rate risk

Interest rate risk is the impact of change in market interest rate on fair value of financial assets and liabilities of the balance sheet and interest income and expenses of the income statement for the period.

As of the balance sheet date, the interest-bearing assets and liabilities of the Bank are as follows:

	31/12/2020						Total RMB'000
	Within 1 month RMB'000	1-3 months RMB'000	3-12 months RMB'000	1-5 years RMB'000	Over 5 years RMB'000	Non-interest bearing RMB'000	
Financial assets							
Balances with the Central Bank	338,995	-	-	-	-	14,772	353,767
Due from banks	47,810	-	-	-	-	-	47,810
Placements with banks and other financial institutions	181,969	-	-	100,000	-	-	281,969
Financial assets at FVTPL	-	129,606	559,235	614,519	-	-	1,303,360
Loans and advances to customers	-	98,500	197,000	-	-	-	295,500
Other financial assets	-	-	-	-	-	30,919	30,919
Total financial assets	568,774	228,106	756,235	714,519	-	45,691	2,313,325
Financial liabilities							
Customer deposits	196,324	42,391	404,440	-	-	-	643,155
Other financial liabilities	-	-	-	-	-	18,298	18,298
Total financial liabilities	196,324	42,391	404,440	-	-	18,298	661,453
Net open position	372,450	185,715	351,795	714,519	-	27,393	1,651,872
31/12/2019							
	Within 1 month RMB'000	1-3 months RMB'000	3-12 months RMB'000	1-5 years RMB'000	Over 5 years RMB'000	Non-interest bearing RMB'000	Total RMB'000
Financial assets							
Balances with the Central Bank	340,278	-	-	-	-	97	340,375
Due from banks	71,552	-	-	-	-	-	71,552
Placements with banks and other financial institutions	500,000	-	300,000	-	-	-	800,000
Financial assets at FVTPL	150,027	-	350,452	160,656	99,919	-	761,054
Loans and advances to customers	98,500	197,000	-	-	-	-	295,500
Other financial assets	-	-	-	-	-	24,447	24,447
Total financial assets	1,160,357	197,000	650,452	160,656	99,919	24,544	2,292,928
Financial liabilities							
Customer deposits	18,570	204,663	425,187	-	-	-	648,420
Other financial liabilities	-	-	-	-	-	8,906	8,906
Total financial liabilities	18,570	204,663	425,187	-	-	8,906	657,326
Net open position	1,141,787	(7,663)	225,265	160,656	99,919	15,638	1,635,602

X. RISK MANAGEMENT - continued

4. Market risk - continued

(2) Interest rate risk - continued

Interest rate sensitivity analysis

The following sensitivity analysis is based on the interest rates gap between the interest bearing assets such as balances with the Central Bank; due from banks and other financial institutions; financial assets at FVTPL, loans and other receivables and interest bearing liabilities such as customer deposits and repurchase agreements as of the balance sheet date. The upward and downward change of 50 basis points is used by management in evaluating the possible changes in interest rates and the corresponding interest rate risks.

(i) Banking book

The following table illustrates from a profitability perspective, the impact of the increase or decrease of the interest rate of all currencies by 50 basis points on the net interest income of the banking book in next year. Banking book includes the interest bearing assets and interest bearing liabilities except financial assets at FVTPL.

	<u>2020</u> (Decrease)/ increase in net interest income RMB'000	<u>2019</u> (Decrease)/ increase in net interest income RMB'000
Increase by 50 basis points	1,682	4,580
Decrease by 50 basis points	(1,682)	(4,580)

(ii) Trading book

The following table illustrates from an economic value perspective, the impact of the increase or decrease of the interest rate of all currencies by 50 basis points on the net assets of the trading book in next year. Trading account mainly includes financial assets at FVTPL.

	<u>2020</u> (Decrease)/ increase in net assets RMB'000	<u>2019</u> (Decrease)/ increase in net assets RMB'000
Increase by 50 basis points	(5,546)	(6,279)
Decrease by 50 basis points	5,546	6,279

X. RISK MANAGEMENT - continued

5. Capital adequacy

The Bank follows below principles in managing capital:

- To maintain a strong capital base and high-quality capital to support the development of its business, and comply with the capital requirements set by the regulators;
- Adequately identify, measure, monitor, mitigate and control various risks to ensure the capital level adapt to the level of risk and risk management.

Capital adequacy and the use of regulatory capital are regularly monitored by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and implemented by the CBIRC. The required information is filed with the CBIRC periodically.

Capital adequacy reflects the Bank's ability to maintain sustainable operation and resist the risks. From 1 January 2013, in accordance with Regulation Governing Capital of Commercial Banks (Provisional) and other relevant regulations promulgated by the CBIRC, commercial banks are required to comply with minimum capital requirements, i.e. minimum core tier one capital adequacy ratio, tier one capital adequacy ratio and capital adequacy ratio of 5%, 6% and 8%, respectively. Commercial banks are required to provide additional reserve capital which is 2.5% of risk-weighted assets. Under some specific circumstances, commercial banks are required to provide countercyclical buffer, which ranges from 0 - 2.5% of risk weighted assets. However, the CBIRC has yet to require countercyclical buffer for the time being. In addition, for systemically important banks, a buffer requirement of 1% of risk weighted assets is required. The Bank is not categorized as systemically important bank.

The Bank constantly monitors, analyses, reports capital adequacy result and leverage ratio, and compares with the management objectives to manage the capital of the Bank. The Bank has put in place various measures, such as asset growth control, adjusting structure of risk assets, internal capital accumulation, and capital injection, in order to ensure the capital adequacy level constantly satisfies the regulatory requirements and internal management objectives, resist the potential risks and support a sustainable development of business.

During the year, the Bank complied with the capital requirements set by the regulatory authorities.

X. RISK MANAGEMENT - continued

5. Capital adequacy - continued

The Bank calculated capital adequacy ratio, tier one capital adequacy ratio and the core tier one capital adequacy ratio, in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) that is effective from 1 January 2013. As of 31 December 2020 and 31 December 2019, capital adequacy ratio statistics based on the Bank's regulatory report were as follows:

	<u>31/12/2020</u> RMB'MM	<u>31/12/2019</u> RMB'MM
The core tier one capital		
Paid-in capital	1,000	1,000
General reserves	10	18
Surplus reserves and retained earnings	649	611
The core tier one capital	<u>1,659</u>	<u>1,629</u>
The core tier one capital deduction	-	-
Net core tier one capital	<u>1,659</u>	<u>1,629</u>
Other tier one capital	-	-
Net tier one capital	<u>1,659</u>	<u>1,629</u>
Tier two capital		
Provision for excess loan losses	5	5
Net capital	<u>1,664</u>	<u>1,634</u>
Credit risk weighted assets	501	748
Market risk weighted assets	152	158
Operational risk weighted assets	232	196
Total risk weighted assets	<u>885</u>	<u>1,102</u>
The core tier one capital adequacy ratio	187%	148%
Tier one capital adequacy ratio	187%	148%
Capital adequacy ratio	188%	148%

XI. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The valuation of the fair value is determined based on market related information and financial instruments related information at a specific time. When determining the fair value of financial instruments, the Bank considers the market price as the best approximation of the fair value of the financial instruments for which there is an active market. For financial instruments of which the market does not exist, the Bank adopts other valuation techniques to determine the fair value of these financial assets and financial liabilities (details please refer to note IV).

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or observable market prices;
- The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, a discount cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

1. Financial assets and liabilities measured at fair value on a recurring basis

The following table illustrates the levels of fair values of the Bank's financial assets and financial liabilities measured at fair value on a recurring basis as at the balance sheet date:

	31/12/2020			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL	-	1,303,360	-	1,303,360
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	31/12/2019			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL	-	761,054	-	761,054
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There were no transfers between Levels 1 and 2 in the year of 2020 and 2019.

The gain from changes in fair value of the Bank arising from financial assets at FVTPL was RMB 1,562,028.71 (2019: RMB 1,843,533.00).

XI. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES - continued

1. Financial assets and liabilities measured at fair value on a recurring basis - continued

The Bank employs control processes to validate the fair value of its financial instruments, including those derived from pricing models. These control processes are designed to assure that the values used for financial reporting are based on observable inputs wherever possible. In the event that observable inputs are not available, the control processes are designed to assure that the valuation approach utilized is appropriate and consistently applied and that the assumptions are reasonable. These control processes include reviews of the pricing model's theoretical soundness and appropriateness by Morgan Stanley Group personnel with relevant expertise who are independent from the trading desks.

Additionally, groups within the Finance, Market Risk and Credit Risk Departments that are independent from the Trading department participate in the review and validation of the fair values generated from pricing models, as appropriate. Where a pricing model is used to determine fair value, recently executed comparable transactions and other observable market data are considered for purposes of validating assumptions underlying the model.

In the current year, the Bank's financial assets measured at fair value comprise the Government bonds and financial institution bonds etc. These financial assets are valued using quoted prices in active markets when available. To the extent quoted prices are not available, fair value is determined based on a valuation model that has interest rate yield curves, cross-currency basis index spreads, and country credit spreads for structures similar to the bond in terms of issuer, maturity and seniority as inputs. These financial assets are generally categorized in Level 1 or 2 of the fair value hierarchy.

2. Fair value of assets and liabilities that are not measured at fair value but fair value disclosures are required

The assets and liabilities not measured at fair value in the balance sheet include: balances with the Central Bank, due from banks, placements with banks and other financial institutions, loans and advances to customers, interest receivable, due to banks and other financial institutions, repurchase agreements, customer deposits, interest payable and etc. Accordingly, the fair values of assets and liabilities not measured at fair value approximate the carrying amount as at balance sheet date.

XII. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Bank were approved on 1 April 2021 by the Board of Directors.

* * END OF FINANCIAL STATEMENTS * *

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