



徽商银行

HUI SHANG BANK

2016 Annual Results Announcement

Hong Kong

24 March 2017



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Financial Performance



Business Performance



Risk Management



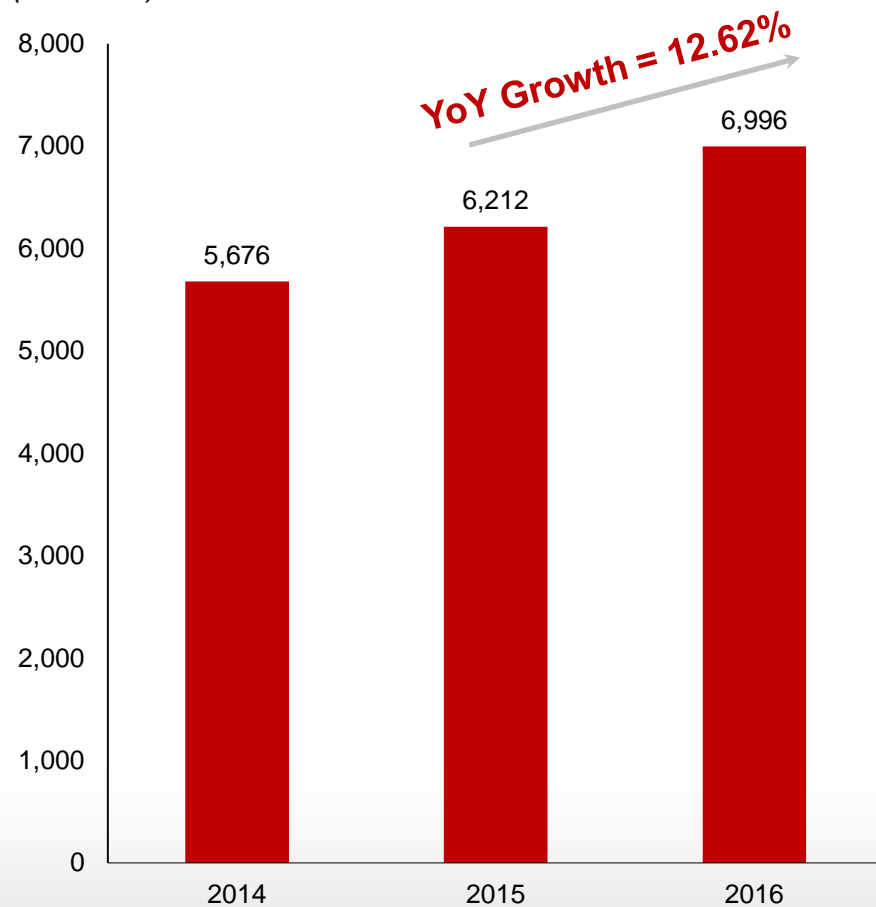
2017 Outlook

Stable Profitability with Steady Growth in Net Profit

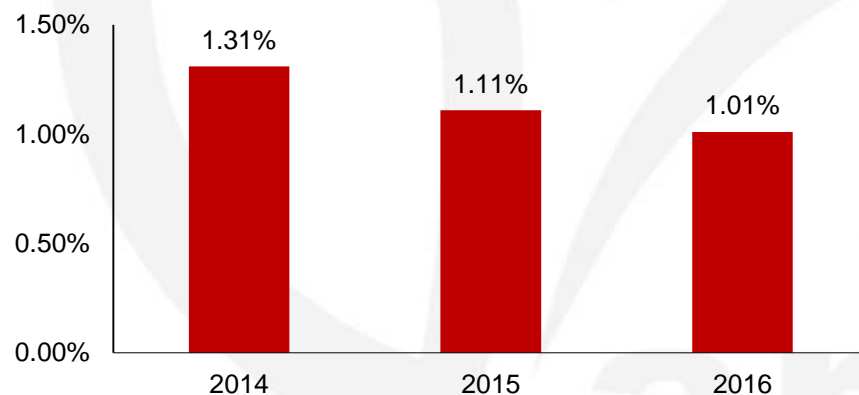


Net Profit

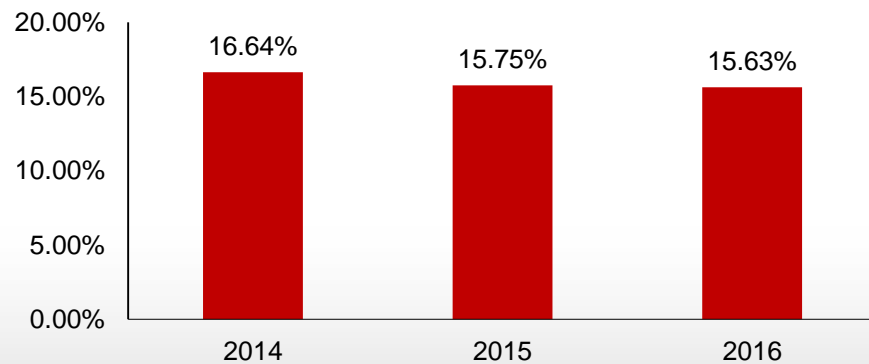
(RMB mn)



Return on Average Assets (ROAA)



Return on Average Equity (ROAE)

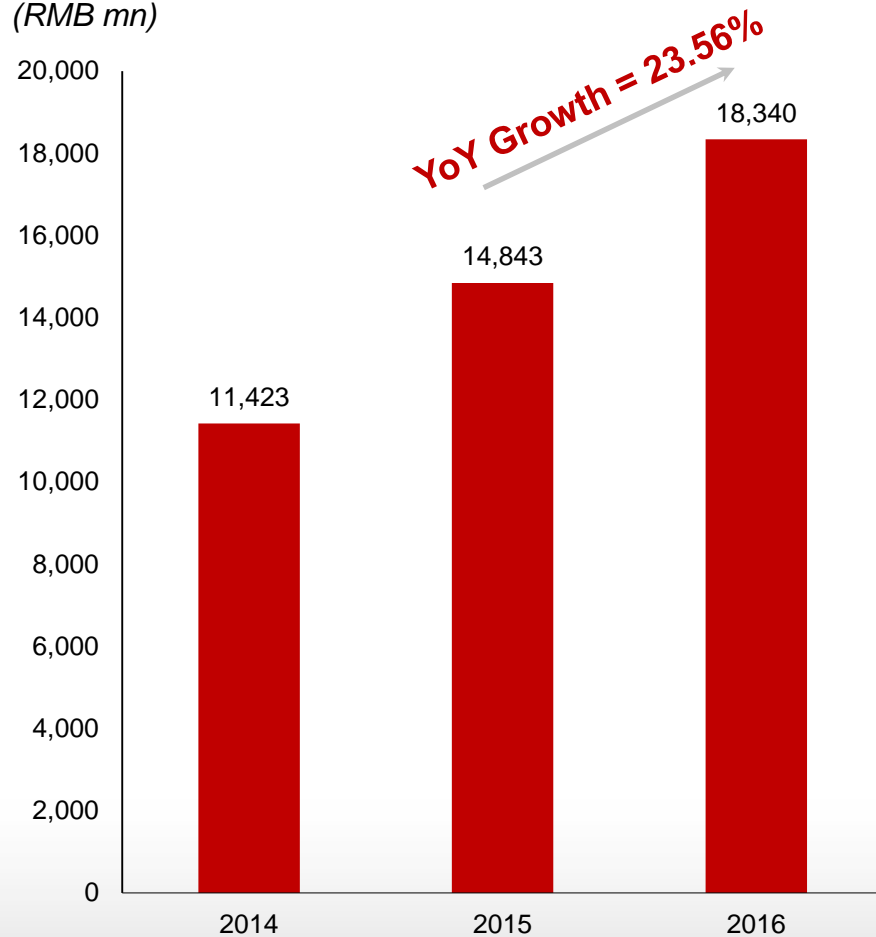


Steady Net Interest Income Growth

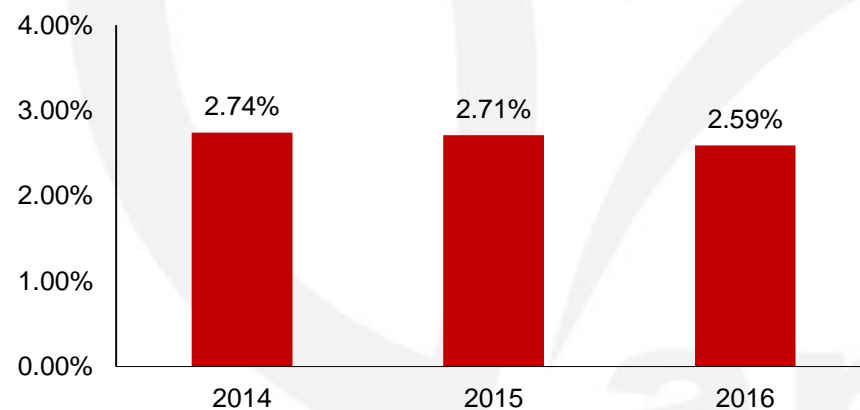


Net Interest Income

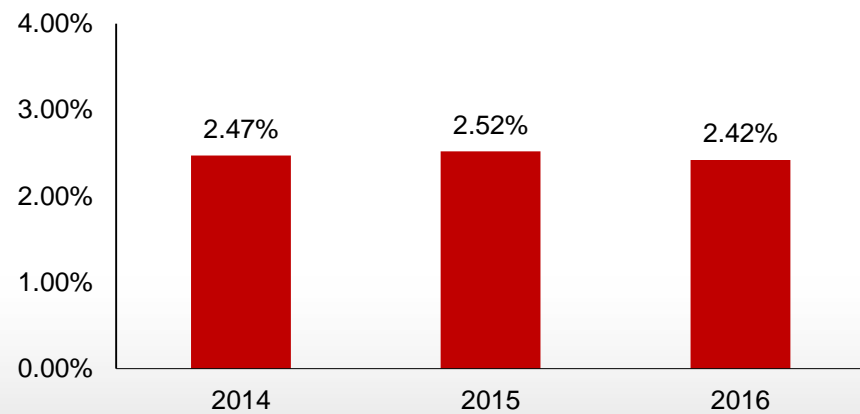
(RMB mn)



Net Interest Margin (NIM)



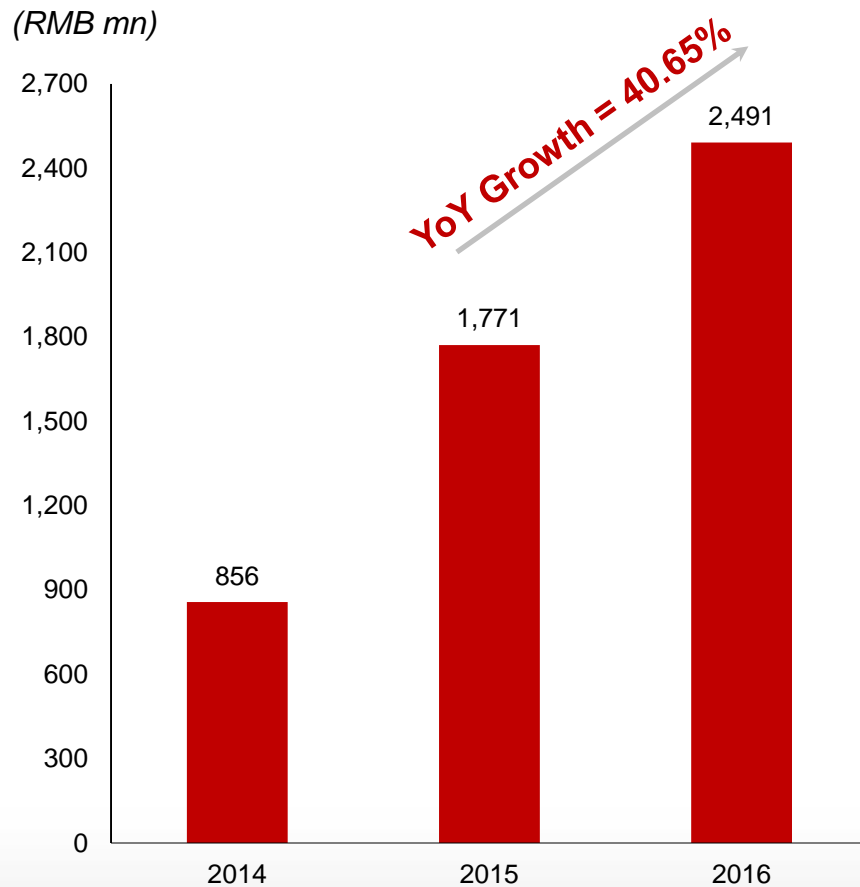
Net Interest Spread (NIS)



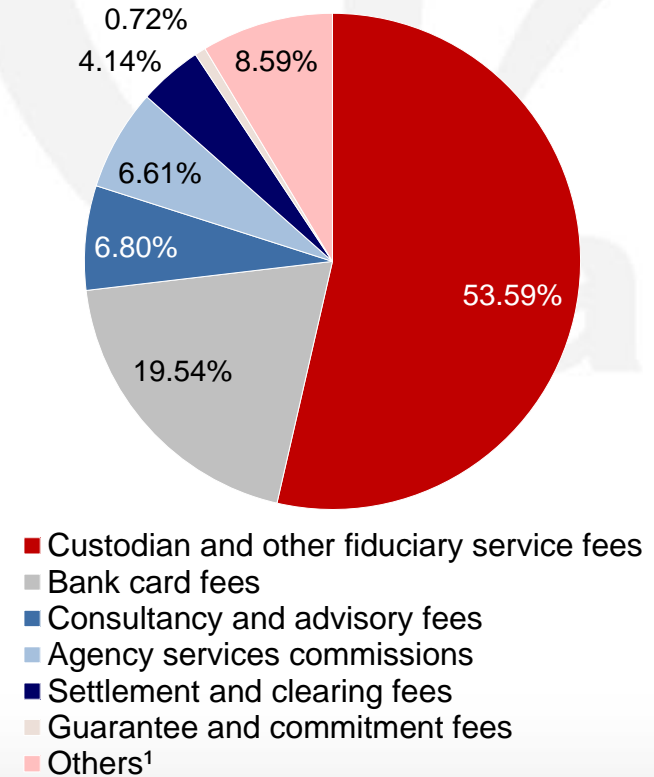
Robust Growth in Net Fee and Commission Income



Net Fee and Commission Income



Principal Components of Fee and Commission Income



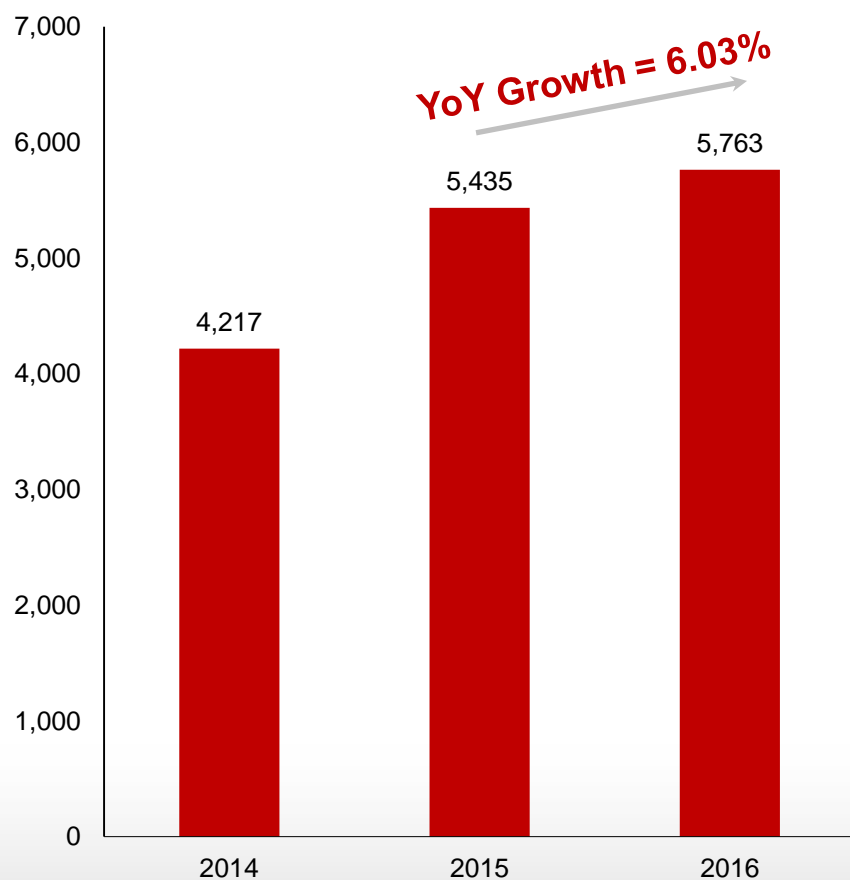
(1) Mainly includes syndicated loan fees, domestic factoring fees and arrangement fees for international trade financing

Continuously Industry-leading Cost Efficiency

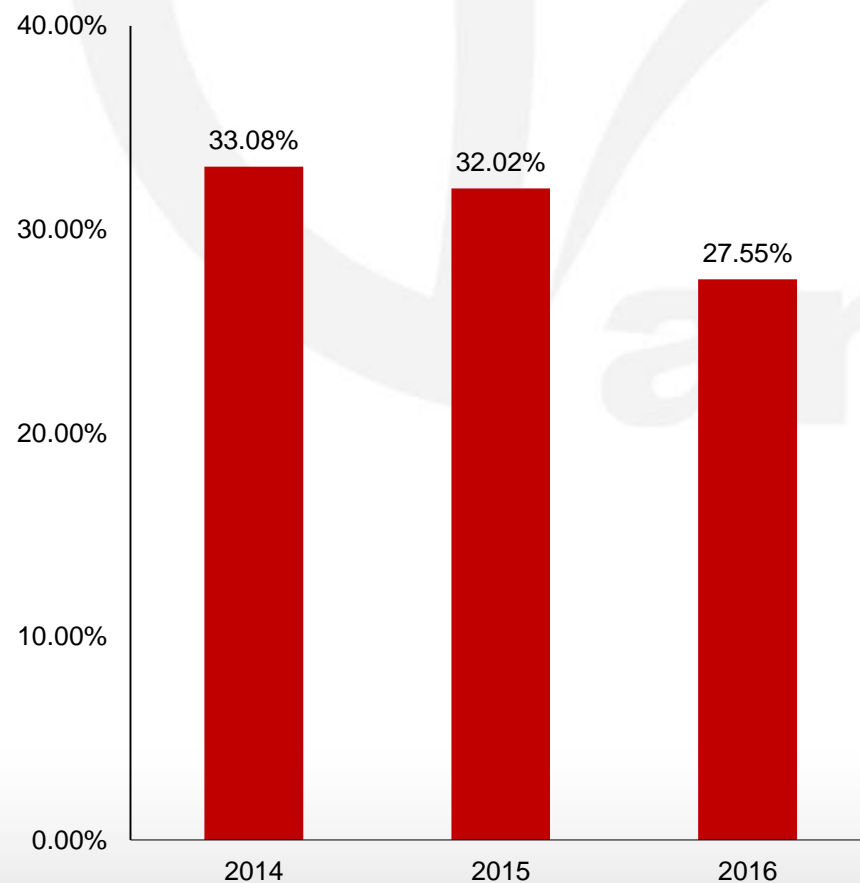


Operating Expenses Increased due to Business Expansion and Increase in Headcount

(RMB mn)



Cost-to-Income Ratio Remains Low





Financial Performance



Business Performance



Risk Management



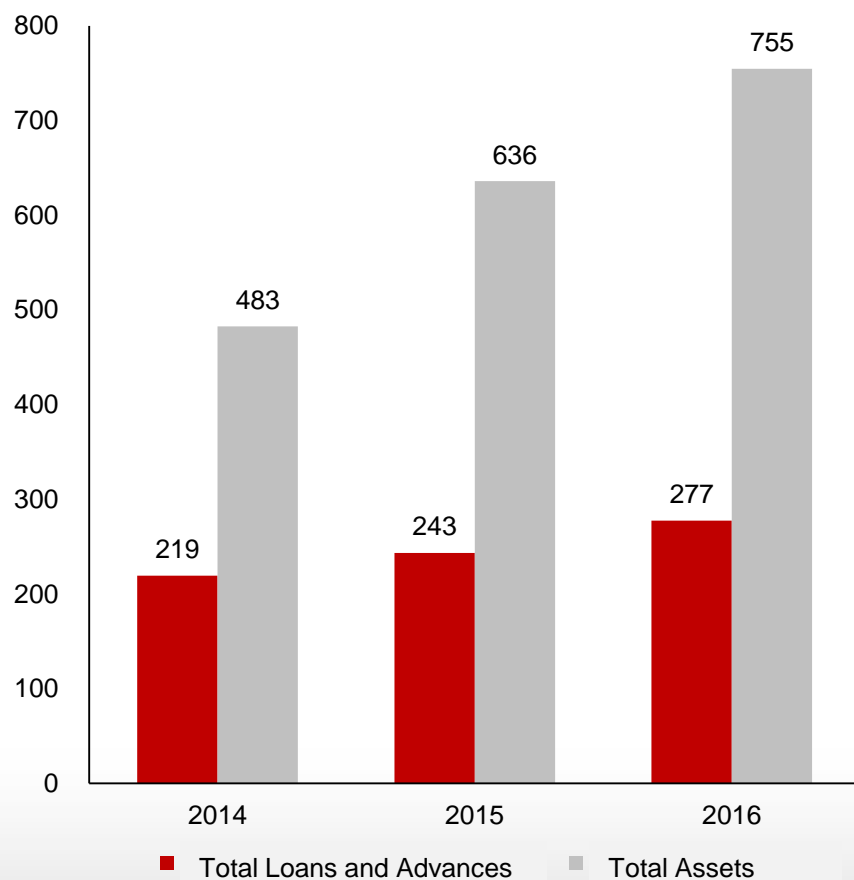
2017 Outlook

Steady Expansion of Business Scale



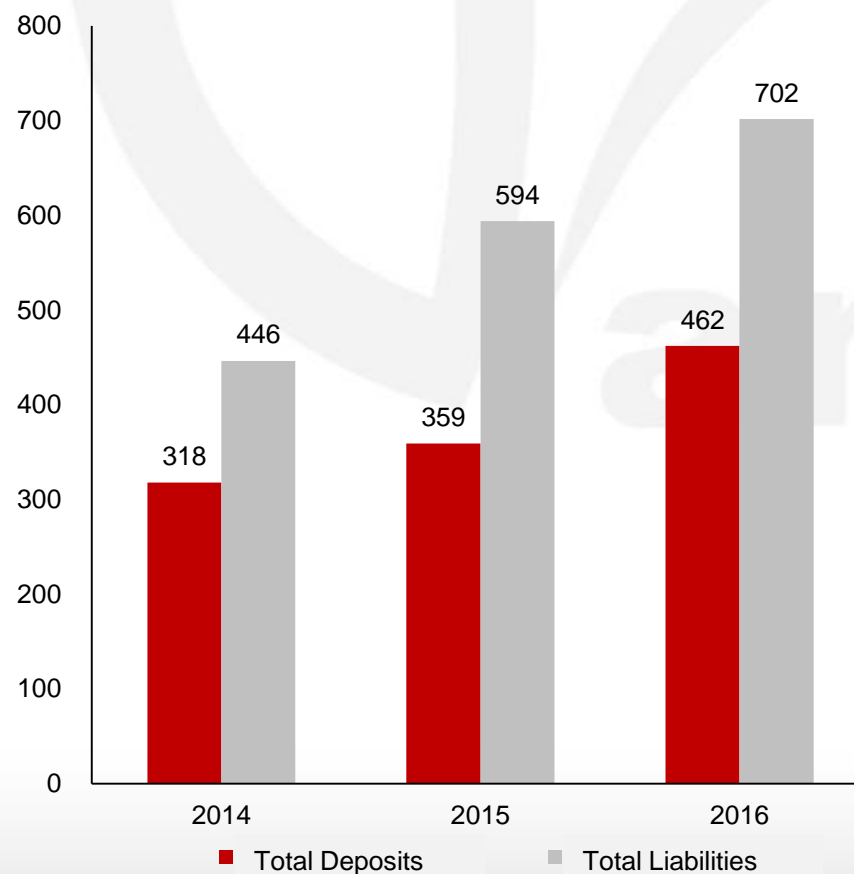
Total Assets : RMB754.8 bn
Total Loans Growth: 13.94% YOY

(RMB bn)



Total Liabilities: RMB701.6 bn
Total Deposits Growth: 28.61% YOY

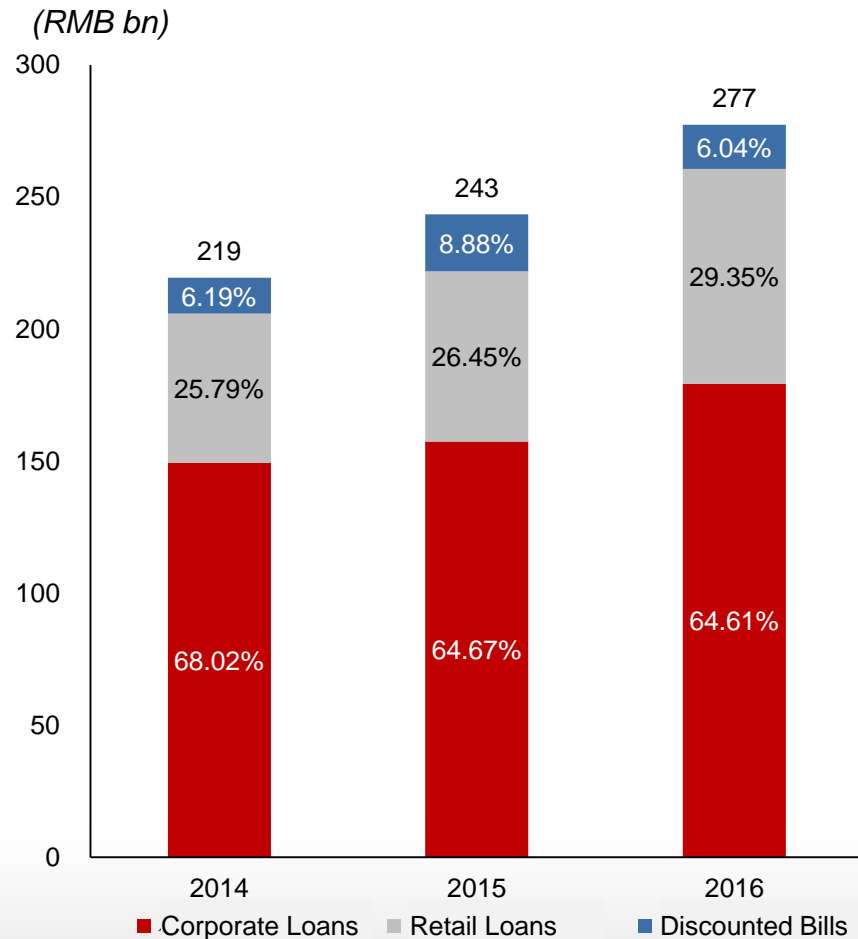
(RMB bn)



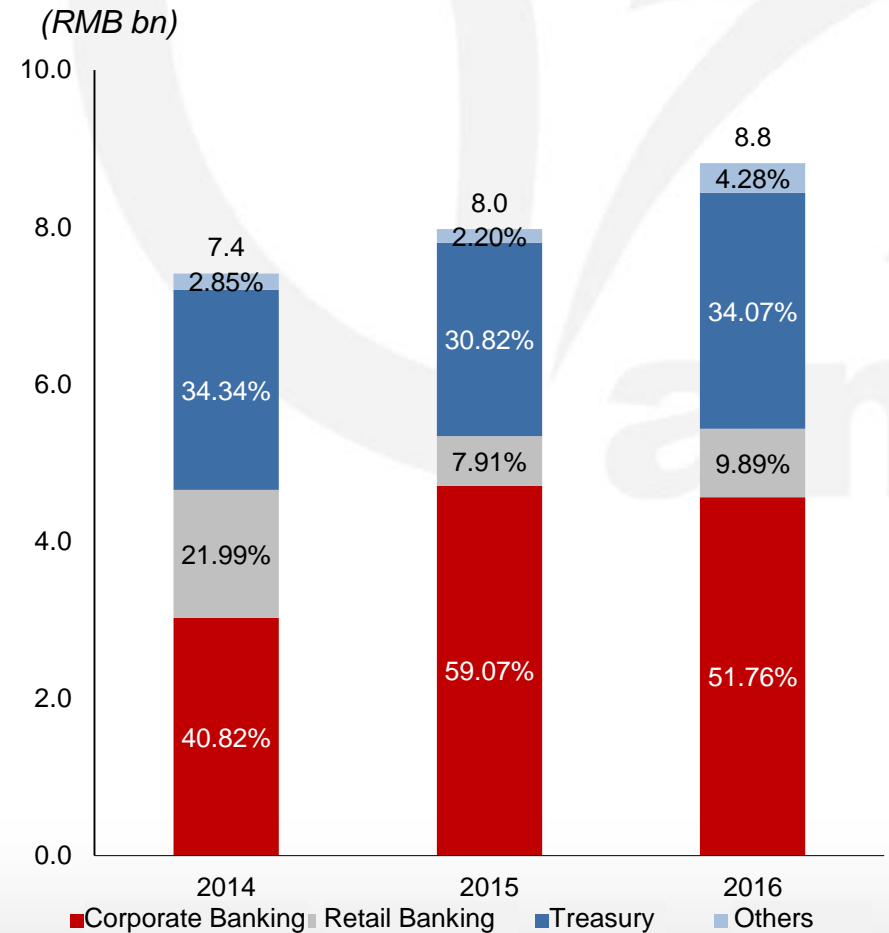
Increasingly Optimized Business Structure



Credit Structure



Profit Before Tax Mix

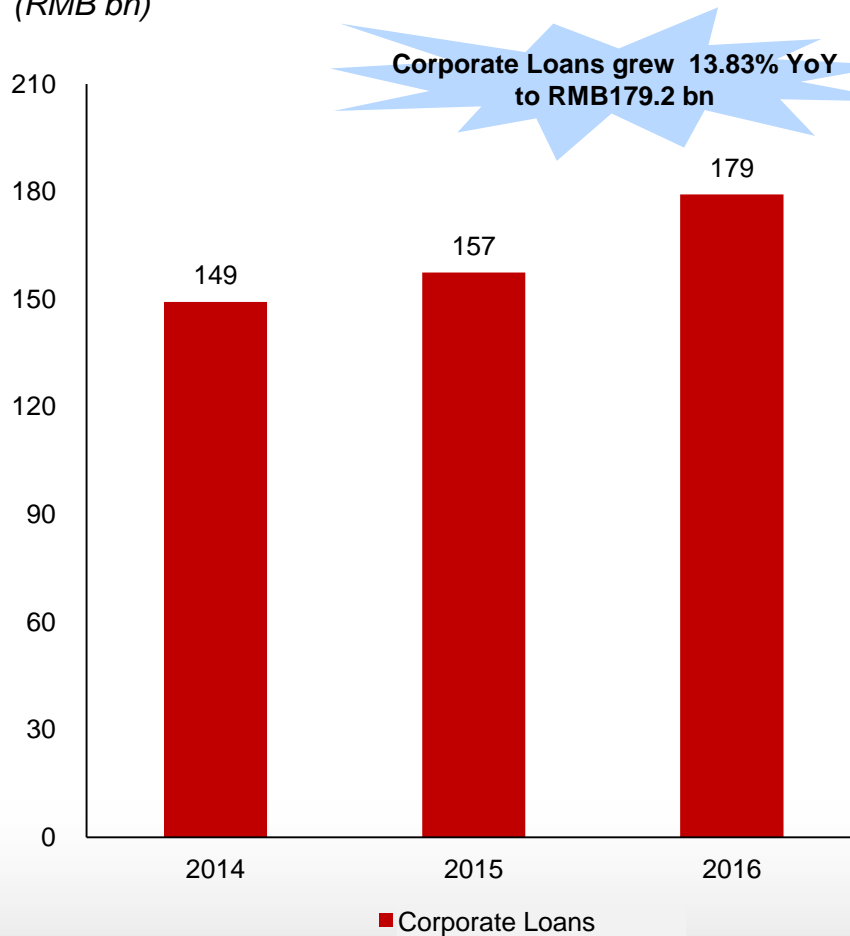


Consolidated Advantages of Corporate Banking Business



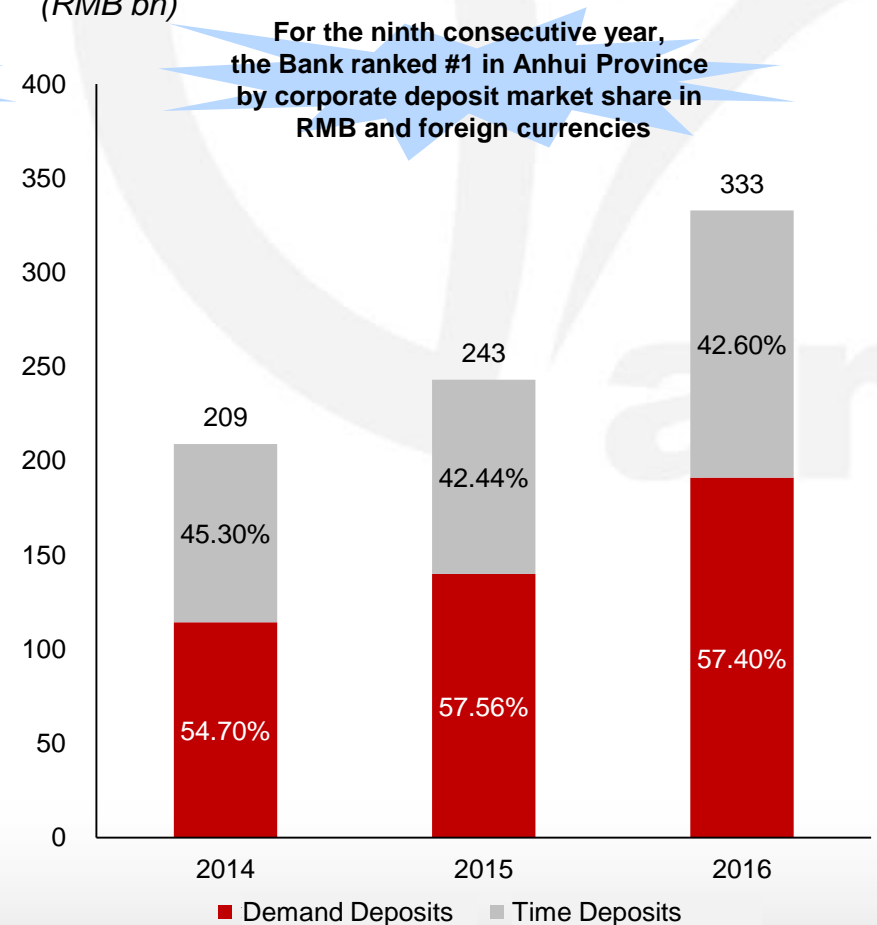
Corporate Loan Growth: 13.83% YOY

(RMB bn)



Corporate Deposit Growth: 36.89% YOY

(RMB bn)

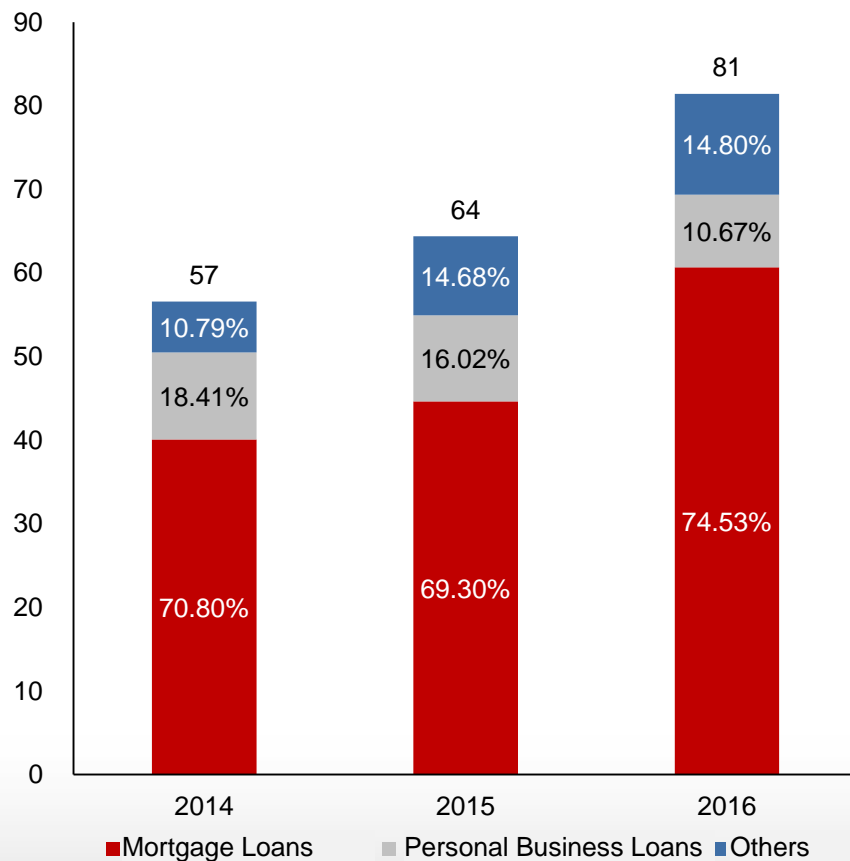


Fast Growth of Retail Banking Business



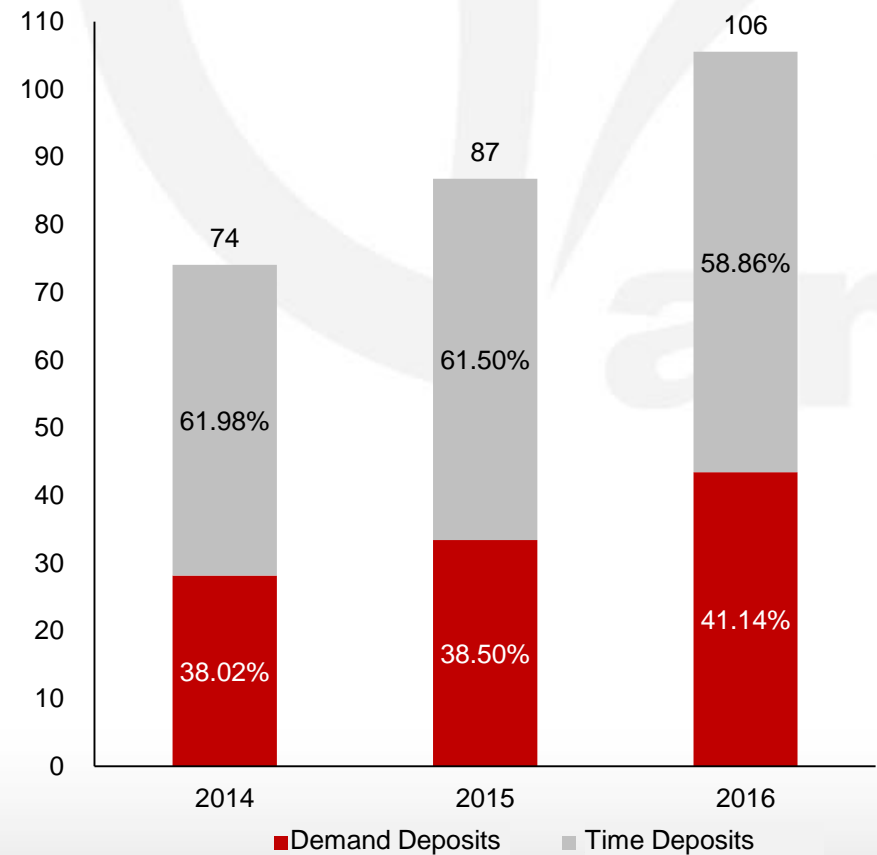
Retail Loan Growth: 26.42% YOY

(RMB bn)



Retail Deposit Growth: 21.62% YOY

(RMB bn)

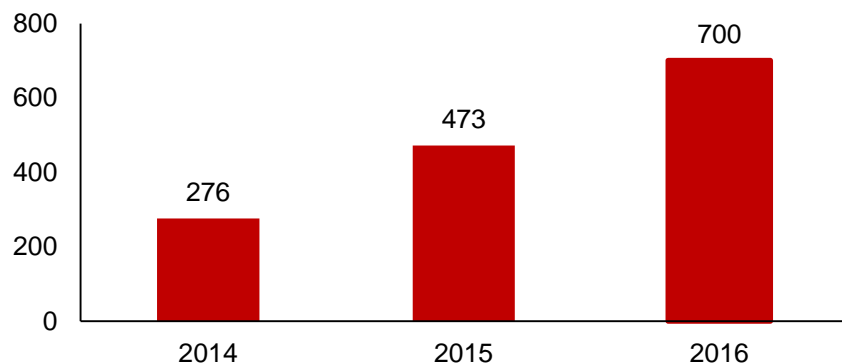


Fast Growth of Retail Banking Business (Cont'd)



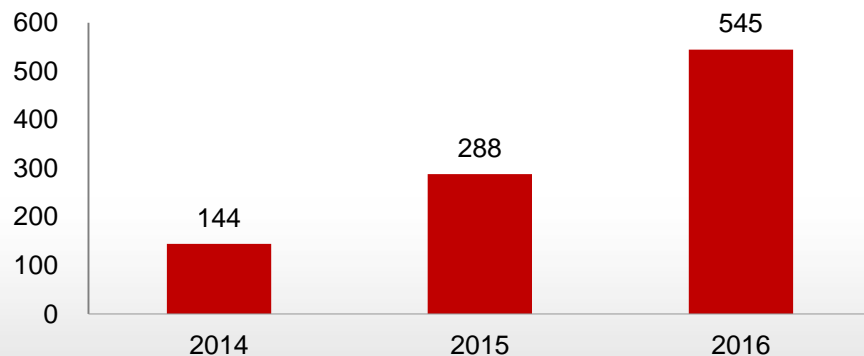
Number of Valid Credit Cards

(in thousands)



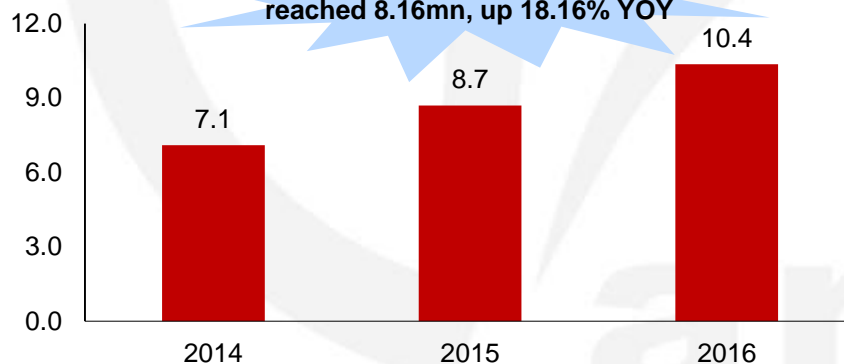
Credit Card Income

(RMB mn)



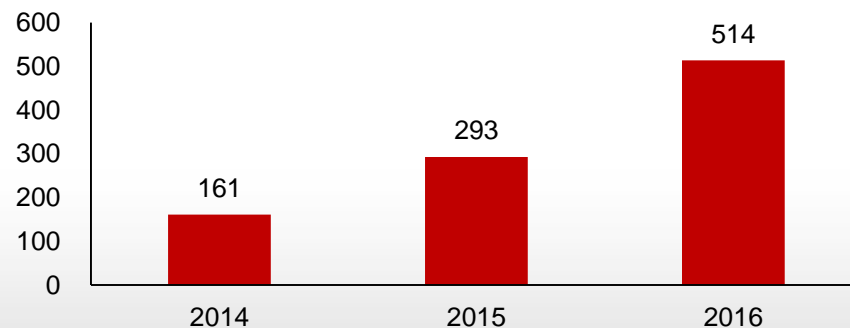
Total Number of Debit Cards Issued

(in millions)



Bank Card Fees Income

(RMB mn)



Rapid Development of Other Businesses



International Business Maintains Steady and Rapid Growth

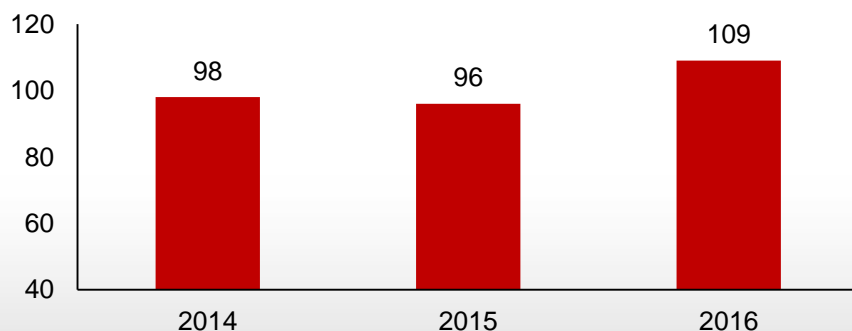
- International settlements for clients amounted to US\$6,769mn, up 8.79% YOY
- Ranked 5th by cross-border payment and settlement among the financial institutions in Anhui Province
- Customers from international business, up 24.89% YOY. With increasing expansion of its international customer group, the Bank's customer base continues to consolidate
- Accumulatively granted on-sheet international trade financing amounted to RMB5,082mn; domestic letters of credit and financing business thereunder amounted to RMB18,182mn; and the balance of financing external guarantee amounted to USD1,051mn. The scale of financing products hit a new record high

Electronic Banking Channels Further Improved

- In 2016, the trading account transactions via retail electronic channels accounted for 82.37%
- Total number of personal online banking customers amounted to 2.2mn. The number of personal online banking transactions accumulated to 197.2mn, up 51.99% YOY. The transaction amount was RMB24.7bn, up 107.10% YOY
- Total number of enterprise online banking customers amounted to 115.8 thousand with 40.9mn enterprise online banking transactions, up 16.33% YOY. The transaction amount of enterprise online banking accumulated to RMB2,056.8bn, up 27.39% YOY
- Total number of contracted mobile banking customers reached 1.3mn. The number of mobile banking transactions reached 44.8mn, up 378.02% YOY, and the transaction amount accumulated to RMB118.0bn, up 174.32% YOY

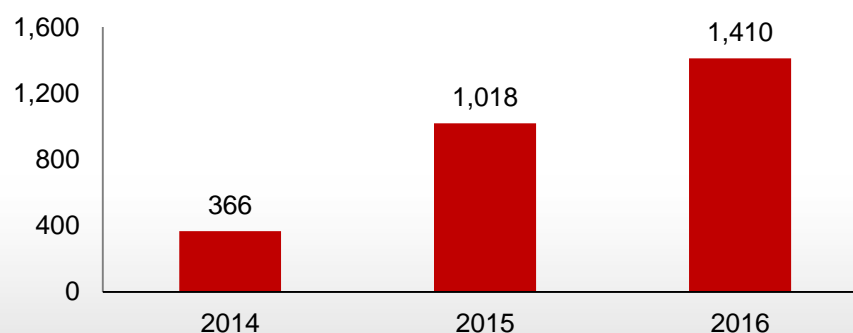
Settlement and Clearing Fees Income

(RMB mn)



Custodian and Other Fiduciary Service Commissions Income

(RMB mn)





Financial Performance



Business Performance



Risk Management

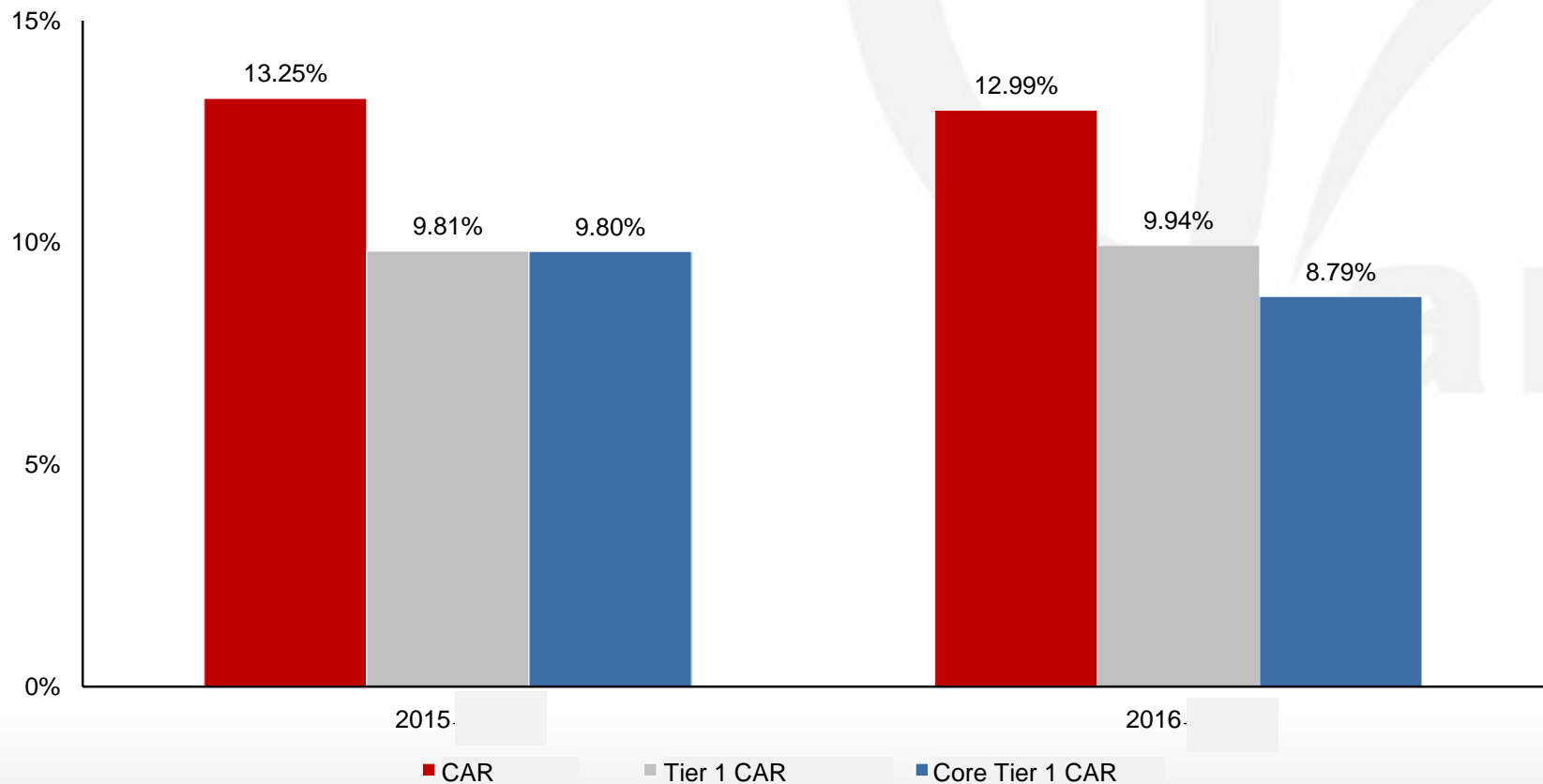


2017 Outlook

Sufficient Capital to Support Future Business Development



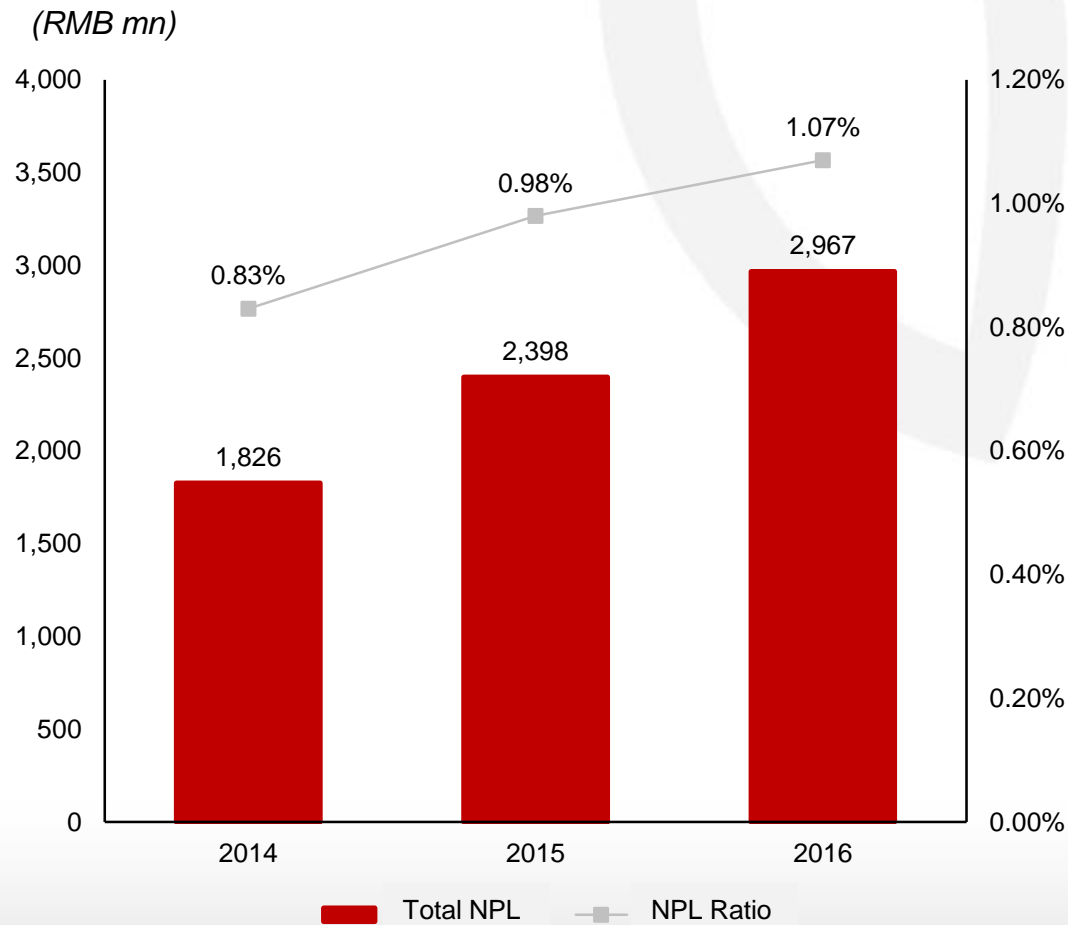
Capital Adequacy Ratios



Asset Quality Remains Stable



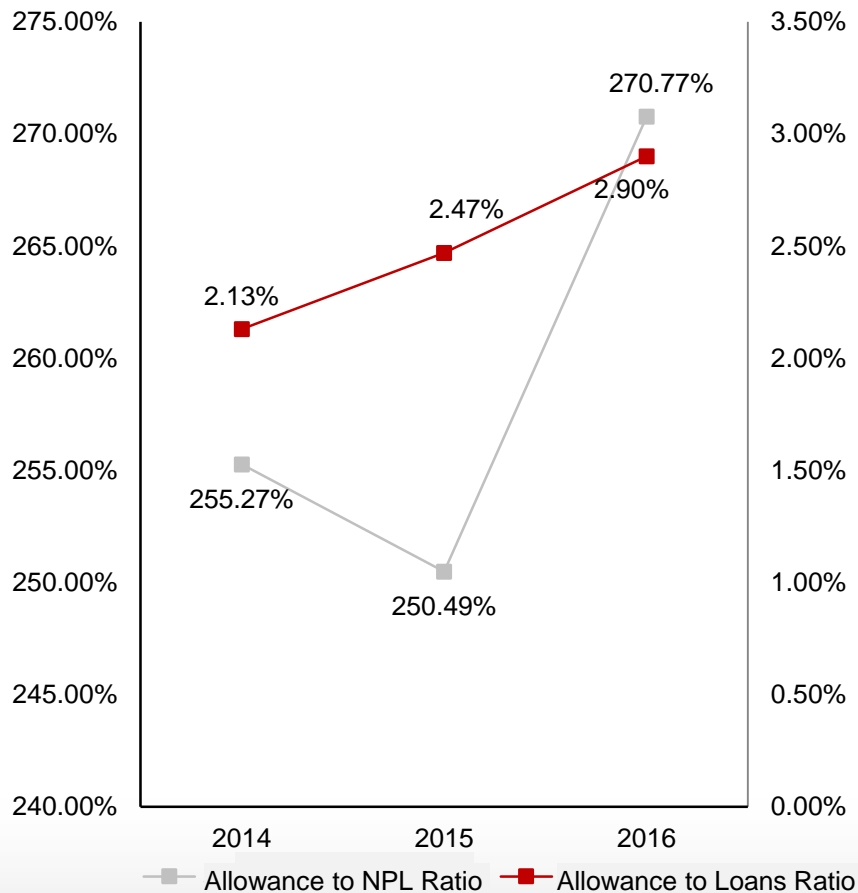
Slight Increase in NPL Ratio



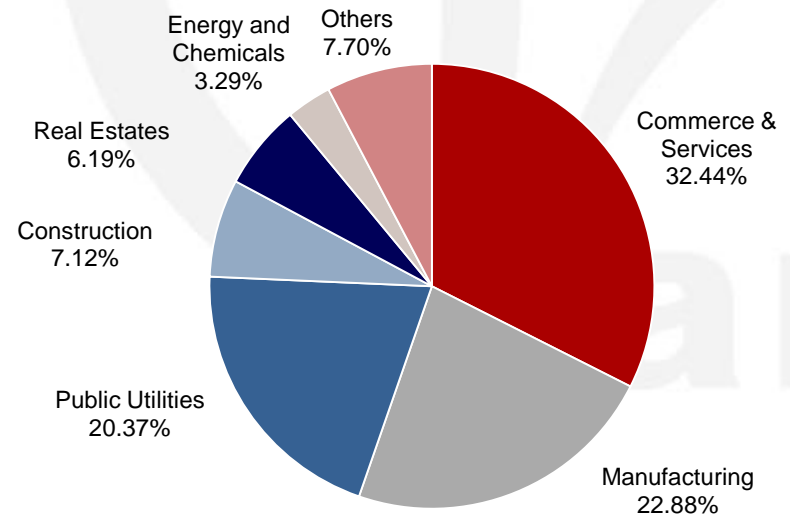
Effective Risk Management



Sufficient Allowance to NPL



Strict Control over Industry Exposure⁽¹⁾



(1) Distribution of corporate loans by industry; others include financial services, transportation, education and media, catering and travelling, etc. (excluding discounted bills)

Highlights of 2016



Serving the real economy made new achievements



Reform and innovation motivated new momentum



Transformation and upgrade opened up new prospects



Comprehensive strength reached a new stage



Financial Performance



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Risk Management



2017 Outlook

The year 2017 is a significant year for the implementation of the "Five-Year Strategic Development Plan" of Huishang Bank



Vigorously cultivating comprehensive finance to enhance core competitiveness



Actively developing inclusive finance to fully expand customer base



Accelerating the progress of intelligent finance to seize the commanding heights



Adhering to safe finance philosophy to promote sustainable development



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Summary Financials(cont'd)



RMB in billions	31 Dec. 2016	31 Dec. 2015		Change
Total assets	755	636	↑	18.65%
Total loans and advances	277	243	↑	13.94%
Total liabilities	702	594	↑	18.16%
Total deposits	462	359	↑	28.61%
Equity attributable to shareholders of the Bank	52	41	↑	26.03%
Core Tier 1 capital adequacy ratio ⁽¹⁾	8.79%	9.80%	↓	1.01pp
Capital adequacy ratio	12.99%	13.25%	↓	0.26pp
NPL ratio	1.07%	0.98%	↑	0.09pp
Allowance to NPL ratio	270.77%	250.49%	↑	20.28pp
Allowance to loans ratio	2.90%	2.47%	↑	0.43pp

(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)

Summary Financials (cont'd)



RMB in millions	2016	2015		Change
Net interest income	18,340	14,843	↑	23.56%
Net fee and commission income	2,491	1,771	↑	40.65%
Net operating income	20,918	16,977	↑	23.21%
Profit before tax	8,813	7,973	↑	10.54%
Net profit	6,996	6,212	↑	12.62%
Earnings per share attributable to shareholders of the Bank (RMB)	0.62	0.56	↑	10.71%
Net interest margin (NIM)	2.59%	2.71%	↓	0.12pp
Cost-to-income ratio ⁽¹⁾	27.55%	32.02%	↓	4.47pp
Return on average assets(ROAA)	1.01%	1.11%	↓	0.10pp
Return on average equity(ROAE)	15.63%	15.75%	↓	0.12pp

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



Thank You

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