



徽商银行

HUI SHANG BANK

2016 Interim Results Announcement

Hong Kong

31 August 2016



Disclaimer



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Notes: Increase/decrease and percentage figures are derived based financials rounded to RMB millions



Financial Performance



Business Development



Risk Management



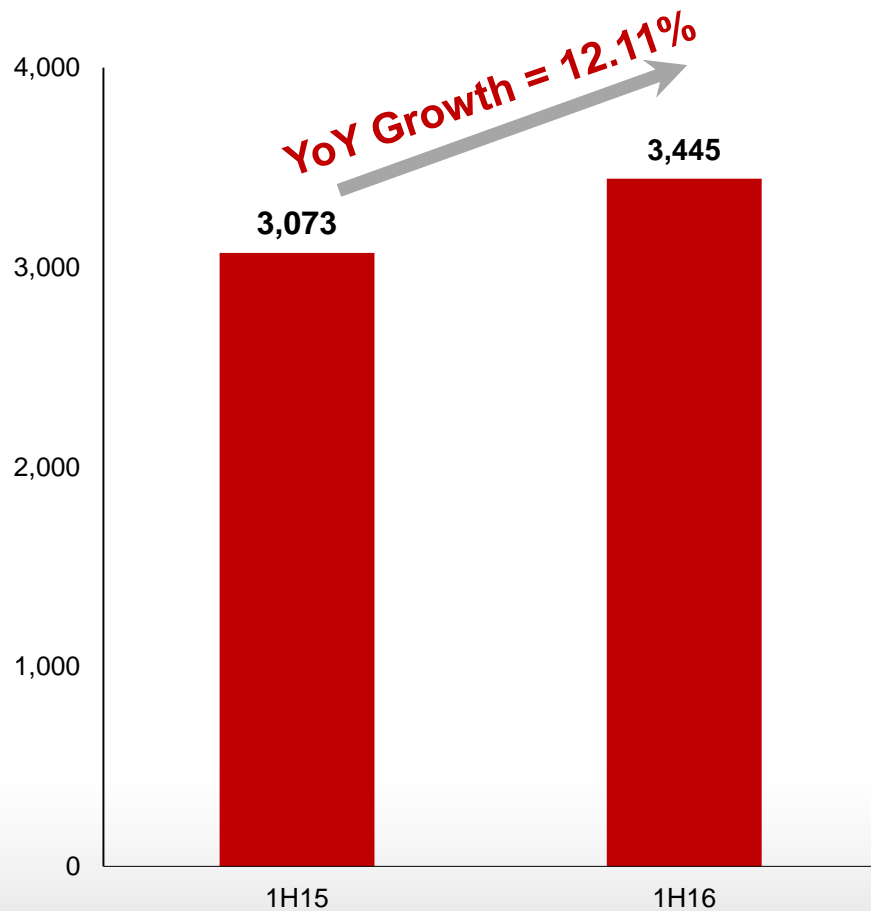
2H16 Outlook

Stable Profitability with Steady Growth in Net Profit

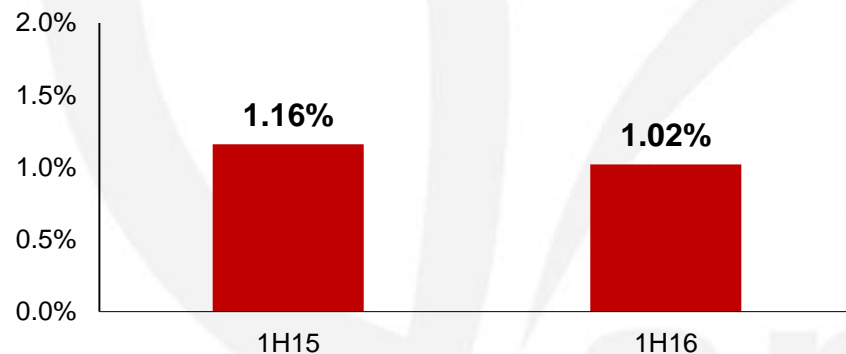


Net Profit

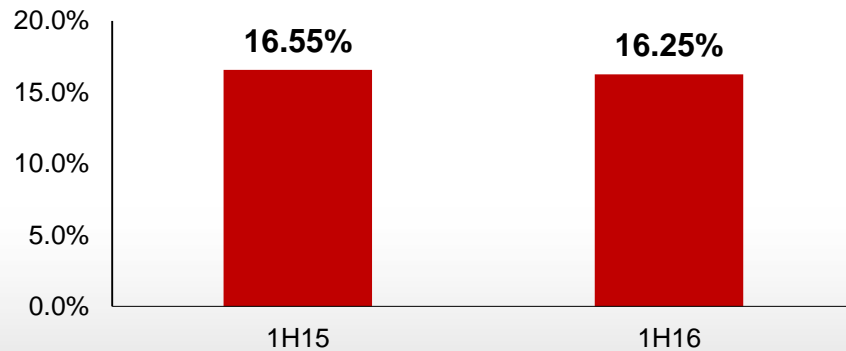
(RMB mn)



Return on Average Assets (ROAA)



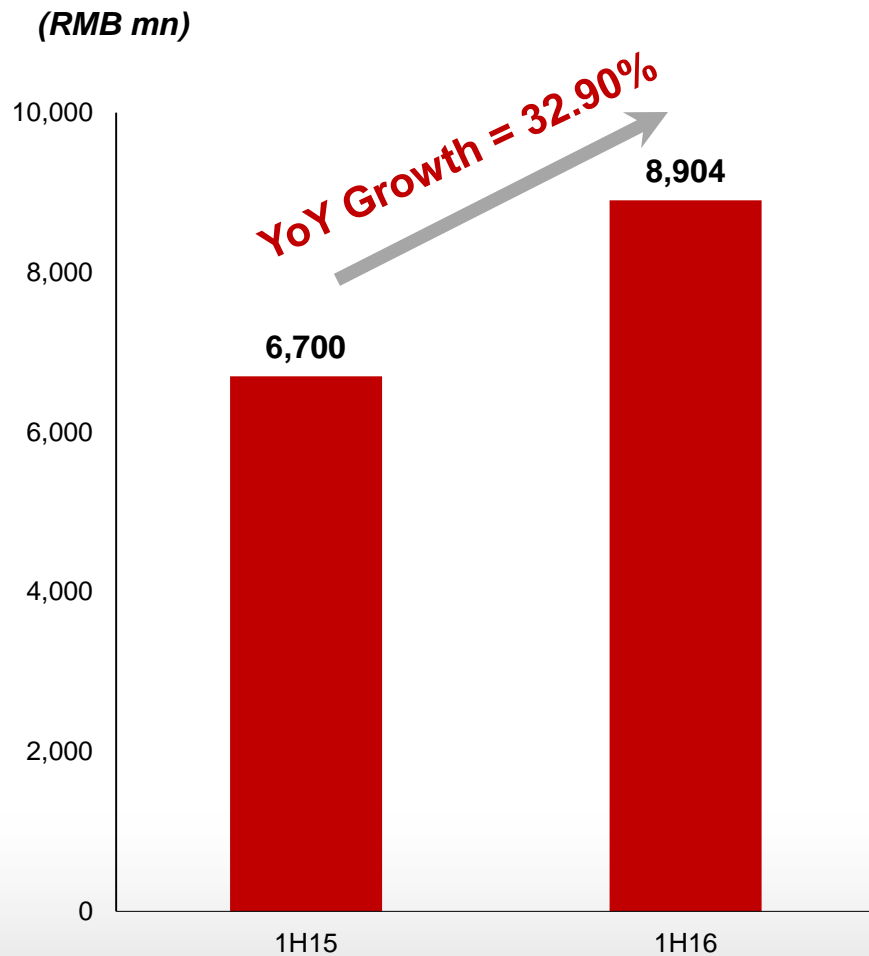
Return on Average Equity (ROAE)



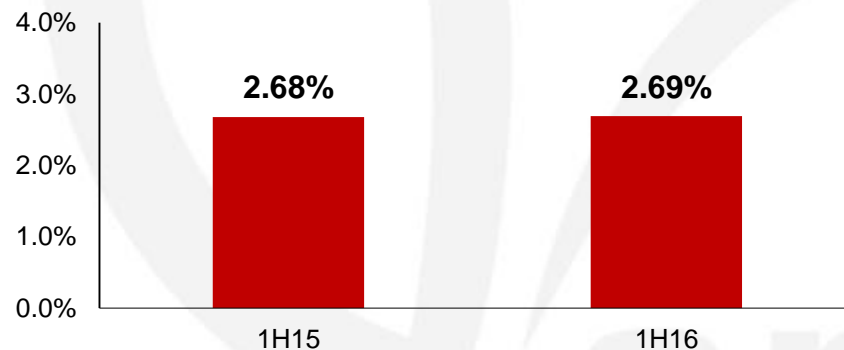
Steady Increase in Net Interest Income



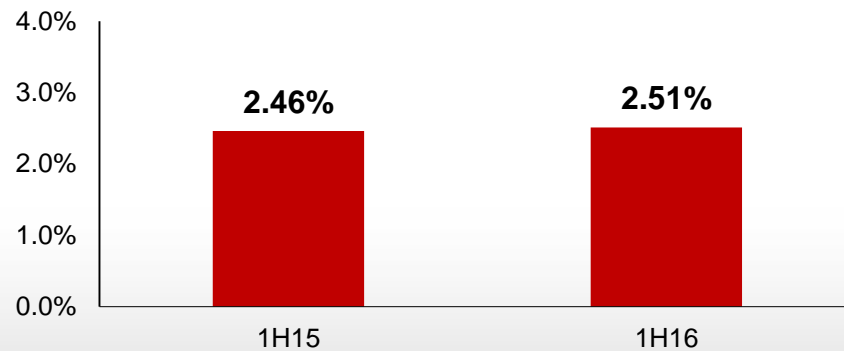
Net Interest Income



Net Interest Margin (NIM)



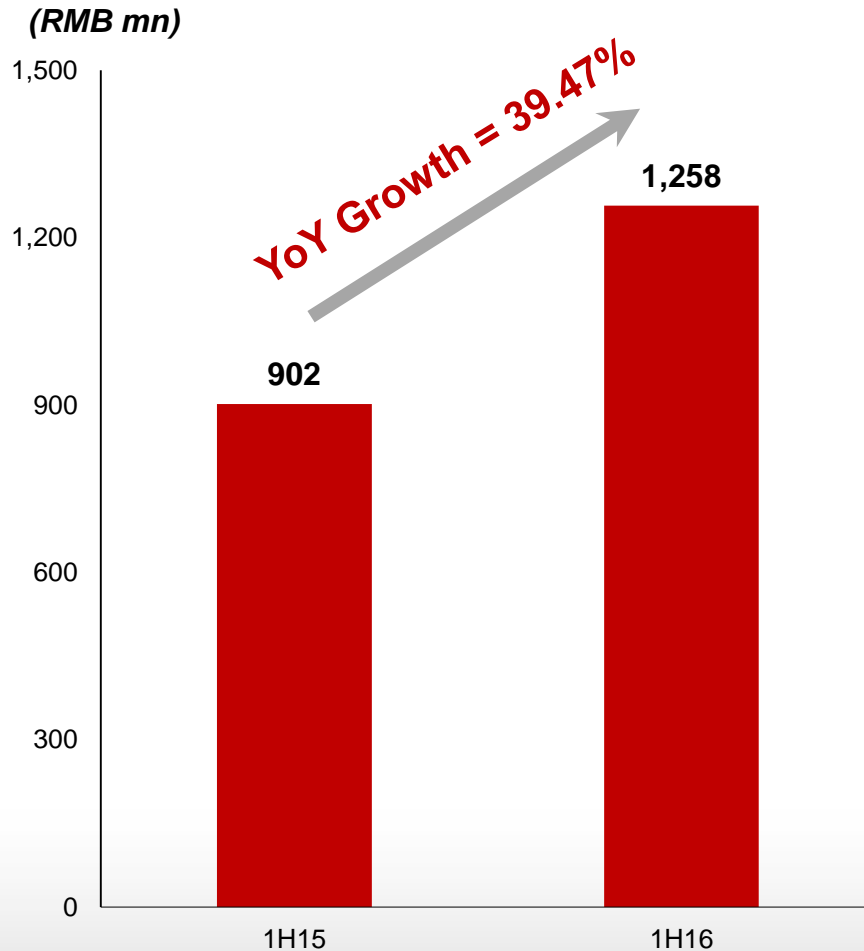
Net Interest Spread (NIS)



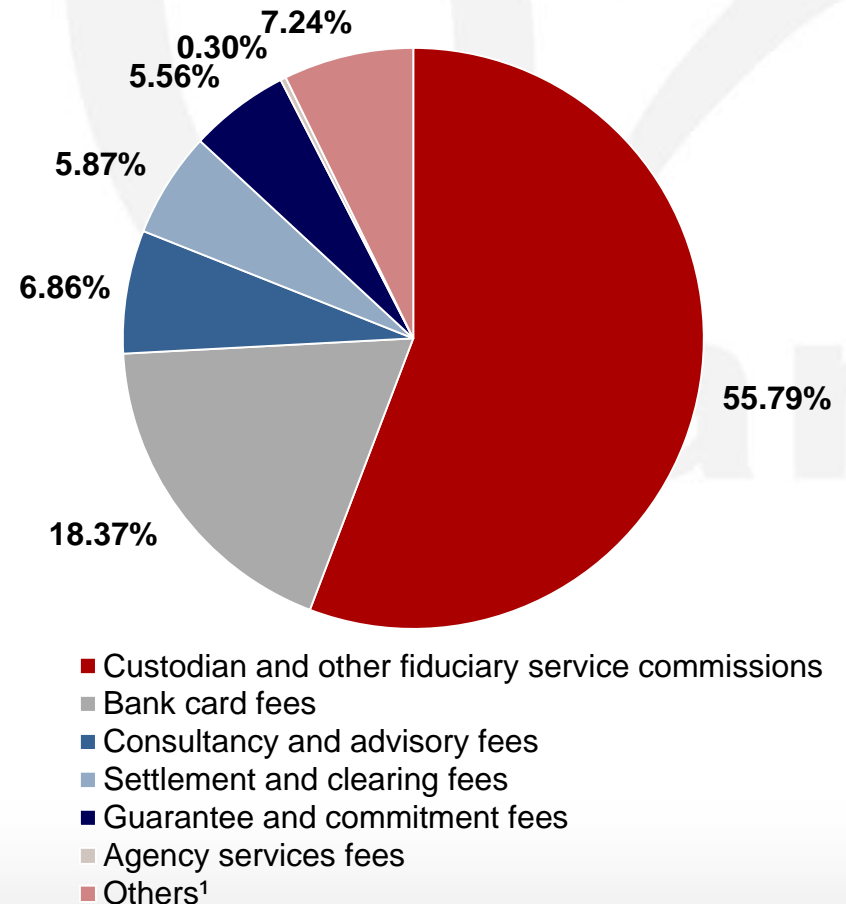
Robust Growth in Net Fee and Commission Income



Net Fee and Commission Income



Principal Components of Net Fee and Commission Income

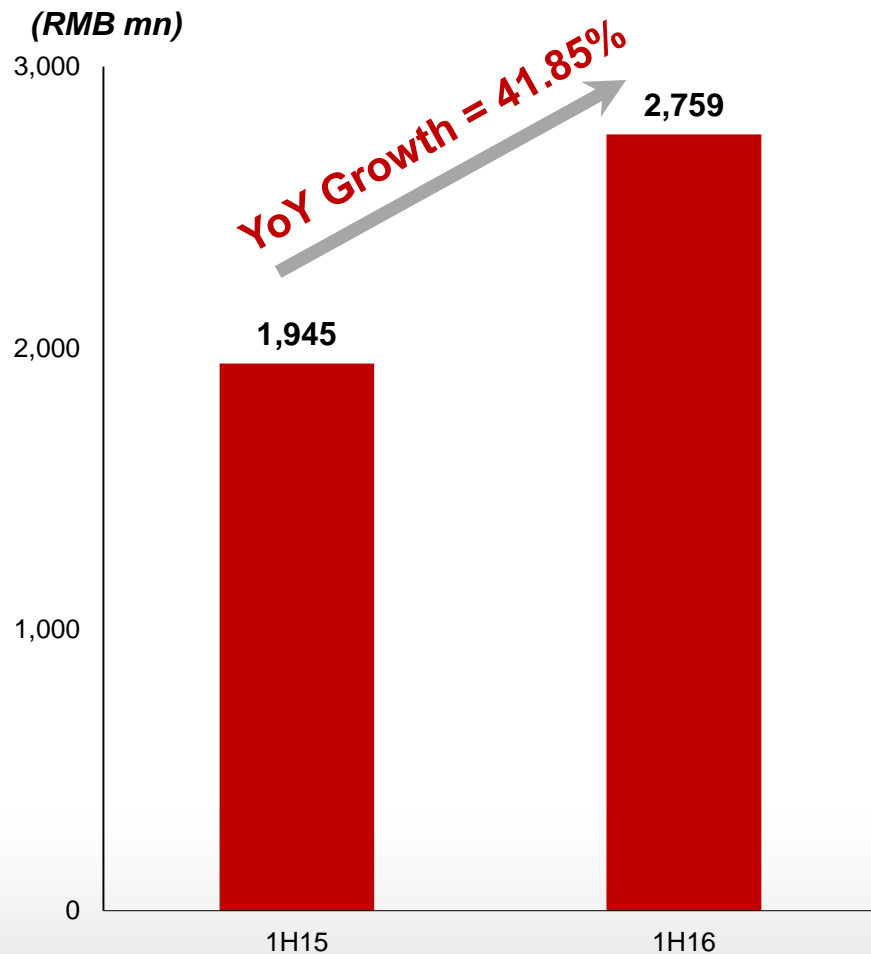


(1) Mainly includes syndicated loan fees, domestic factoring fees and arrangement fees for international trade financing

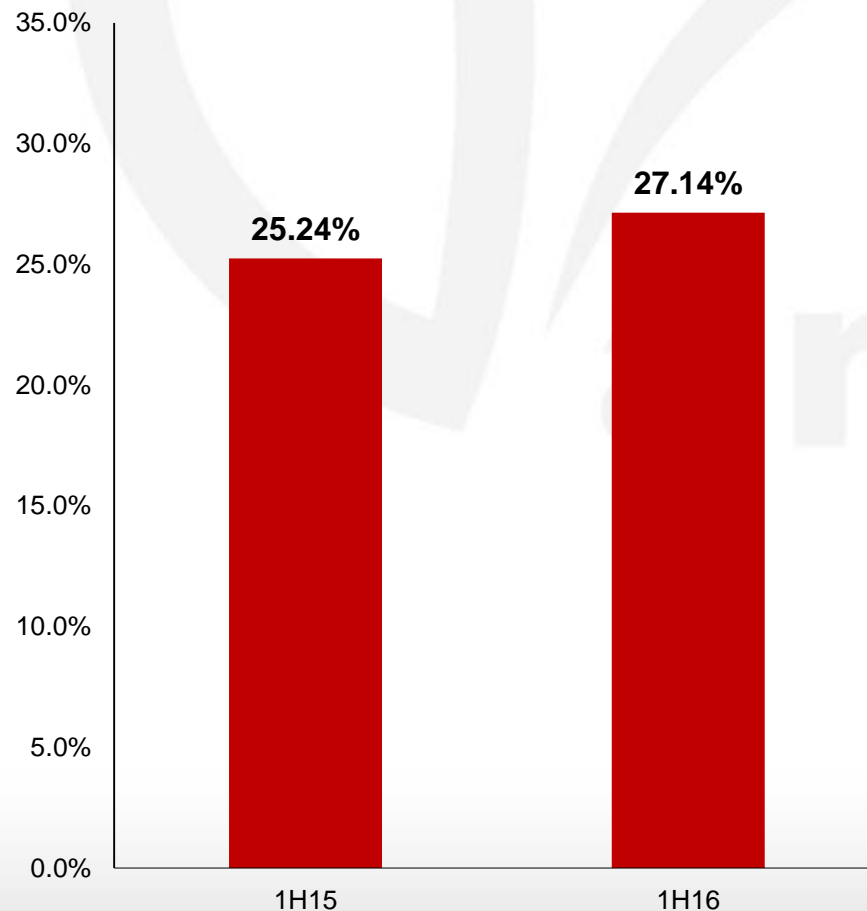
Continued Leading Cost-efficiency among Peers



Operating Expenses Increased due to Business Expansion



Cost-to-income Ratio Continually Stayed Low





Financial Performance



Business Development



Risk Management



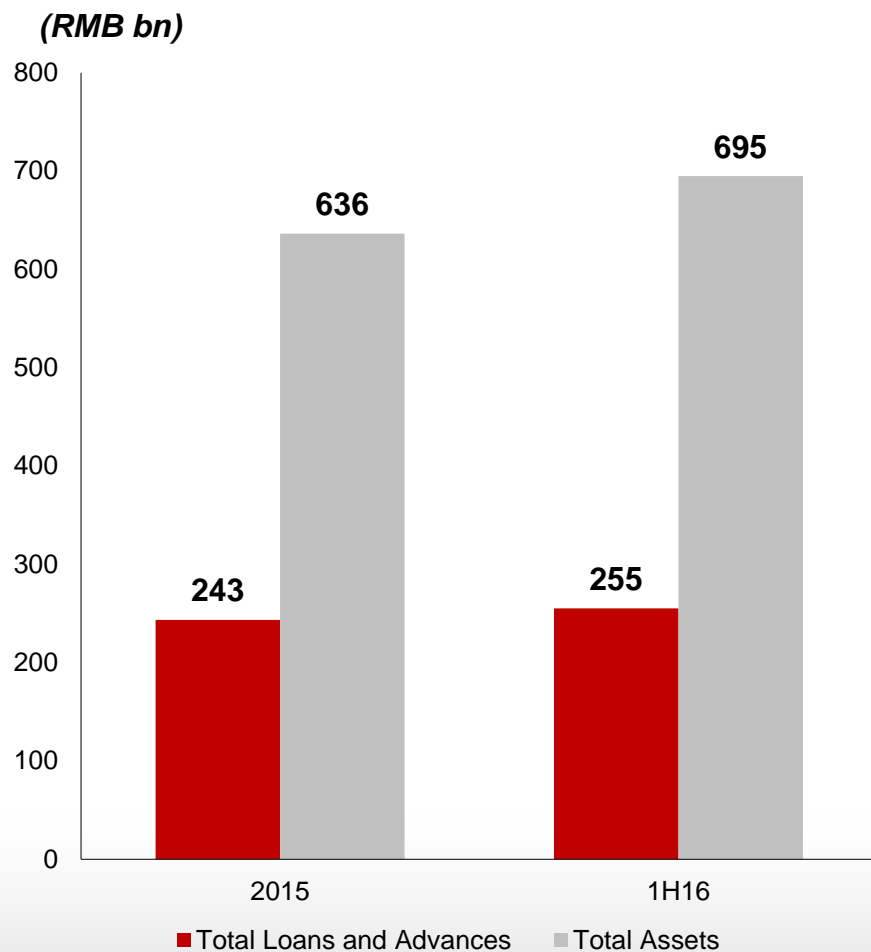
2H16 Outlook

Steady Expansion of Business Scale



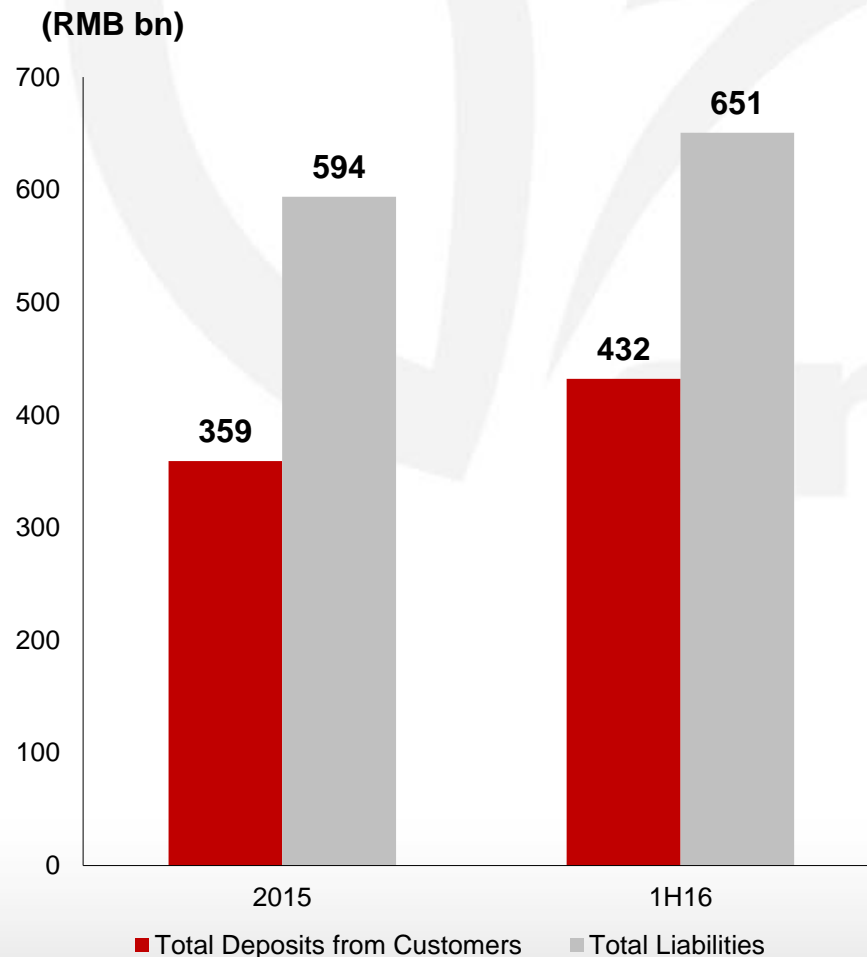
Total Assets: RMB694.7 bn

Total Loans Growth: 4.84% from end-2015



Total Liabilities: RMB650.7 bn

Total Deposits Growth: 20.28% from end-2015



Steady Growth of Corporate Banking Business

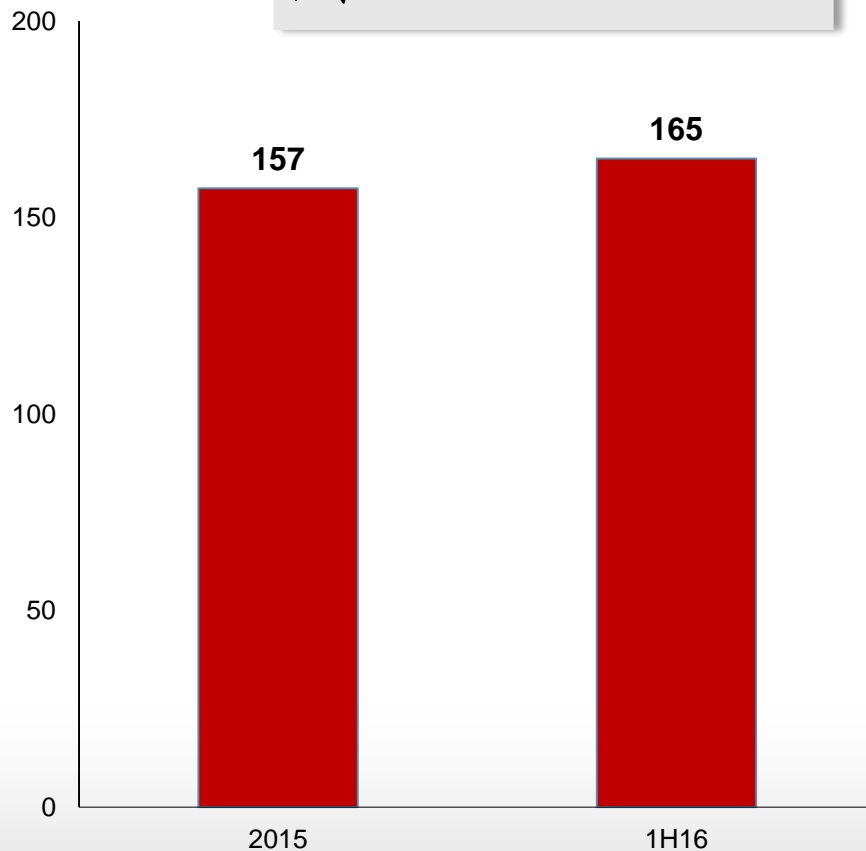


Corporate Loan Growth: 4.83% from end-2015

(RMB bn)



Corporate Loans grew 4.83% to RMB 165.0 bn

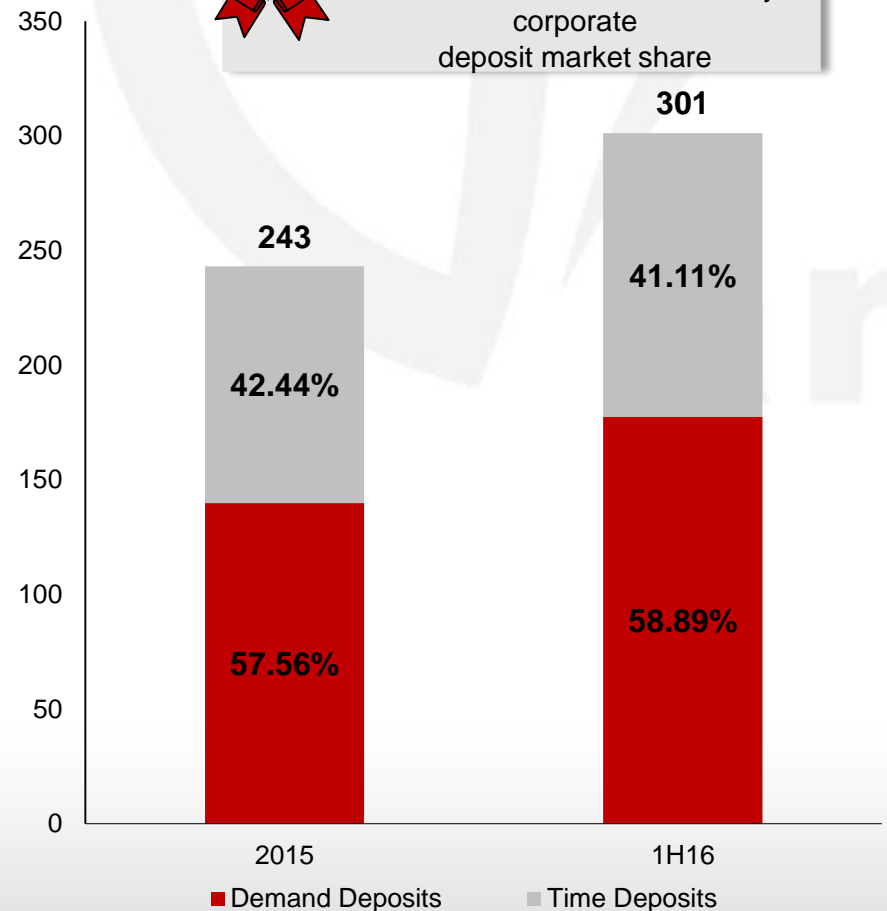


Corporate Deposit Growth: 23.90% from end-2015

(RMB bn)



For eight consecutive years, the Bank ranked #1 in Anhui Province by corporate deposit market share

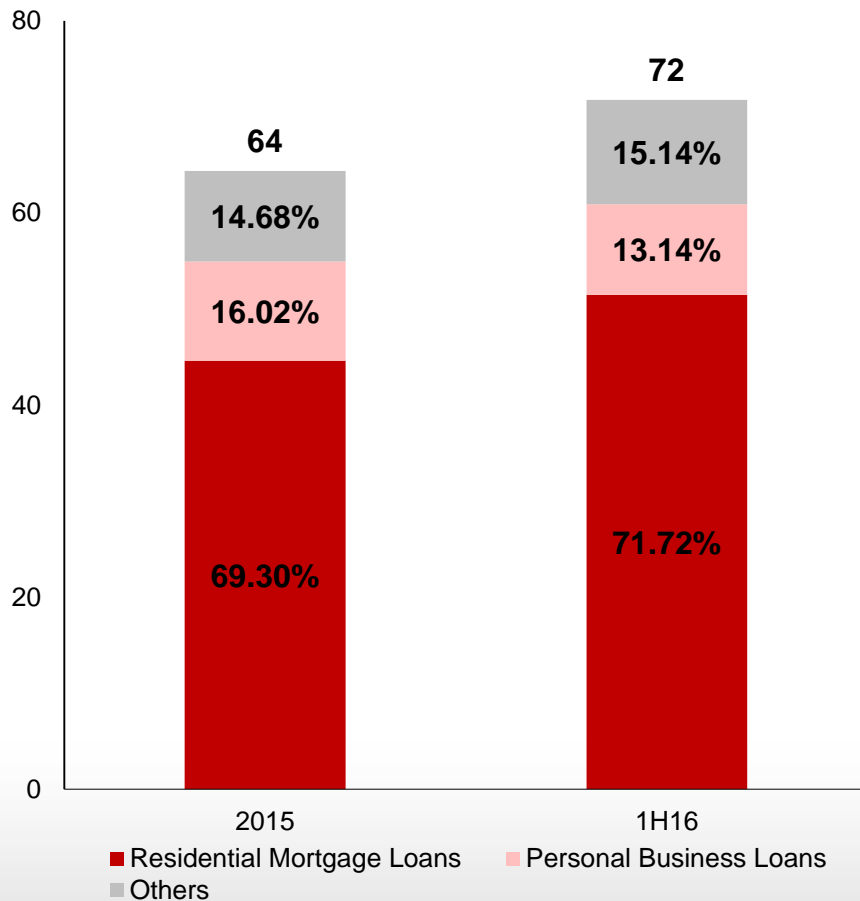


Fast Growth of Retail Banking Business



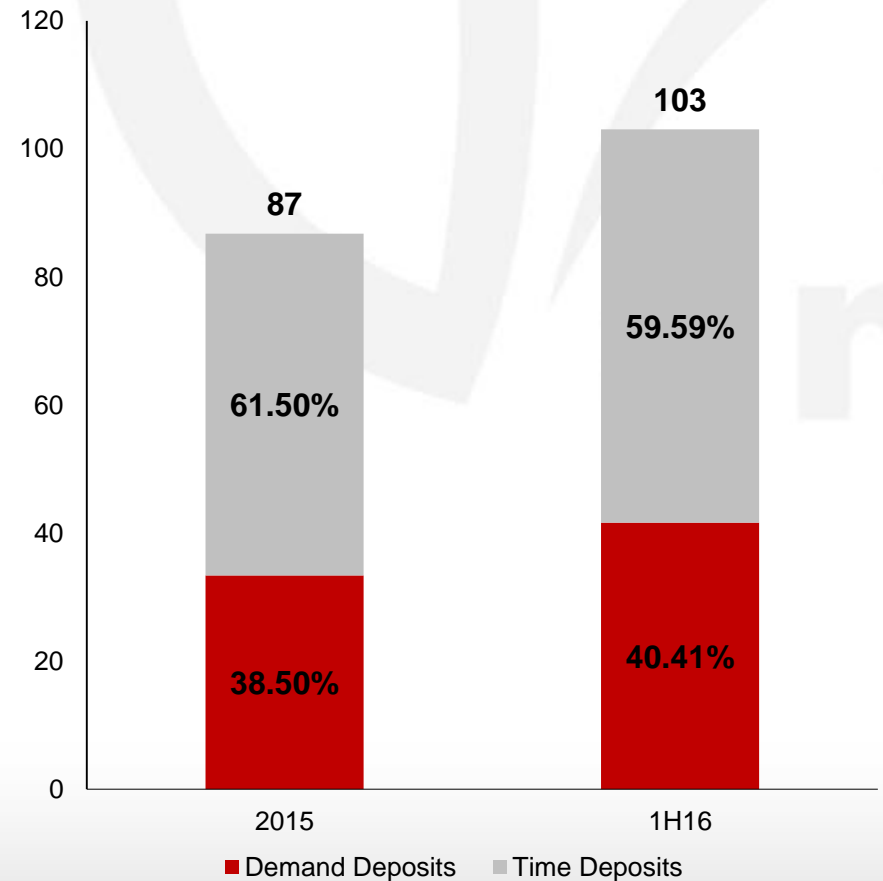
Retail Loan Growth: 11.45% from end-2015

(RMB bn)



Retail Deposit Growth: 18.81% from end-2015

(RMB bn)

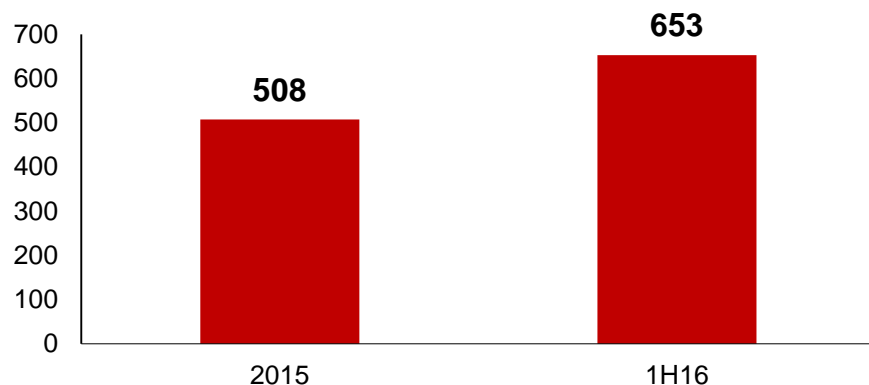


Fast Growth of Retail Banking Business (Cont'd)



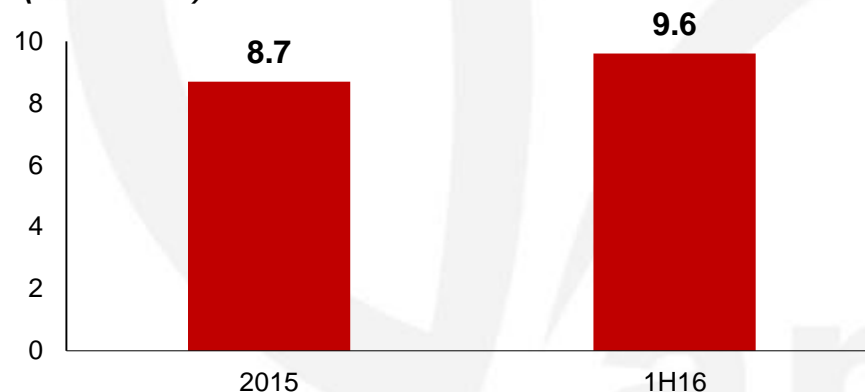
Total Number of Credit Cards Issued

(in thousands)



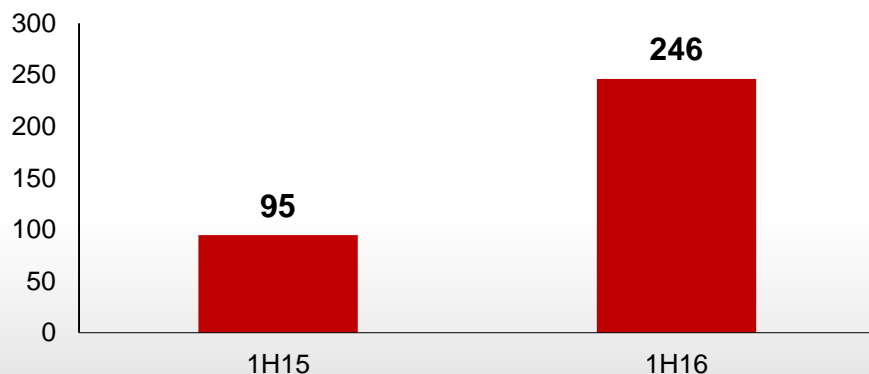
Total Number of Debit Cards Issued

(in millions)



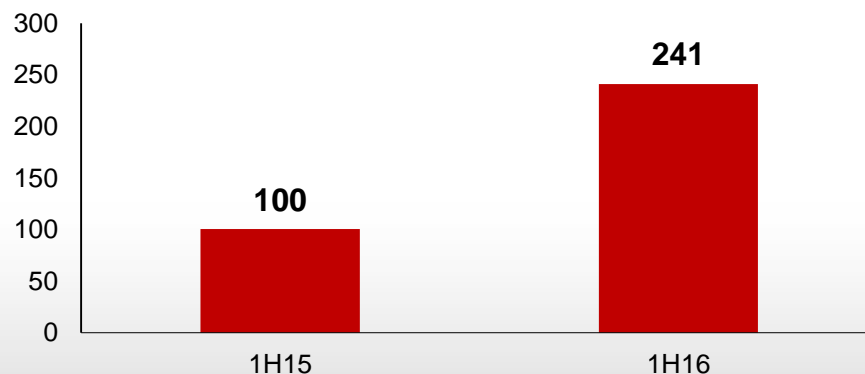
Credit Card Income

(RMB mn)



Bank Card Fees

(RMB mn)



Rapid Development of Other Businesses



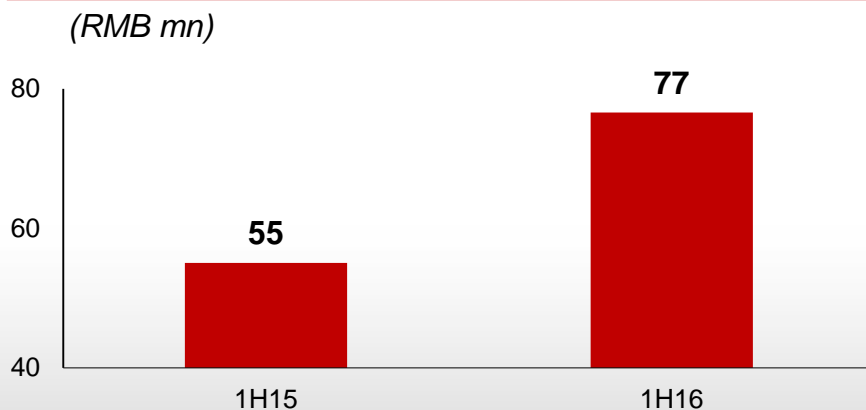
International Business Maintains Steady and Rapid Growth

- International settlements for clients amounted to US\$3.74bn in 1h16, up 40.91% YoY, accounting for 12.71% market share in Anhui province
- Among the financial institutions within the province, the Bank ranked 5th in both foreign exchange settlement and cross-border payment and settlement markets
- The Bank had 3,122 customers from international business, up 17.28% YoY
- At the end of June 2016, the Bank has established agency banking relationship with 725 banks in more than 80 countries and regions across six continents, of which 235 banks are located along “One Belt, One Road” countries or regions

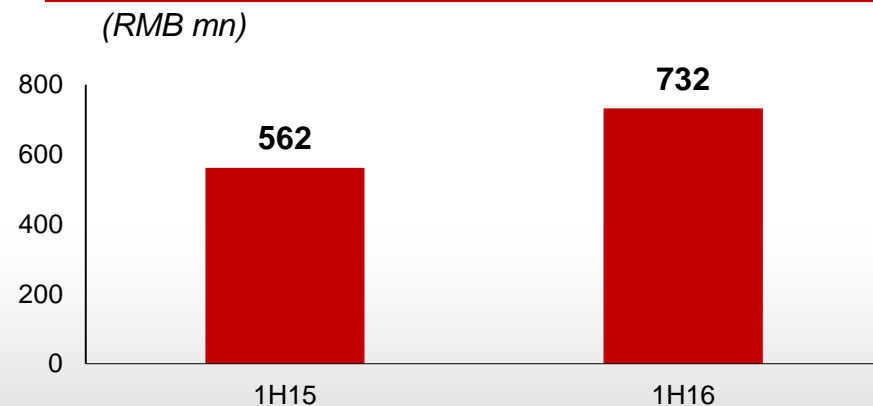
Electronic Banking Channels Further Improved

- In 1H16, the trading account transactions via retail electronic channels accounted for 84.98%, representing an increase of 3.83 ppt over the last year
- The total number of personal online banking customers amounted to 1.87 mn. The trading account transactions via personal online banking accounted for 46.42%, up 0.81 ppt over the last year. The number of personal online banking transactions accumulated to 93.53 mn, up 68.97% YoY
- The Bank recorded 18.62 mn transactions of enterprise online banking, up 14.35% YoY, with the amount of transactions accumulated to RMB1,013.26 bn, up 37.95% YoY
- The total number of mobile banking customers reached 942.3 thousand. The number of transactions reached 14.41 mn, and total transaction amount accumulated to RMB46.93 bn

Settlement and Clearing Fees



Custodian and Other Fiduciary Service Commissions





Financial Performance



Business Development



Risk Management

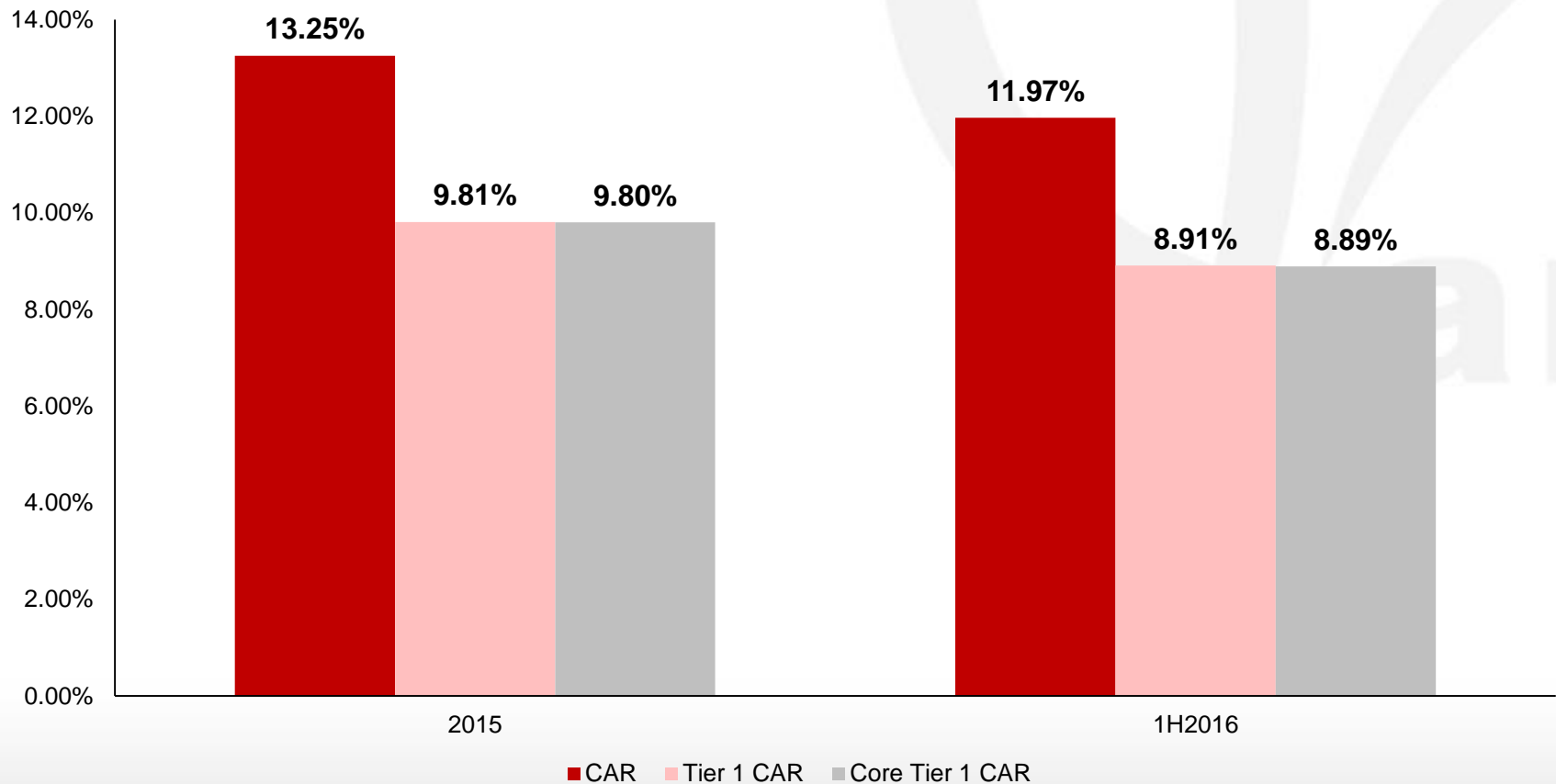


2H16 Outlook

Sufficient Capital to Support Business Development



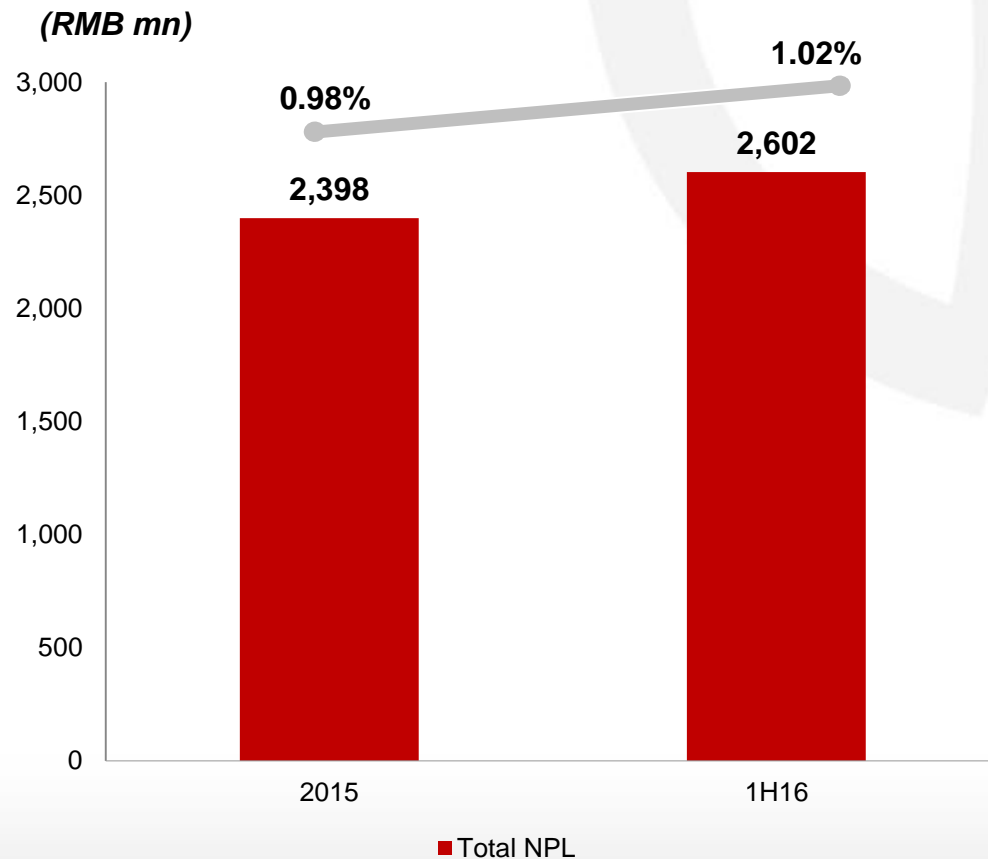
Capital Adequacy Ratios



Asset Quality Remains Stable



Moderate Increase in NPL Ratio





Financial Performance



Business Development



Risk Management



2H16 Outlook

2H2016 Outlook – Opportunities and Challenges



In 2H16, the traditional banking industry will be posed with challenges, while good opportunities for Huishang Bank's steady development will also emerge



Achieve healthy growth in retail and wholesale businesses



Innovation of differential financial products for the purpose of creating new profit growth points



Expansion of integrated operations



Maintenance of asset quality

Q&A

Summary Financials



RMB in billions	30 Jun. 2016	31 Dec. 2015		Change
Total assets	695	636	↑	9.20%
Total loans and advances	255	243	↑	4.84%
Total liabilities	651	594	↑	9.59%
Total deposits from customers	432	359	↑	20.28%
Equity attributable to shareholders of the bank	43	41	↑	3.85%
Core Tier 1 capital adequacy ratio ⁽¹⁾	8.89%	9.80%	↓	0.91ppt
Capital adequacy ratio ⁽¹⁾	11.97%	13.25%	↓	1.28ppt
NPL ratio	1.02%	0.98%	↑	0.04ppt
Allowance to NPL ratio	267.50%	250.49%	↑	17.01ppt
Allowance to loans ratio	2.73%	2.47%	↑	0.26ppt

(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) 20

Summary Financials (cont'd)



RMB in millions	1H16	1H15		Change
Net interest income	8,904	6,700	↑	32.90%
Net fee and commission income	1,258	902	↑	39.47%
Net operating income	10,167	7,707	↑	31.92%
Profit before income tax	4,363	4,005	↑	8.94%
Net profit	3,445	3,073	↑	12.11%
Earnings per share (RMB Yuan)	0.31	0.28	↑	10.71%
Net interest margin (NIM)	2.69%	2.68%	↑	0.01ppt
Cost-to-income ratio ⁽¹⁾	27.14%	25.24%	↑	1.90ppt
Return on average assets (ROAA)	1.02%	1.16%	↓	0.14ppt
Return on average equity (ROAE)	16.25%	16.55%	↓	0.30ppt

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

Thank You