

2015 Annual Results Announcement

Hong Kong

29 March 2016



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Financial Performance



Business Performance



Risk Management

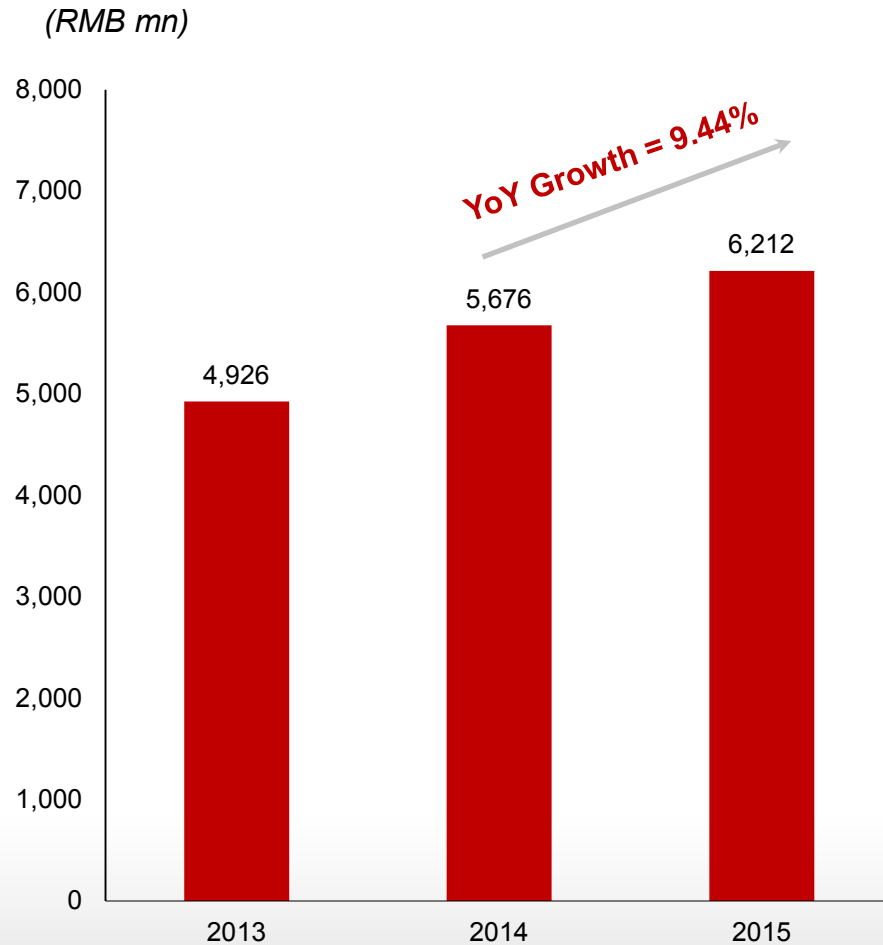


2016 Outlook

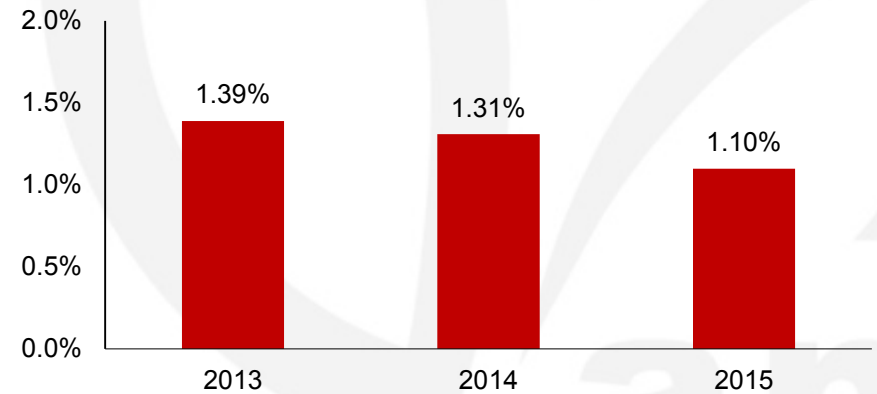
Stable Profitability with Steady Growth in Net Profit



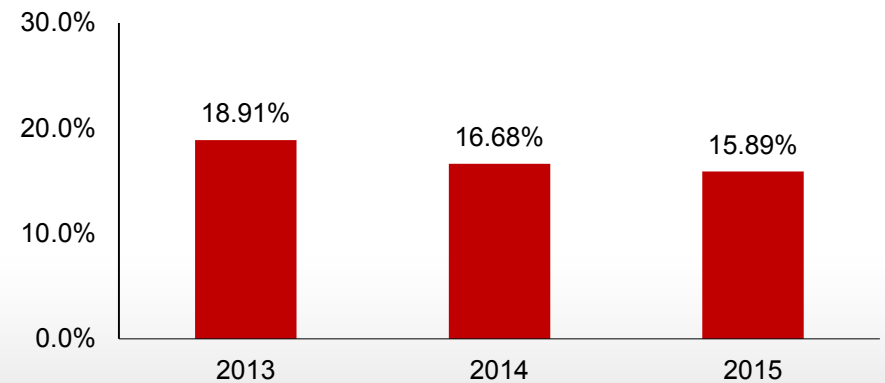
Net Profit



Return on Average Assets ("ROAA") after tax Attributable to Shareholders of the Bank



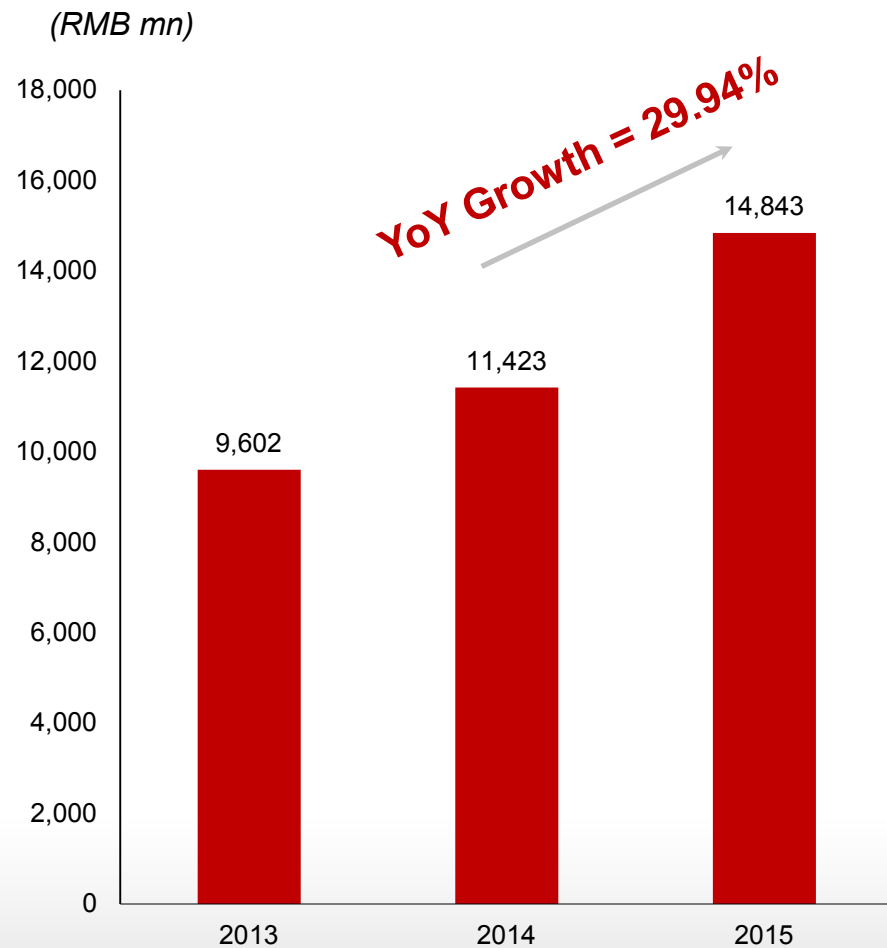
Return on Average Equity ("ROAE") after tax Attributable to Shareholders of the Bank



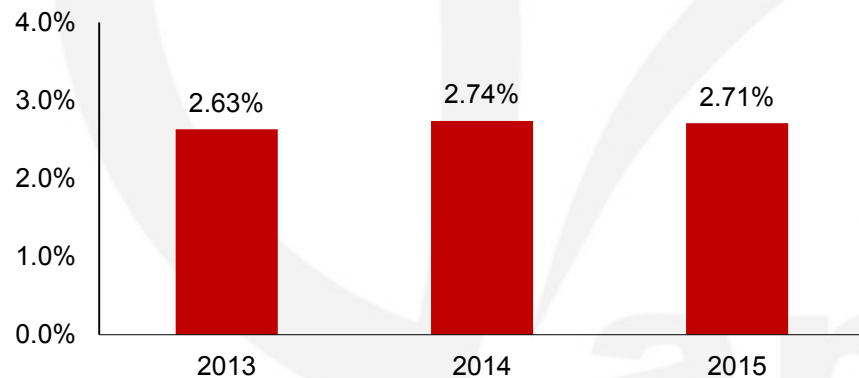
Steady Net Interest Income Growth



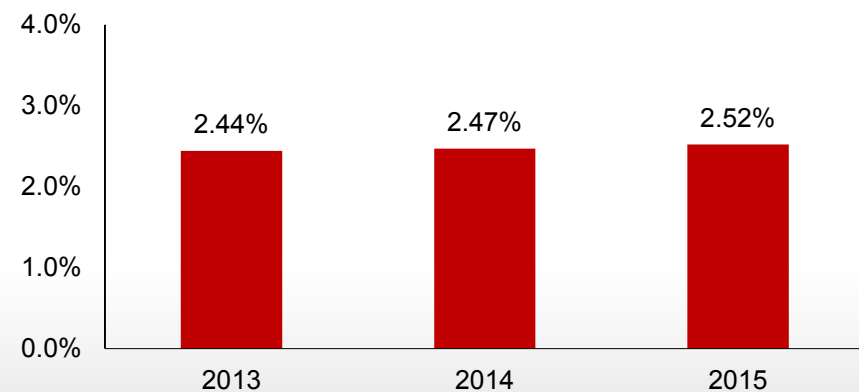
Net Interest Income



Net Interest Margin (NIM)



Net Interest Spread (NIS)

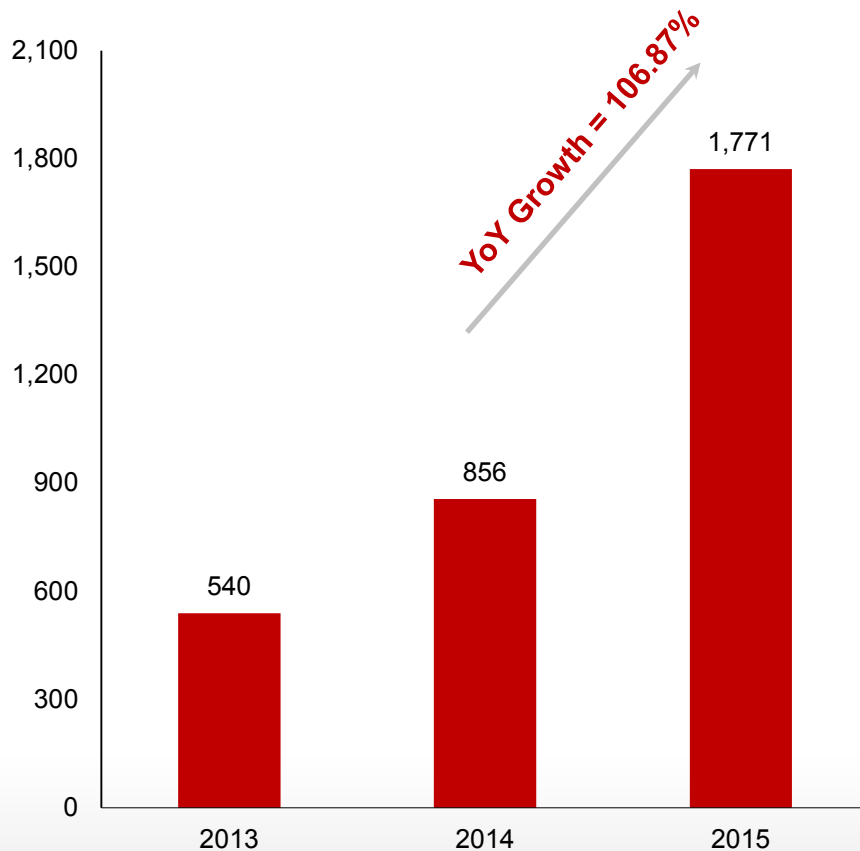


Robust Growth in Net Fee and Commission Income

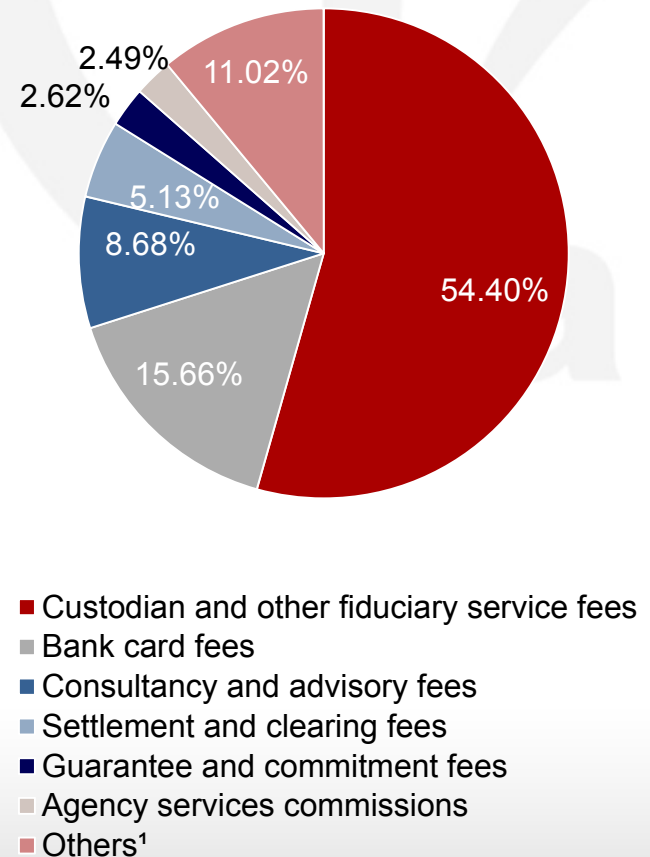


Net Fee and Commission Income

(RMB mn)



Principal Components of Net Fee and Commission Income



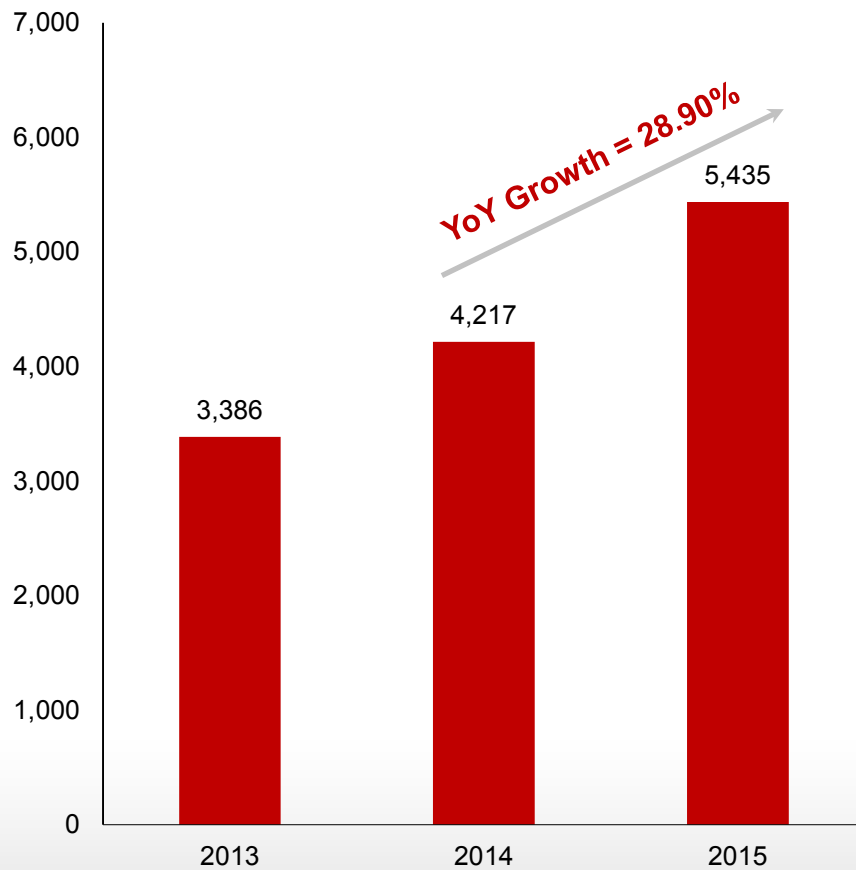
(1) Mainly includes syndicated loan fees, domestic factoring fees and arrangement fees for international trade financing

Industry-leading Cost Efficiency

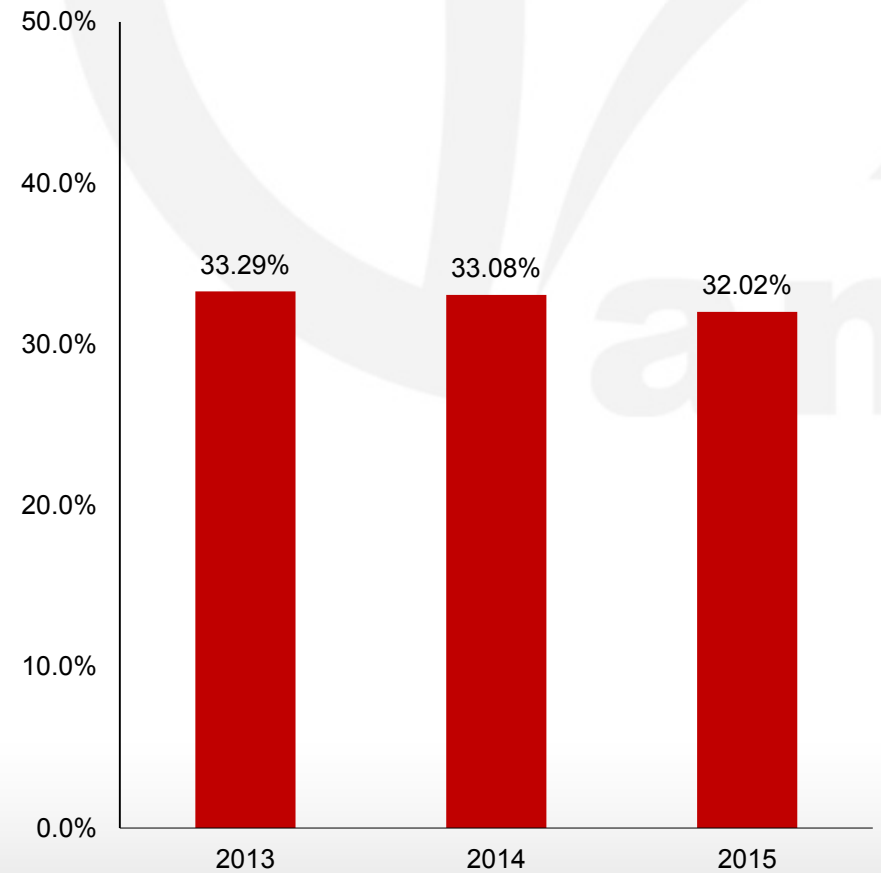


Operating Cost Increased due to business expansion and increase in headcount

(RMB mn)



Cost to Income Ratio Remains Low





Financial Performance



Business Performance



Risk Management



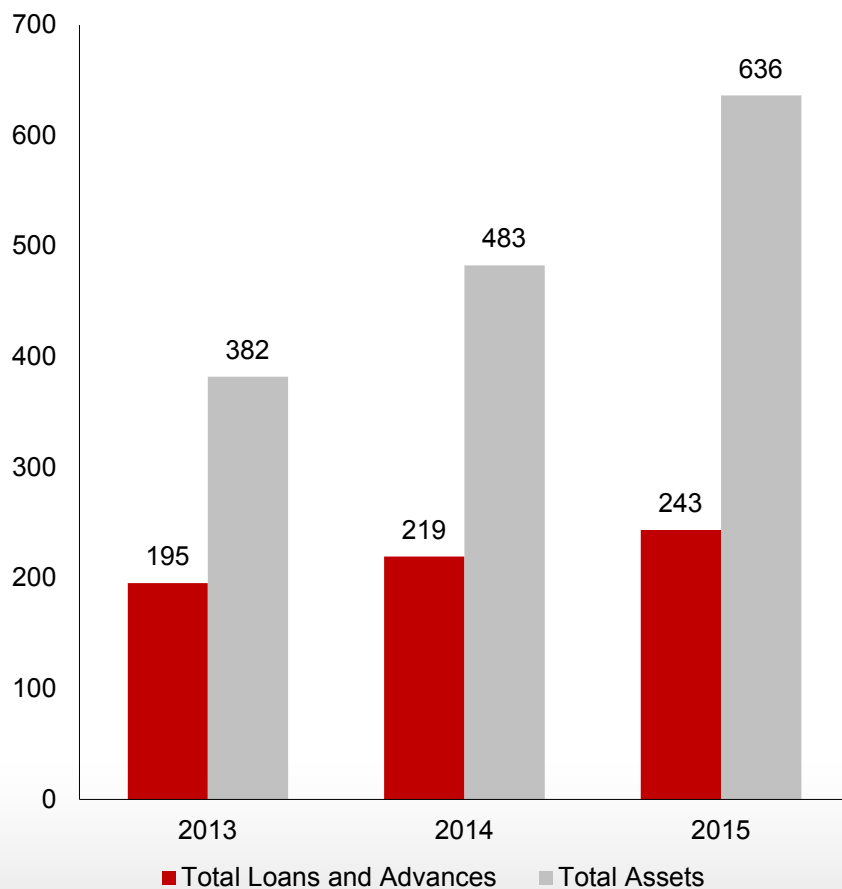
2016 Outlook

Steady Expansion of Business Scale



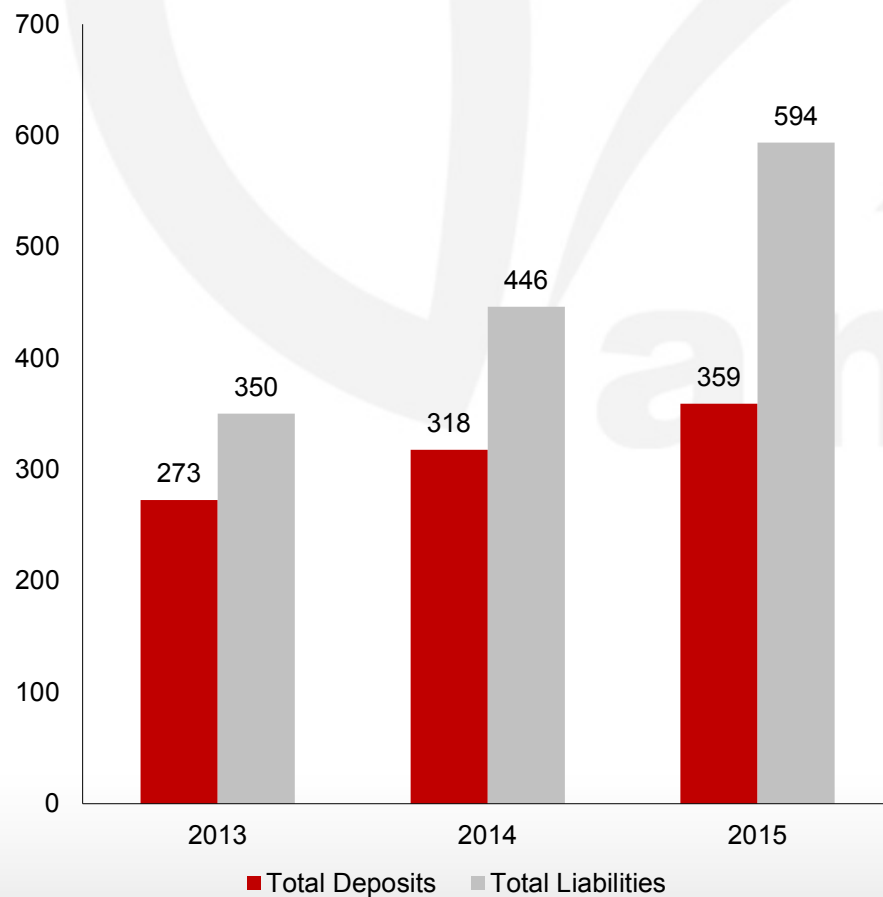
Total Assets : RMB636.1 bn
Total Loans Growth: 10.96% YOY

(RMB bn)



Total Liabilities: RMB593.8 bn
Total Deposits Growth: 13.01% YOY

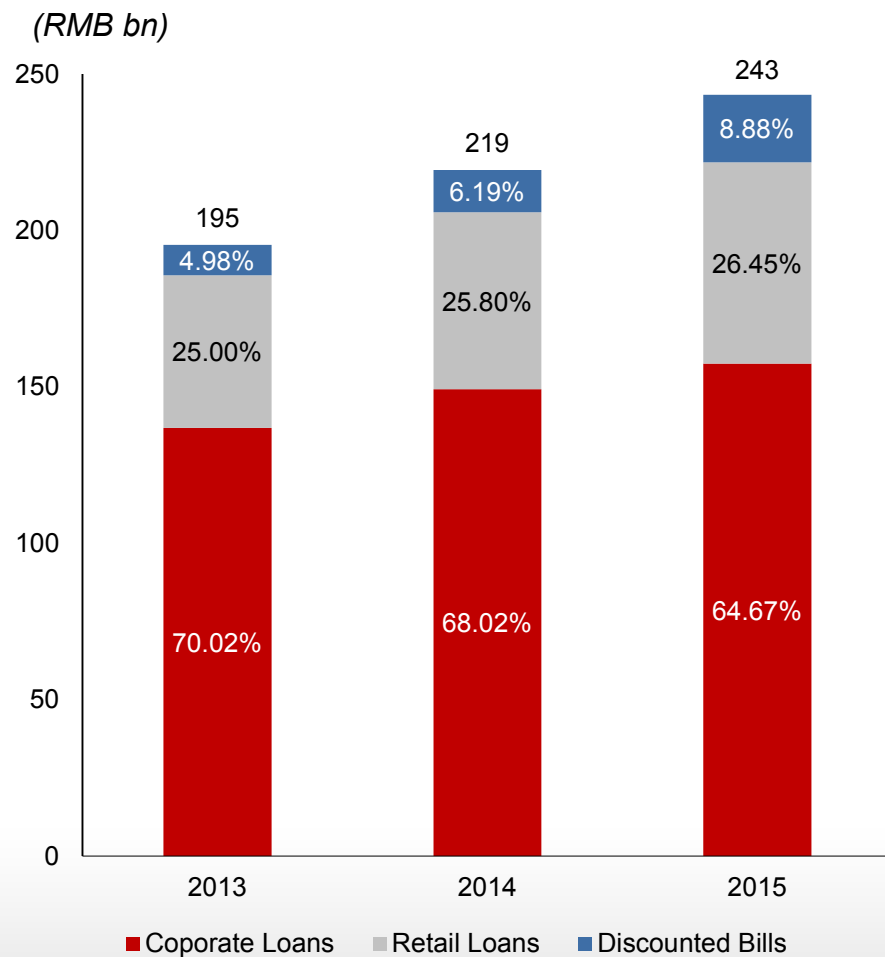
(RMB bn)



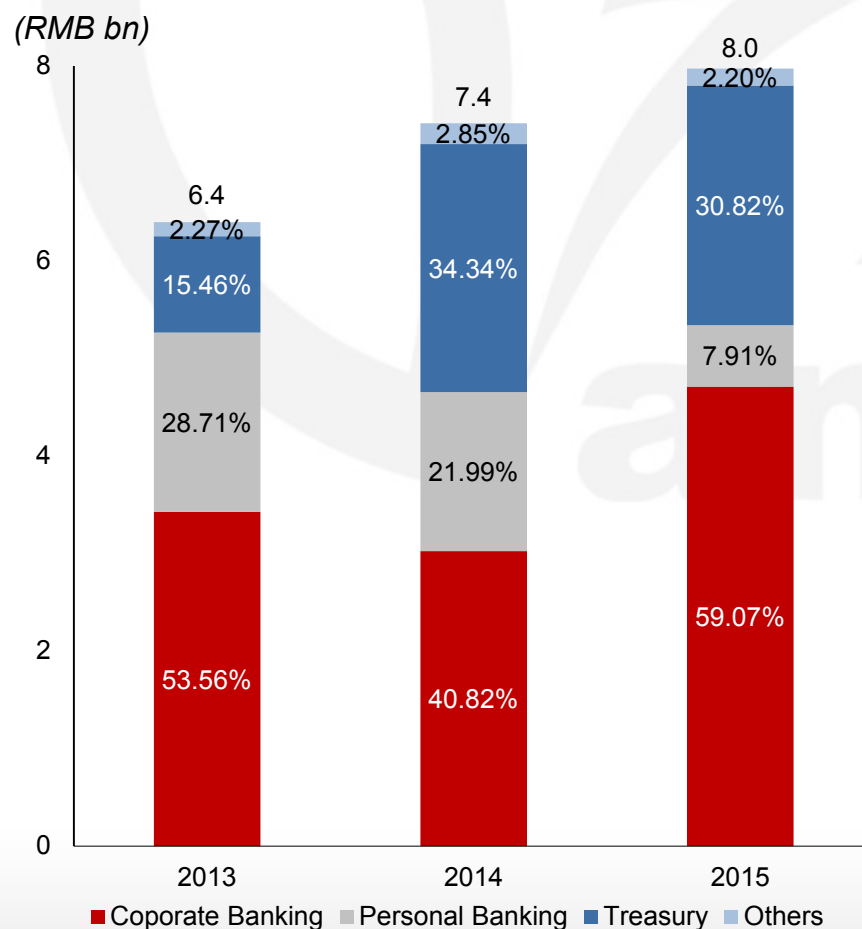
Increasingly Optimized Business Structure



Credit Structure



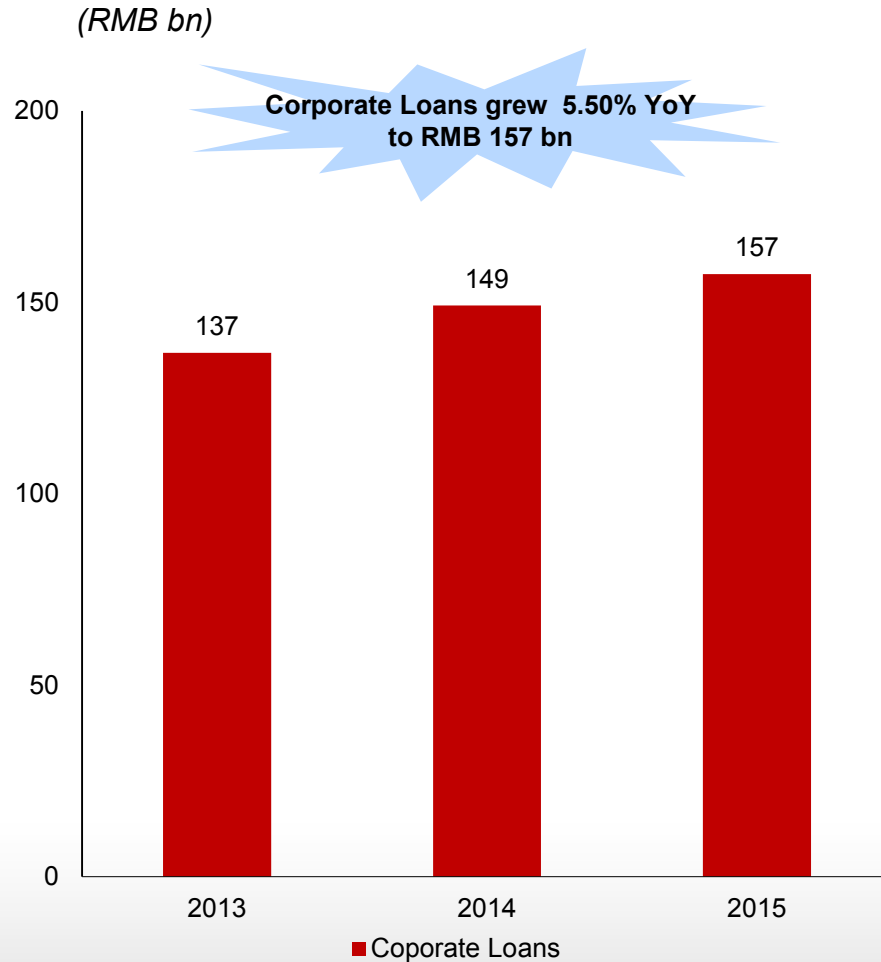
Profit Before Tax Mix



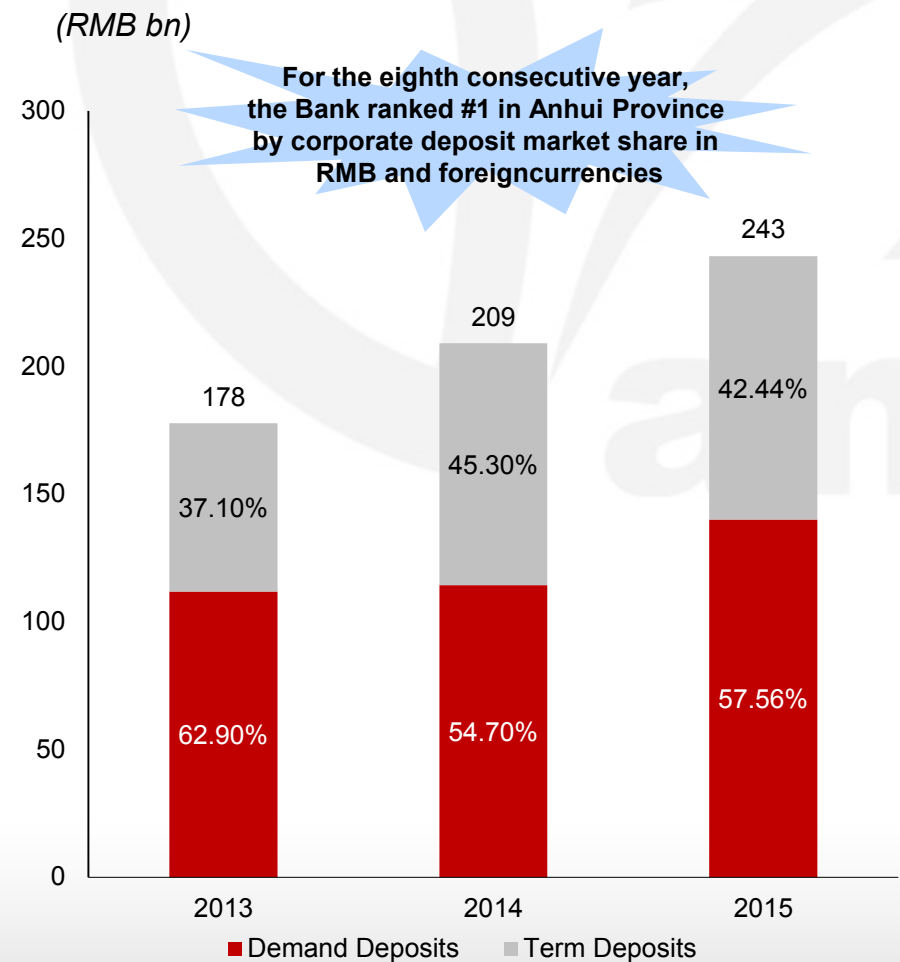
Steady Growth of Corporate Banking Business



Corporate Loan Growth: 5.50% YOY



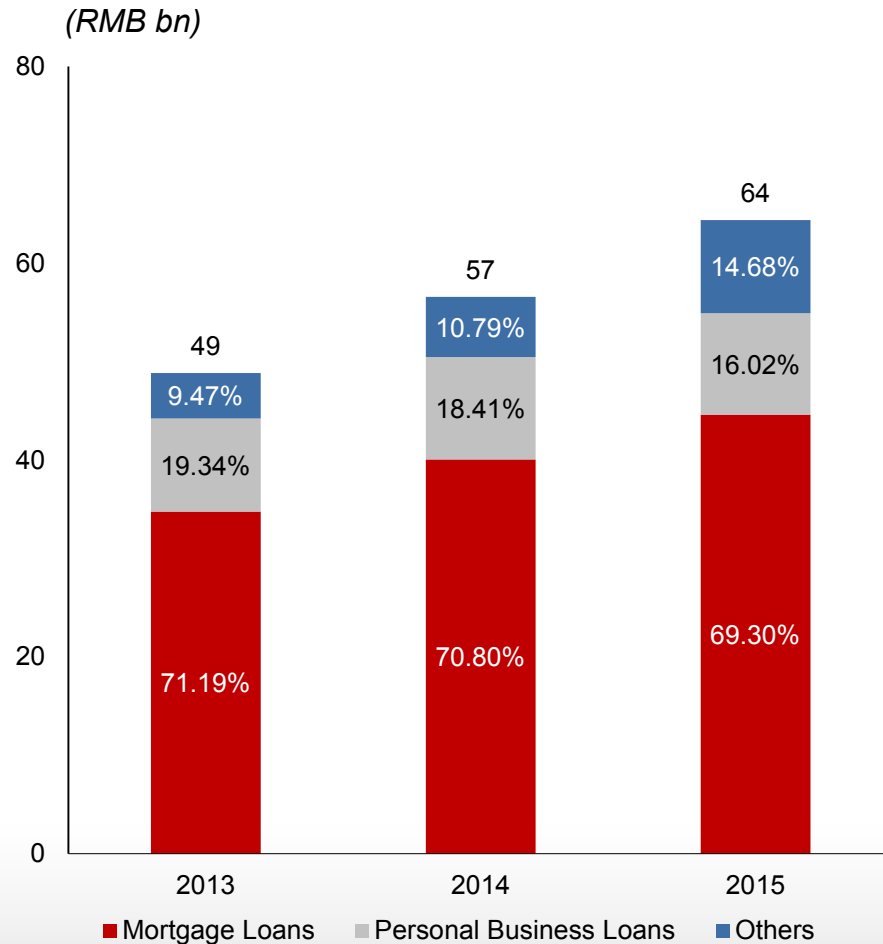
Corporate Deposit Growth: 16.33% YOY



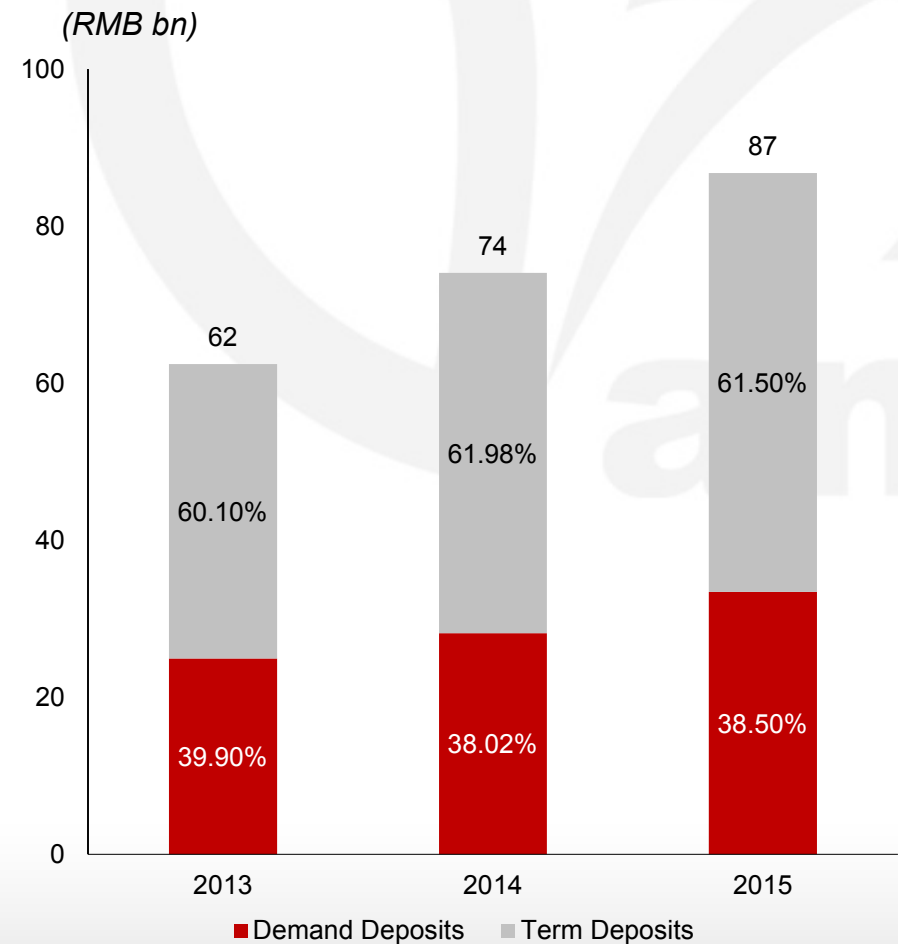
Fast Growth of Retail Banking Business



Retail Loan Growth: 13.78% YOY



Retail Deposit Growth: 17.19% YOY

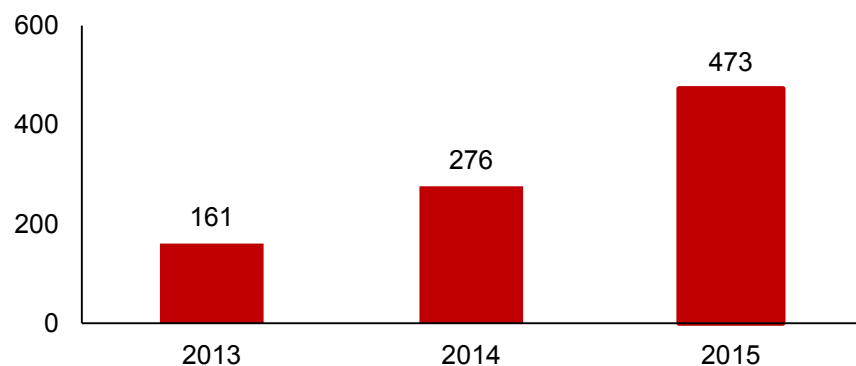


Fast Growth of Retail Banking Business (Cont'd)



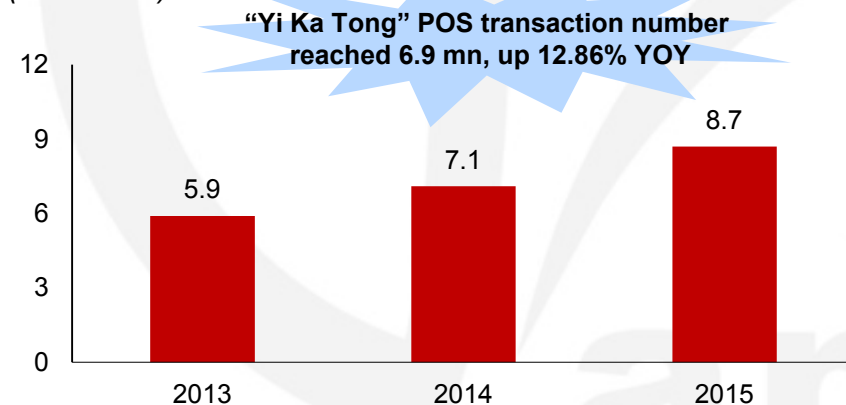
Number of Valid Credit Cards

(in thousands)



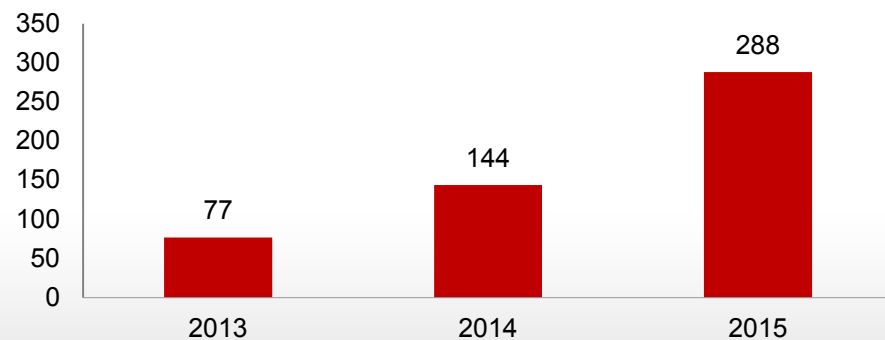
Total Number of Debit Cards Issued

(in millions)



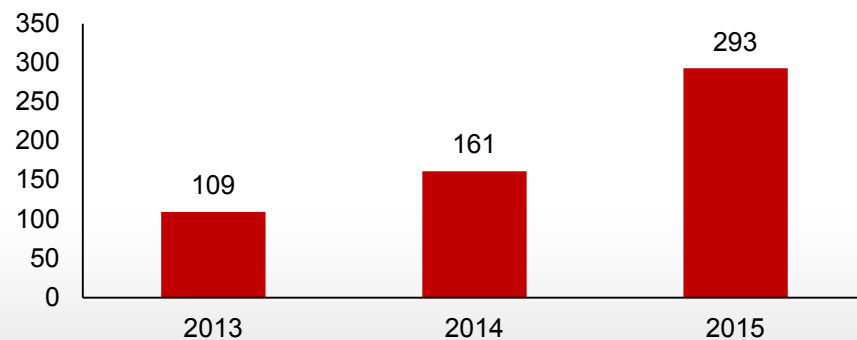
Credit Card Income

(RMB mn)



Bank Card Fees Income

(RMB mn)



Rapid Development of Other Businesses



International Business Maintains Steady and Rapid Growth

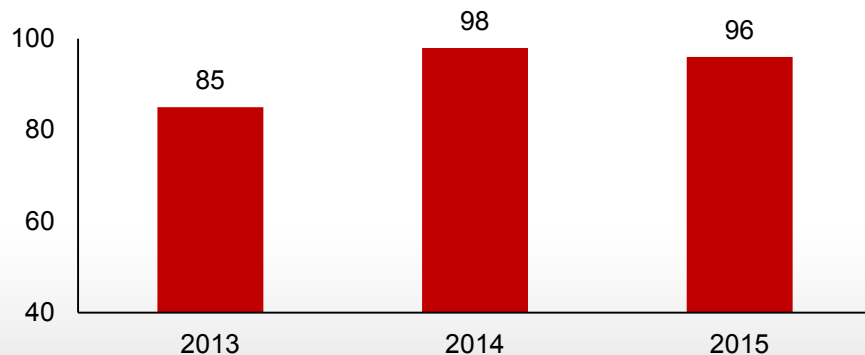
- International settlements for clients amounted to US\$6.22bn, up 11.48% YOY
- Ranking 5th both in cross-border foreign exchange revenue and expenditure trading volume on behalf of customer and exchange settlement total volume among the 25 financial institutions in Anhui Province
- Number of clients in international business up 15.44% YOY, taking 47.94 % share in Anhui Province; number of active clients up by 11.78% YOY
- At the end of December 2015, the Bank has established agency banking relationship with 735 banks in more than 80 countries and regions across six continents

Electronic Banking Channels Further Improved

- In 2015, the trading account transactions via retail electronic channels accounted for 83.51%
- The total number of retail online banking customers amounted to 1.62mn with 129.7mn transactions, up 62.65% YOY. The amount of transactions reached RMB11.94bn, up 172.70% YOY
- The number of corporate online banking customers amounted to 92.7 thousands with 35.2mn transactions, up 15.73%YOY. The amount of transactions reached RMB 1614.57bn, up 17.86% YOY
- The total number of mobile banking customers reached 664 thousands. The number of transactions reached 9.38mn, and total transaction amount accumulated to RMB 43.02bn

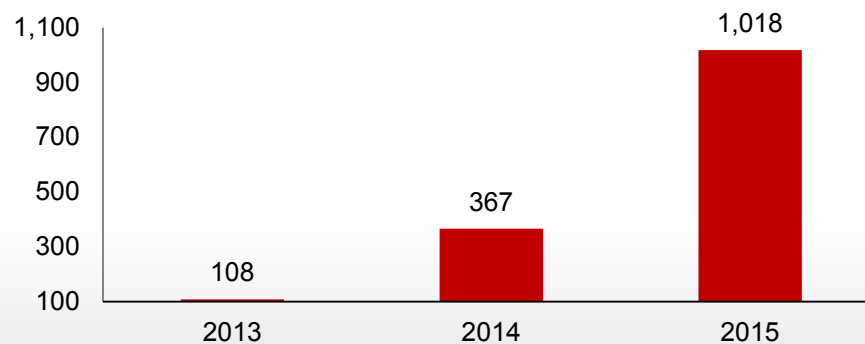
Settlement and Clearing Fees Income

(RMB mn)



Custodian and Other Fiduciary Service Commissions Income

(RMB mn)





Financial Performance



Business Performance



Risk Management

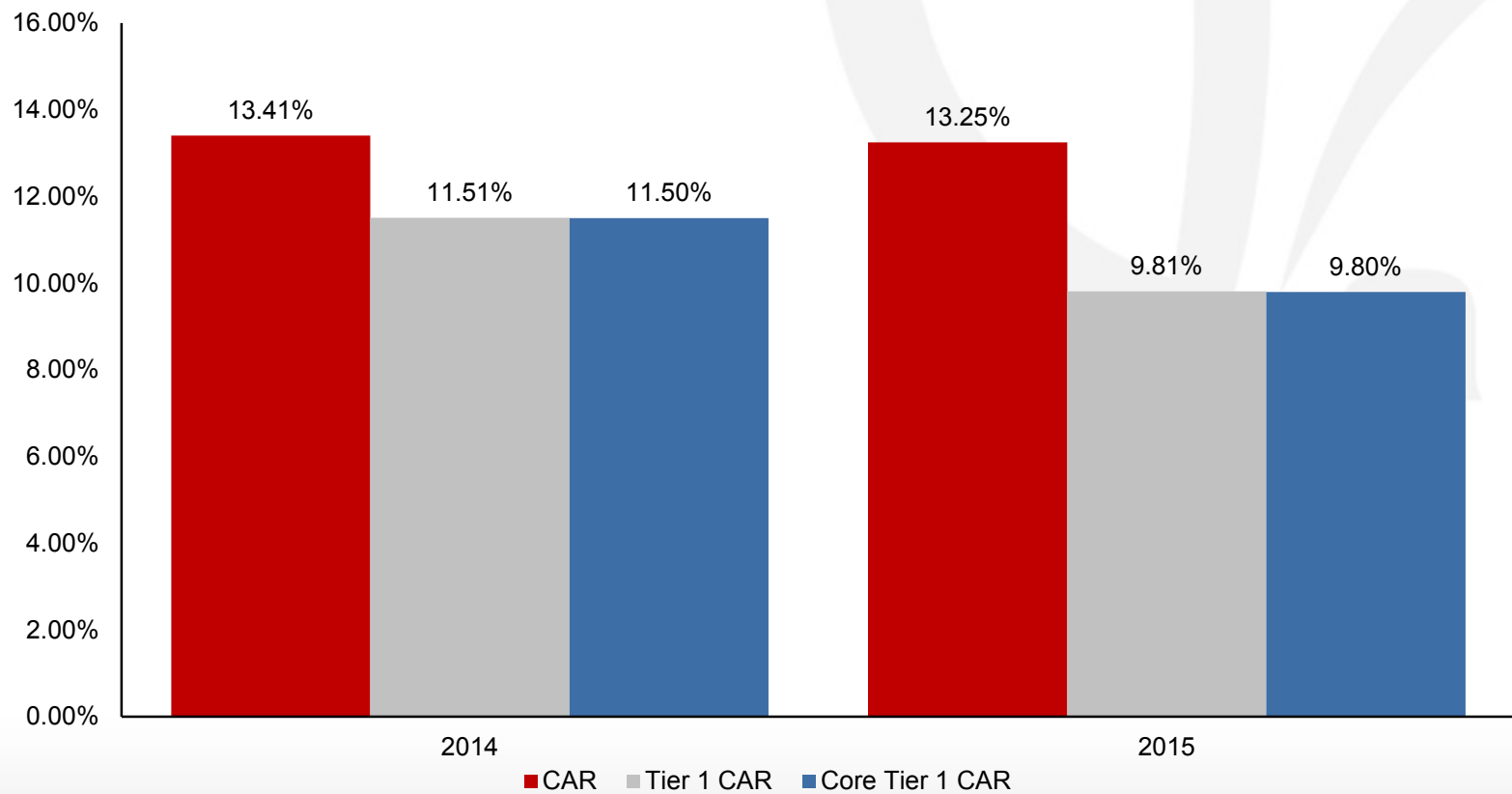


2016 Outlook

Sufficient Capital to Support Future Business Development



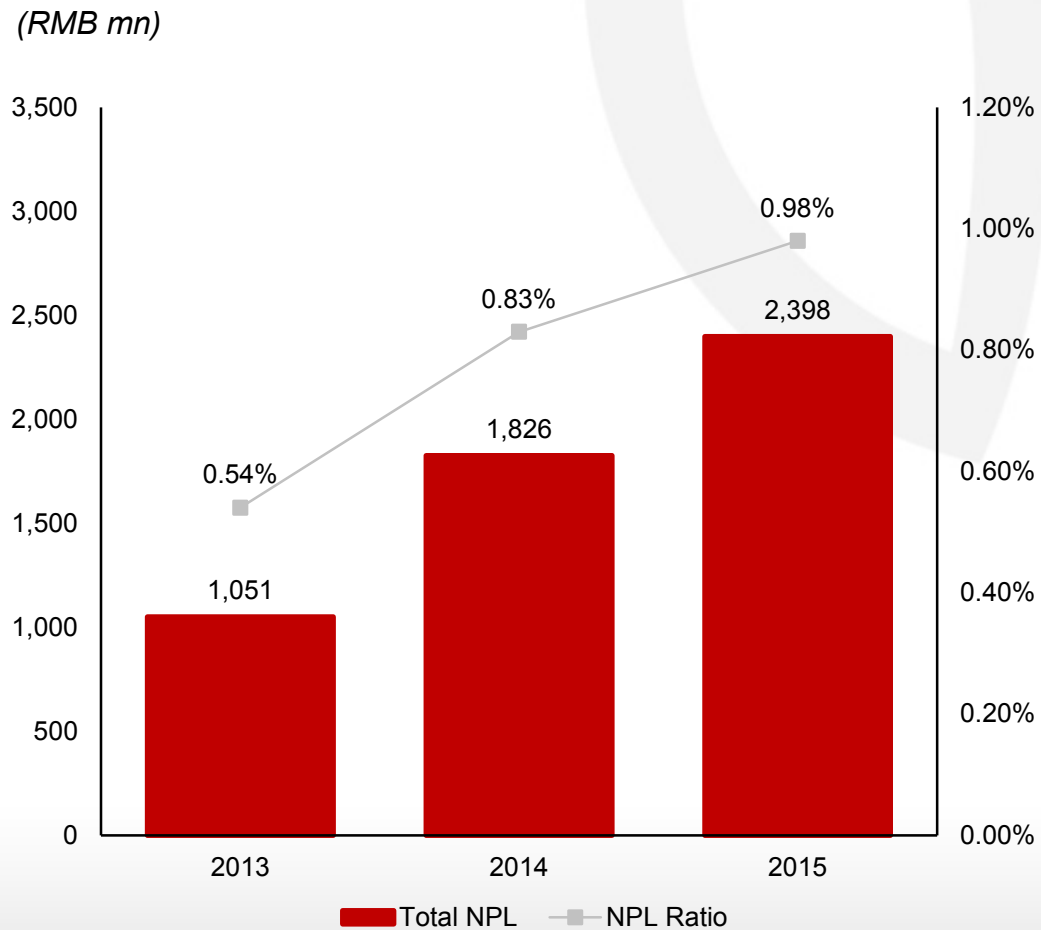
Capital Adequacy Ratios



Asset Quality Remains Stable



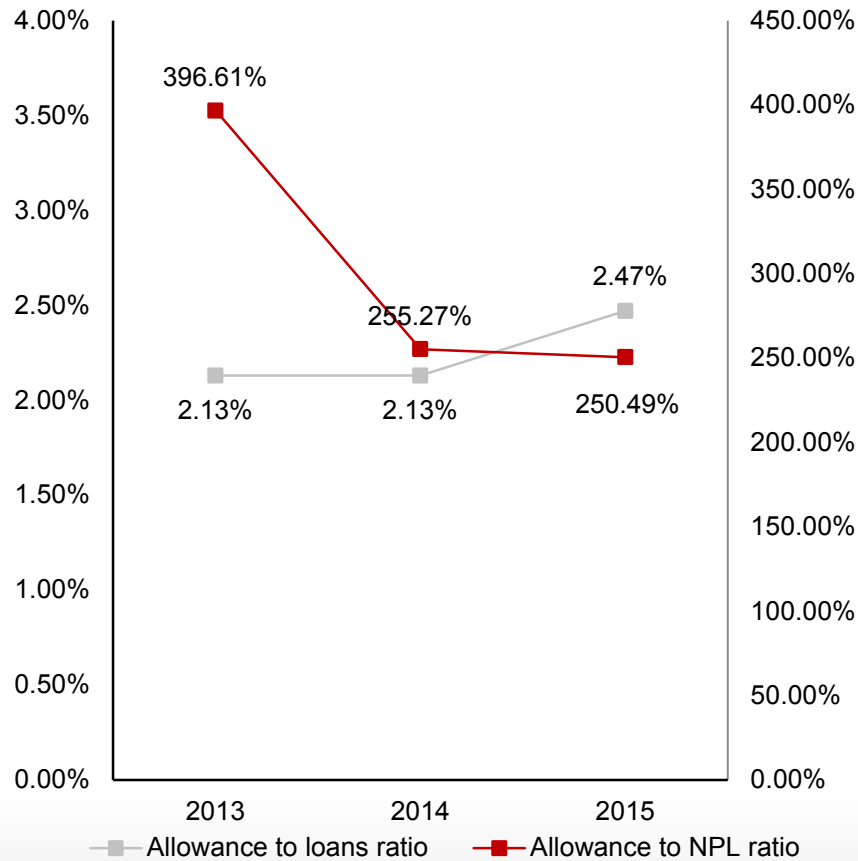
Moderate Increase in NPL Ratio



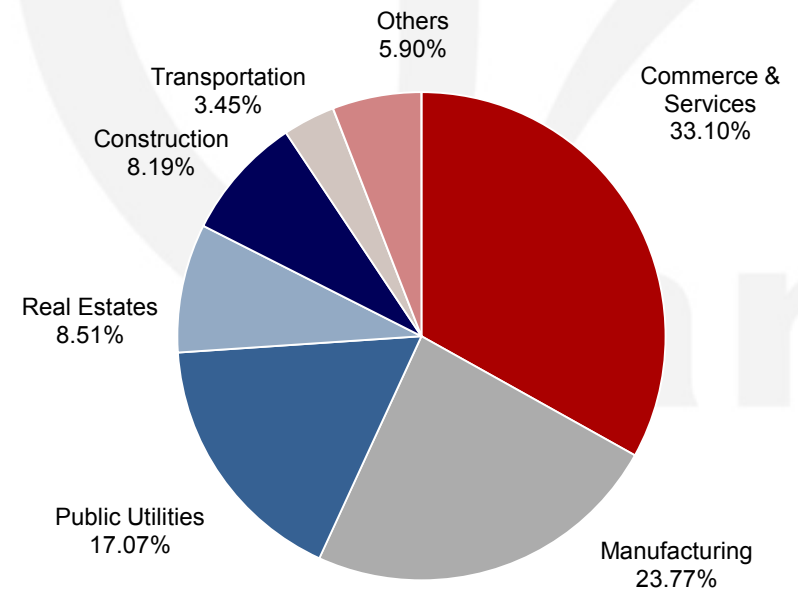
Effective Risk Management



Sufficient Allowance to NPL



Strict Control over Industry Exposure⁽¹⁾



(1) Distribution of corporate loans by industry; others include energy and chemical, education and media, catering and travelling, financial services, etc.



Highlights of 2015



Overall promotion of transformation and upgrade



Improvement of comprehensive financial services



Steady development of inclusive finance



Preliminary advantages of intelligent finance



Financial Performance



Business Performance



Risk Management



2016 Outlook

2016 will be the crucial year of implementing the Five-year Development Strategic Plan of Huishang Bank



Growing with innovation and management improvement



Establishing “comprehensive finance, inclusive finance and intelligent finance”



Accelerating optimization of business and customer structure



Enhancing adjustment in business structure and risk control



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Summary Financials



RMB in billions	31 Dec. 2015	31 Dec. 2014		Change
Total assets	636	483		31.77%
Total loans and advances	243	219		10.96%
Total liabilities	594	446		33.07%
Total deposits from customers	359	318		13.01%
Equity attributable to shareholders of the bank	41	36		13.16%
Core Tier 1 capital adequacy ratio ⁽¹⁾	9.80%	11.50%		1.70pp
Capital adequacy ratio	13.25%	13.41%		0.16pp
NPL ratio	0.98%	0.83%		0.15pp
Allowance to NPL ratio	250.49%	255.27%		4.78pp
Allowance to loans ratio	2.47%	2.13%		0.34pp

(1) Since 1st Jan. 2013, the company began to report capital adequacy ratios in accordance with the Administrative Measures for the Capital Management of Commercial Banks (Trial) 23

Summary Financials (cont'd)



RMB in millions	2015	2014		Change
Net interest income	14,843	11,423		29.94%
Net fee and commission income	1,771	856		106.87%
Net operating income	16,977	12,748		33.17%
Profit before income tax	7,973	7,411		7.58%
Net profit	6,212	5,676		9.44%
Earnings per share attributable to shareholders of the Bank (RMB Yuan)	0.56	0.51		9.80%
Net interest margin (NIM)	2.71%	2.74%		0.03pp
Cost to income ratio ⁽¹⁾	32.02%	33.08%		1.06pp
Return on average assets ("ROAA") after tax attributable to shareholders of the Bank	1.10%	1.31%		0.21pp
Return on average equity ("ROAE") after tax attributable to shareholders of the Bank	15.89%	16.68%		0.79pp

(1) Cost-to-income ratio = Operating expenses (including business tax and surcharges) / Operating income



Thank You

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