



徽商银行

HUI SHANG BANK

2014 Annual Results Announcement

Hong Kong

27 March 2015



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Financial Performance



Business Development



Risk Management

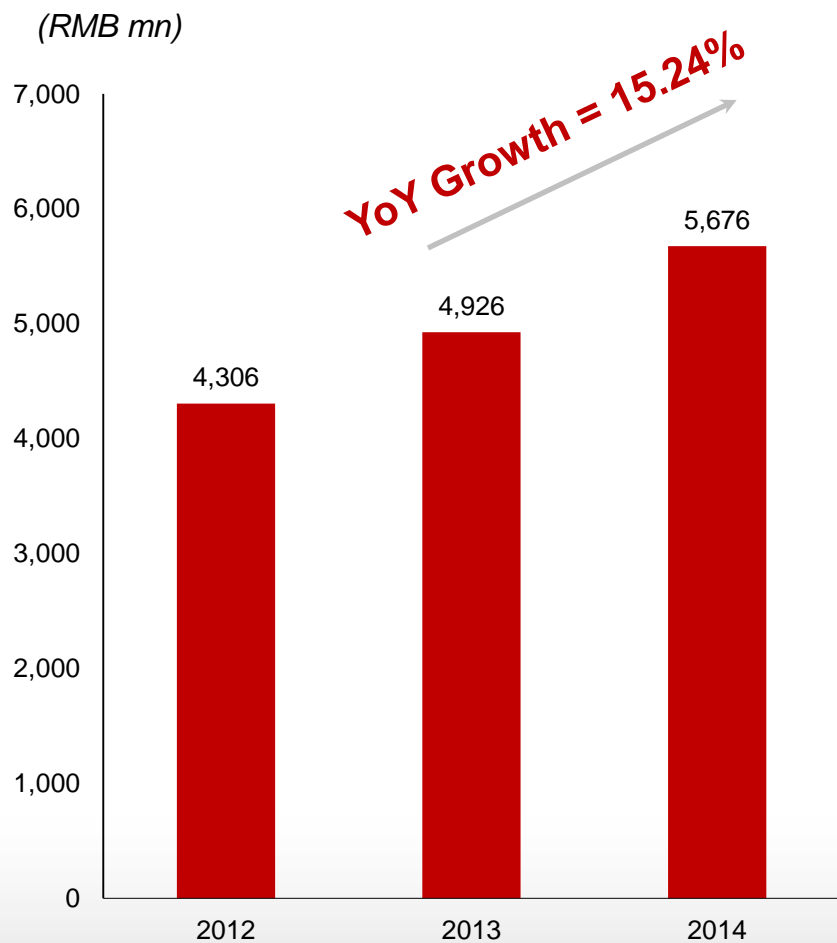


2015 Outlook

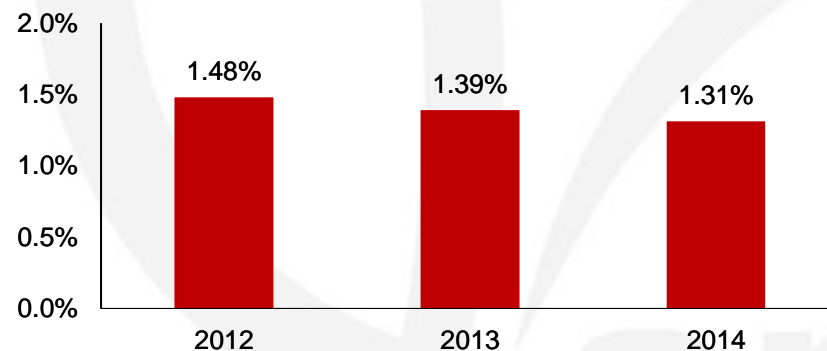
Stable Profitability with Strong Growth in Net Profit



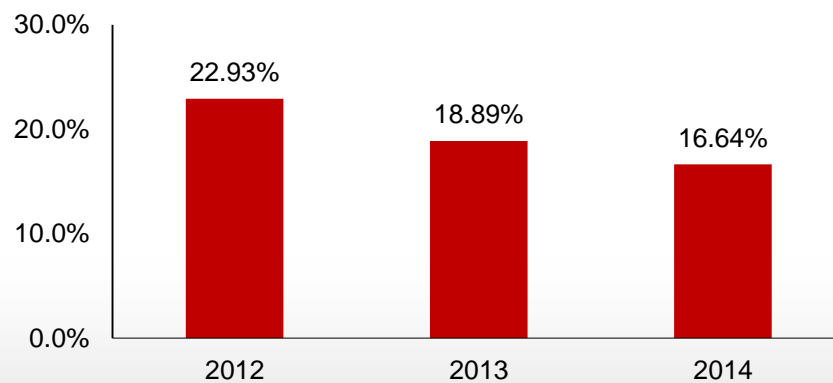
Net Profit



Return on Average Assets



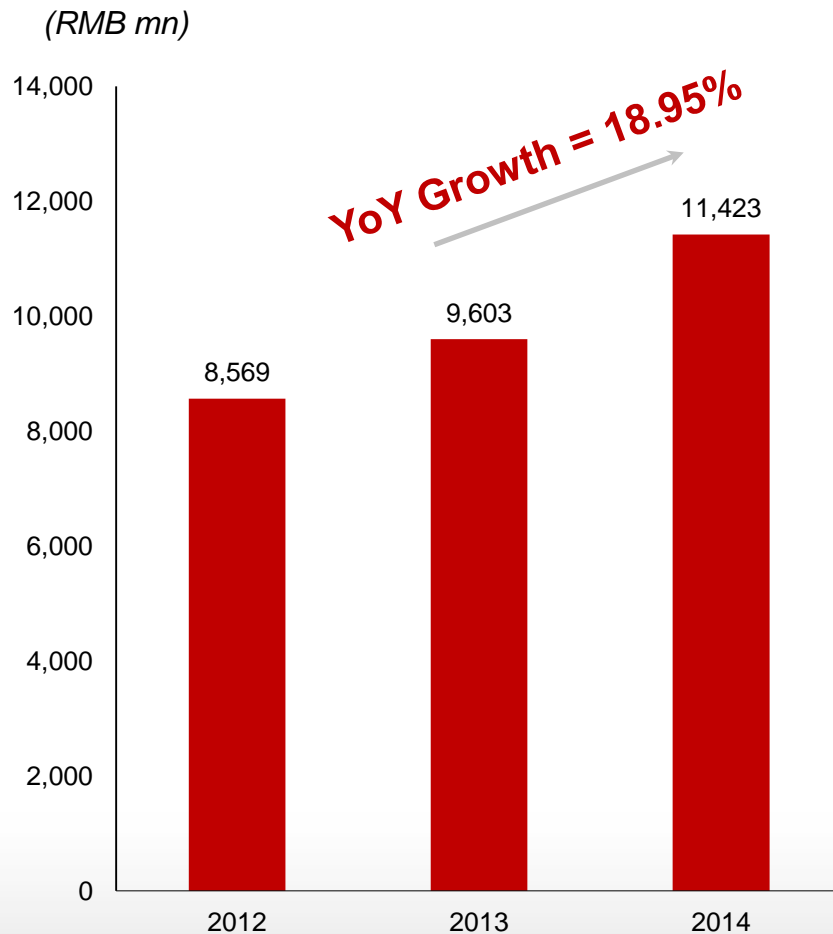
Return on Average Equity



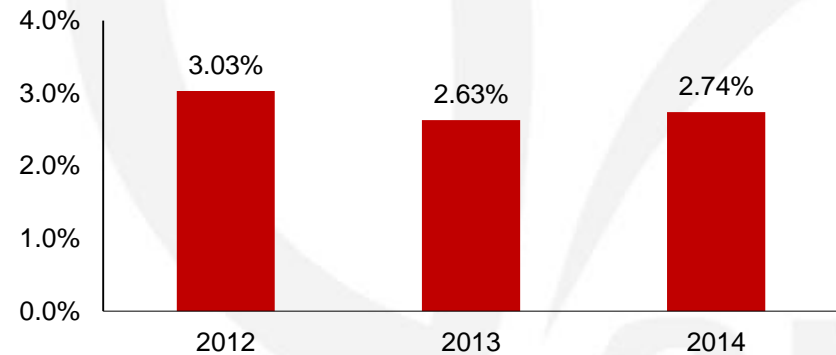
Steady Net Interest Income Growth



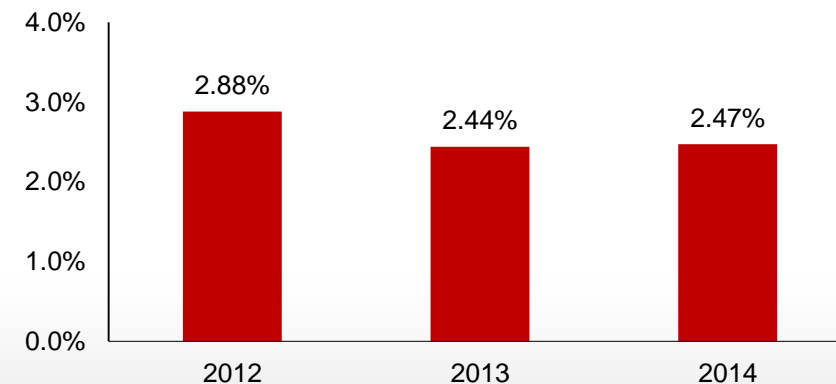
Net Interest Income



Net Interest Margin (NIM)



Net Interest Spread (NIS)

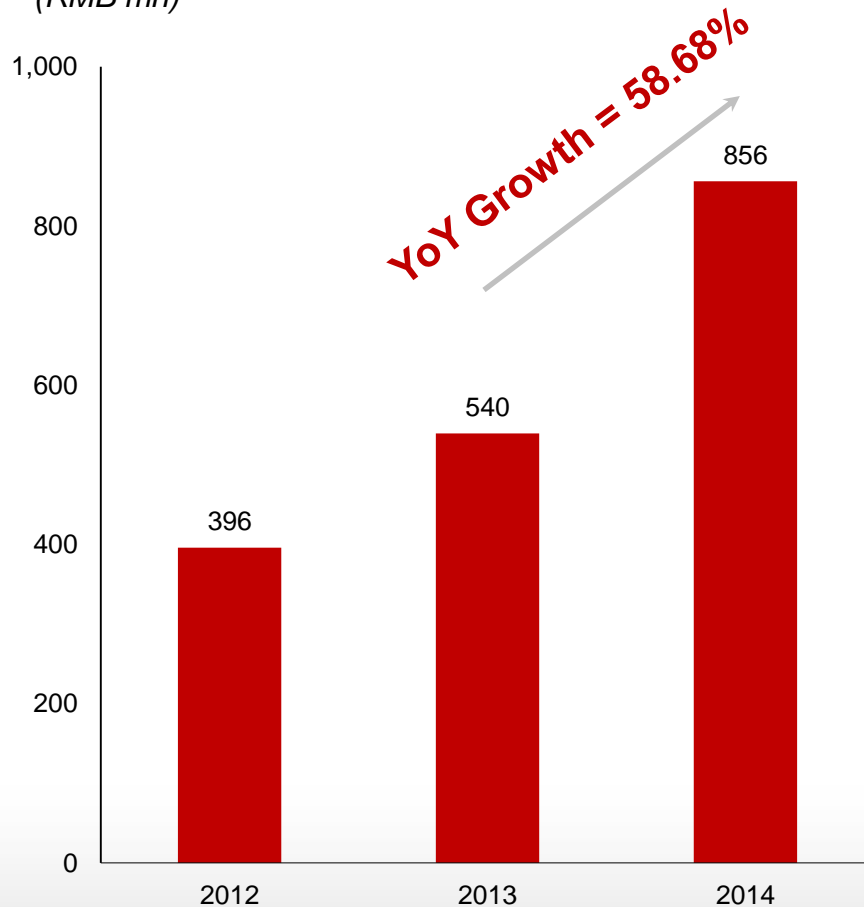


Robust Growth in Net Fee and Commission Income

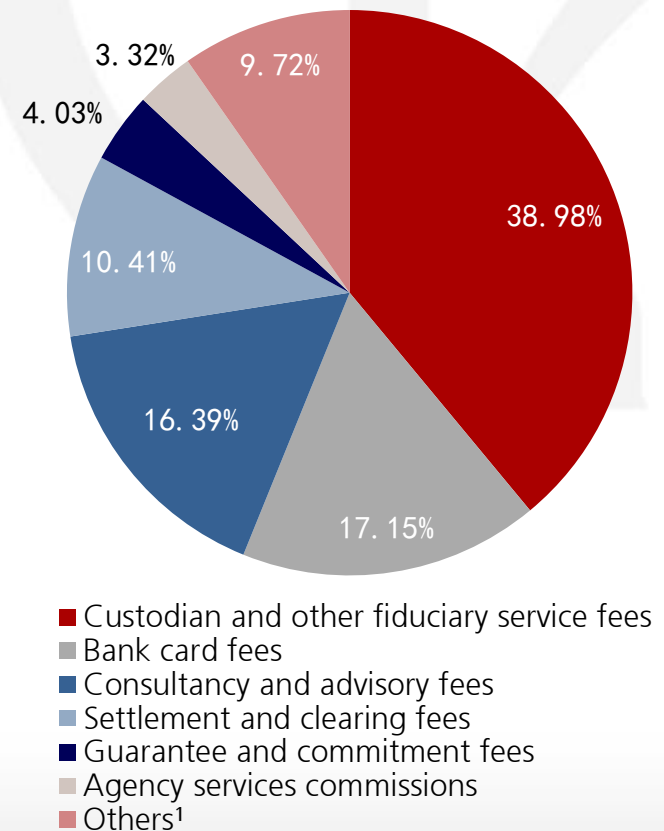


Net Fee and Commission Income

(RMB mn)



Fee and Commission Income Breakdown



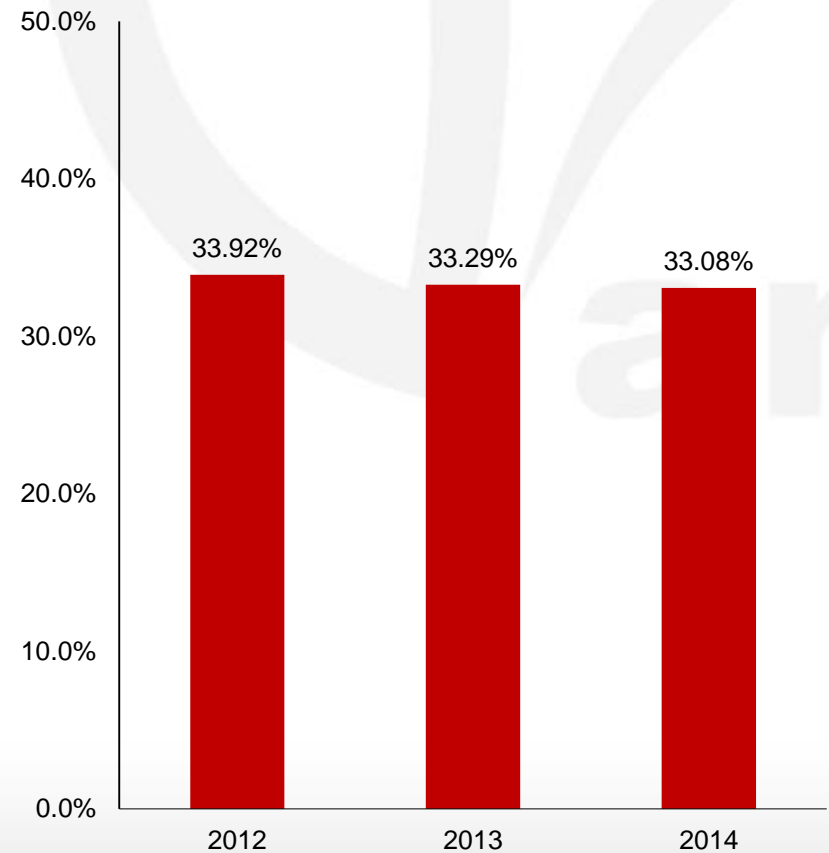
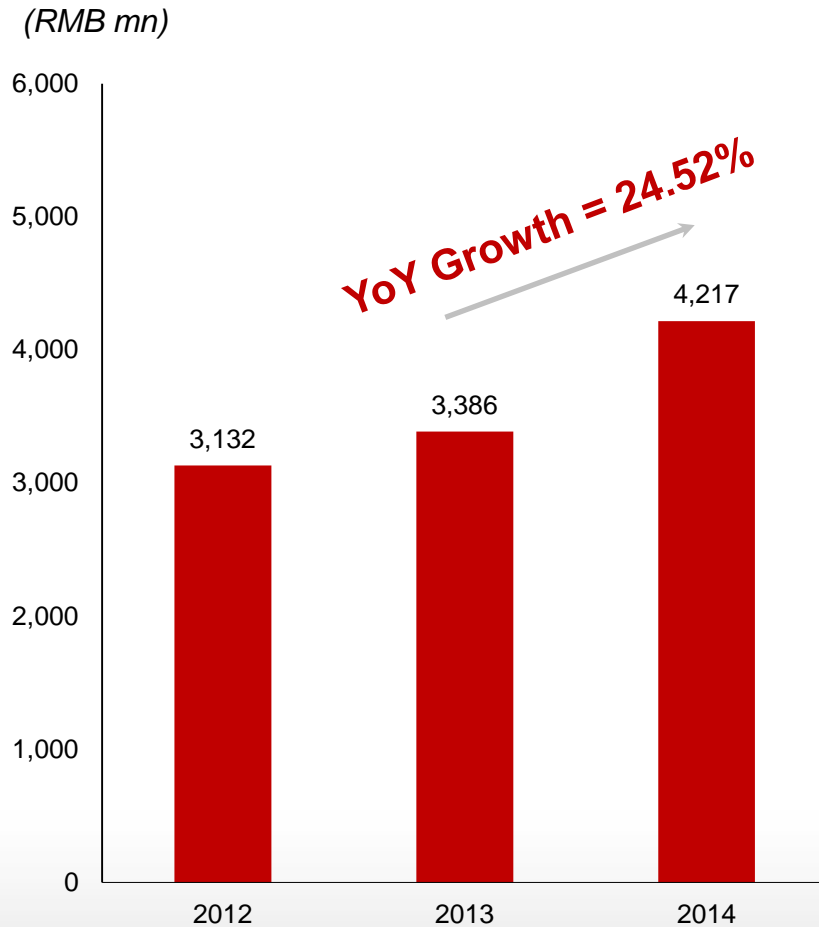
(1) Mainly includes syndicated loan fees, domestic factoring fees and arrangement fees for international trade financing

Industry Top Cost Efficiency



Operating Cost Increased due to business expansion

Cost to Income Ratio Remains Low





Financial Performance



Business Development



Risk Management



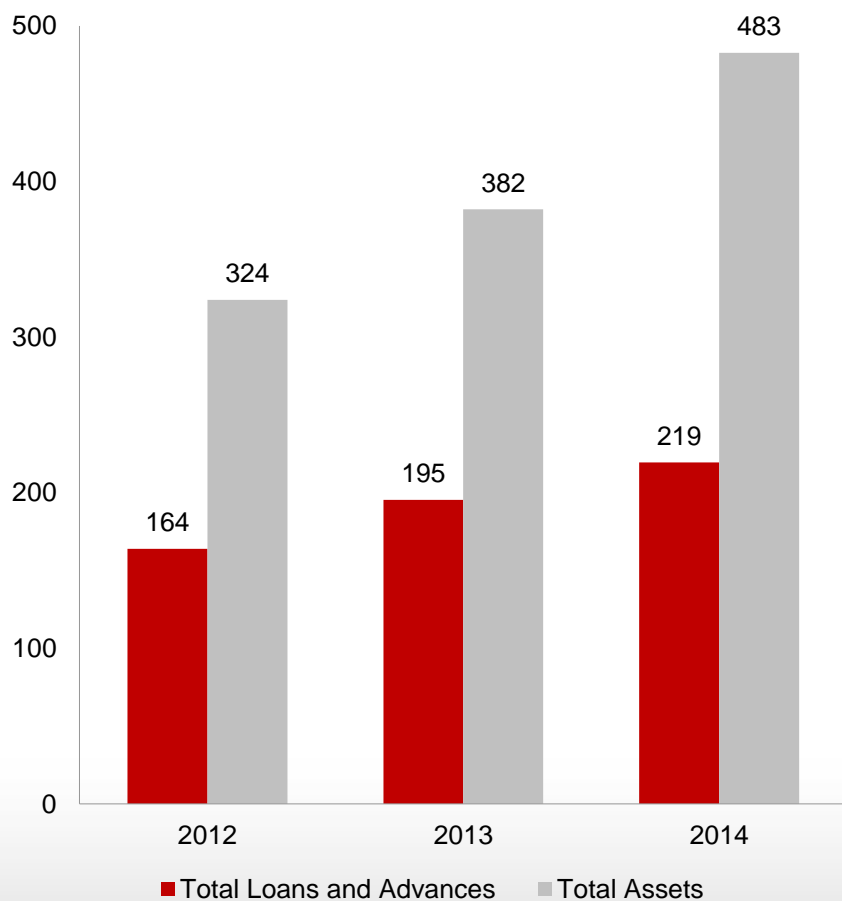
2015 Outlook

Steadily Expanding Business Scale



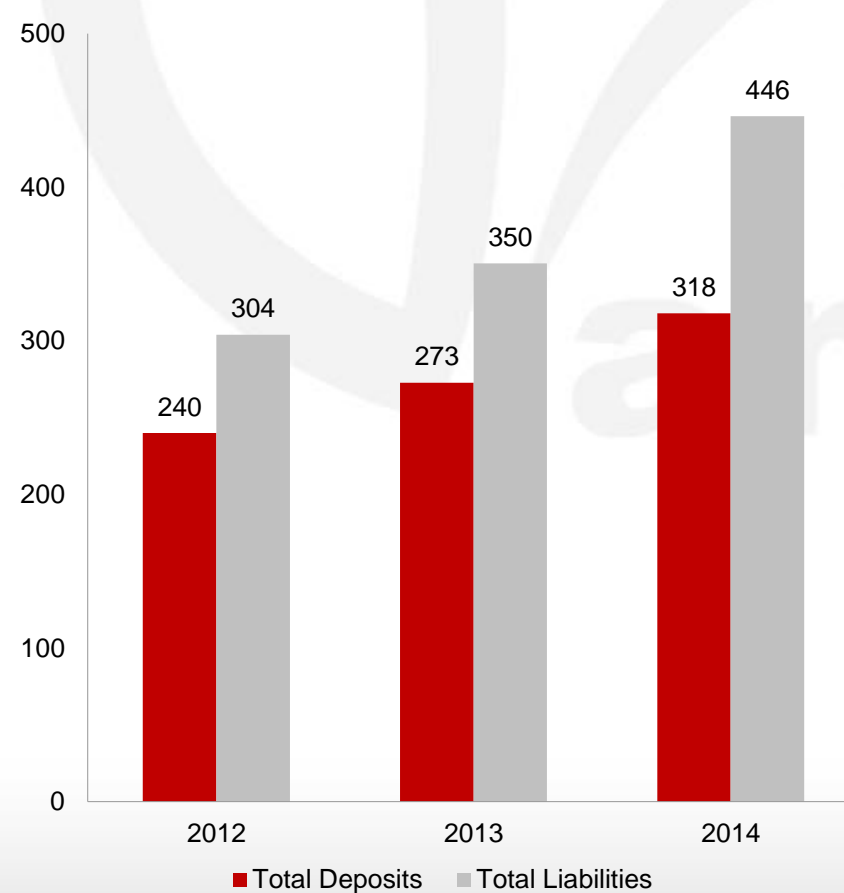
Total Assets : RMB482.8 bn
Total Loans Growth: 12.25% YOY

(RMB bn)



Total Liabilities: RMB446.2 bn
Total Deposits Growth: 16.52% YOY

(RMB bn)

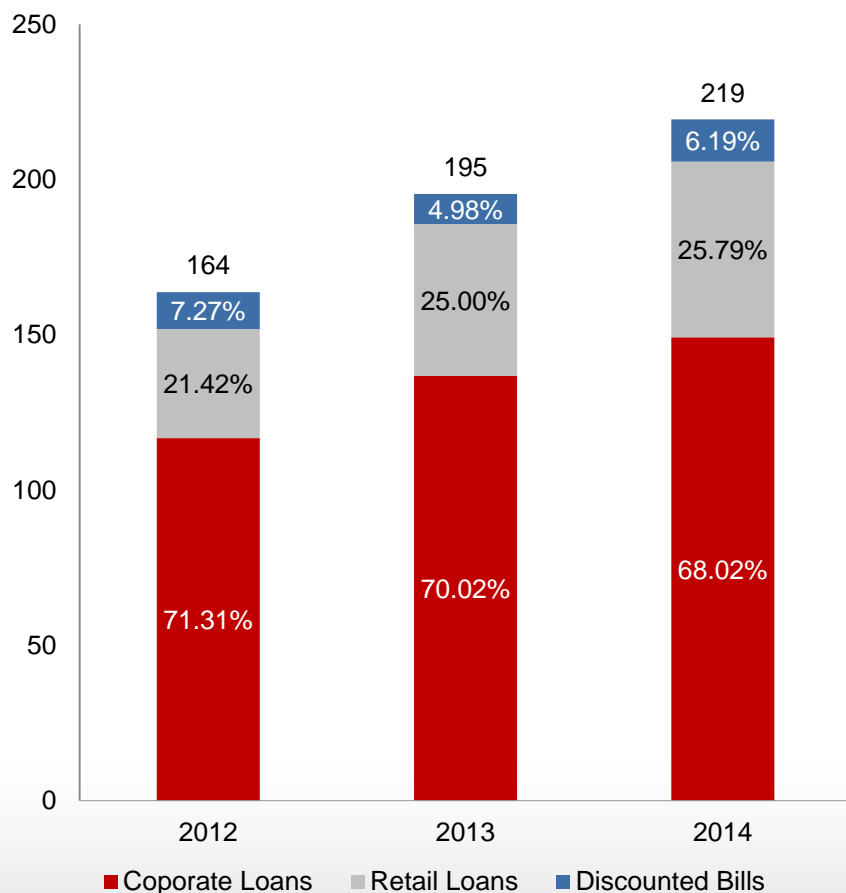


Increasingly Optimized Business Structure



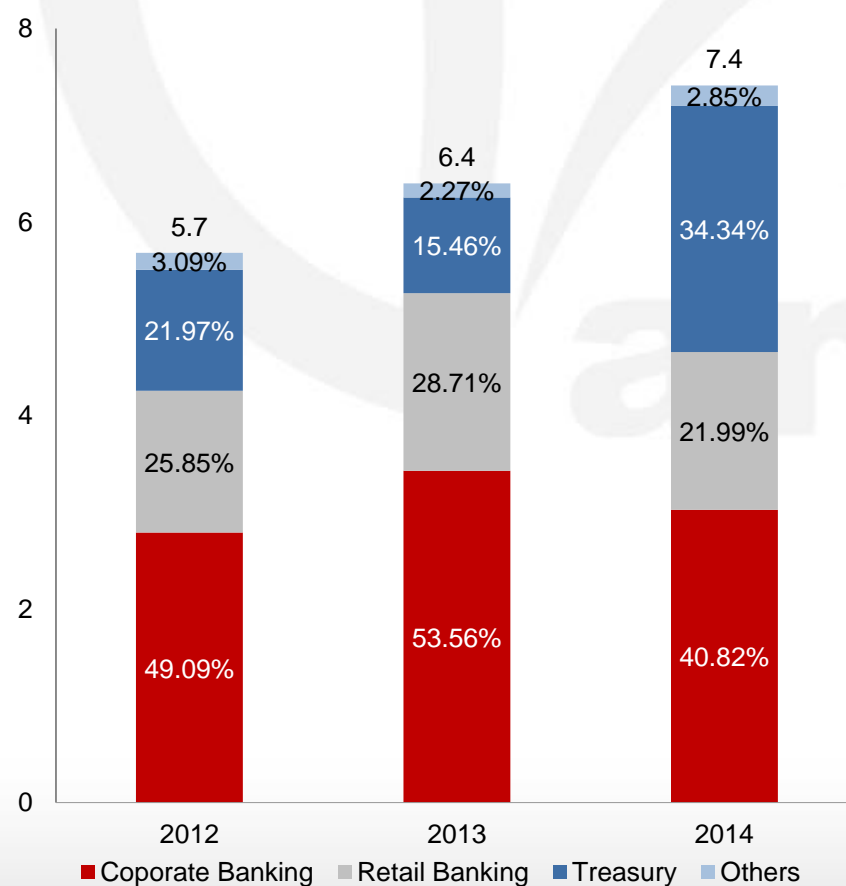
Loan Mix

(RMB bn)



Profit Before Tax Mix

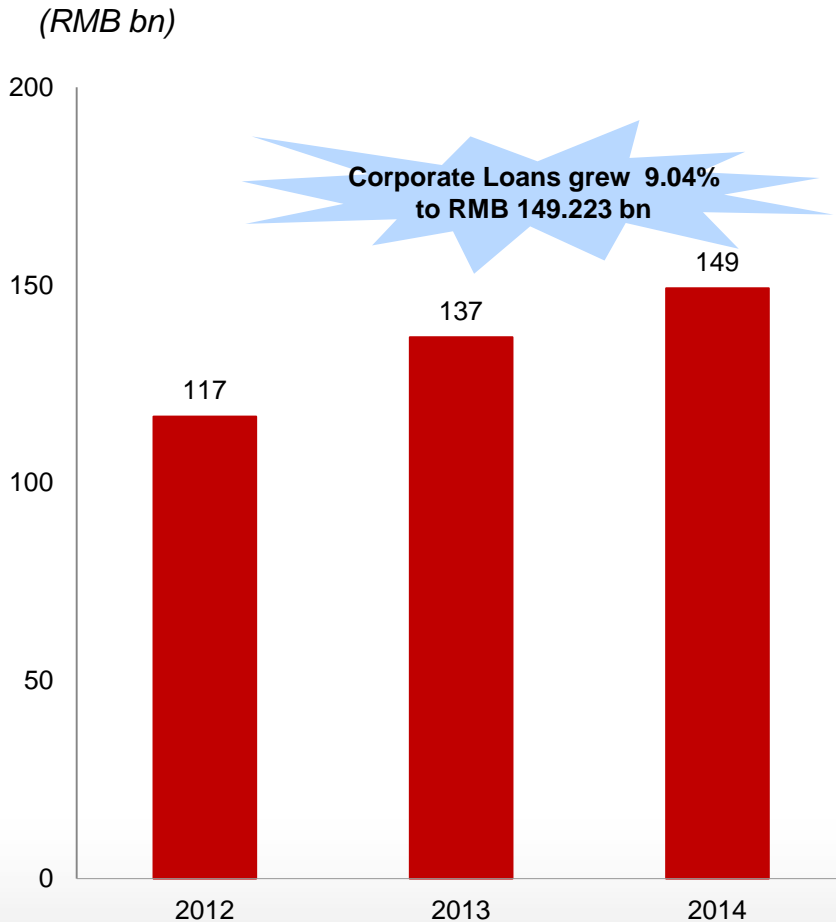
(RMB bn)



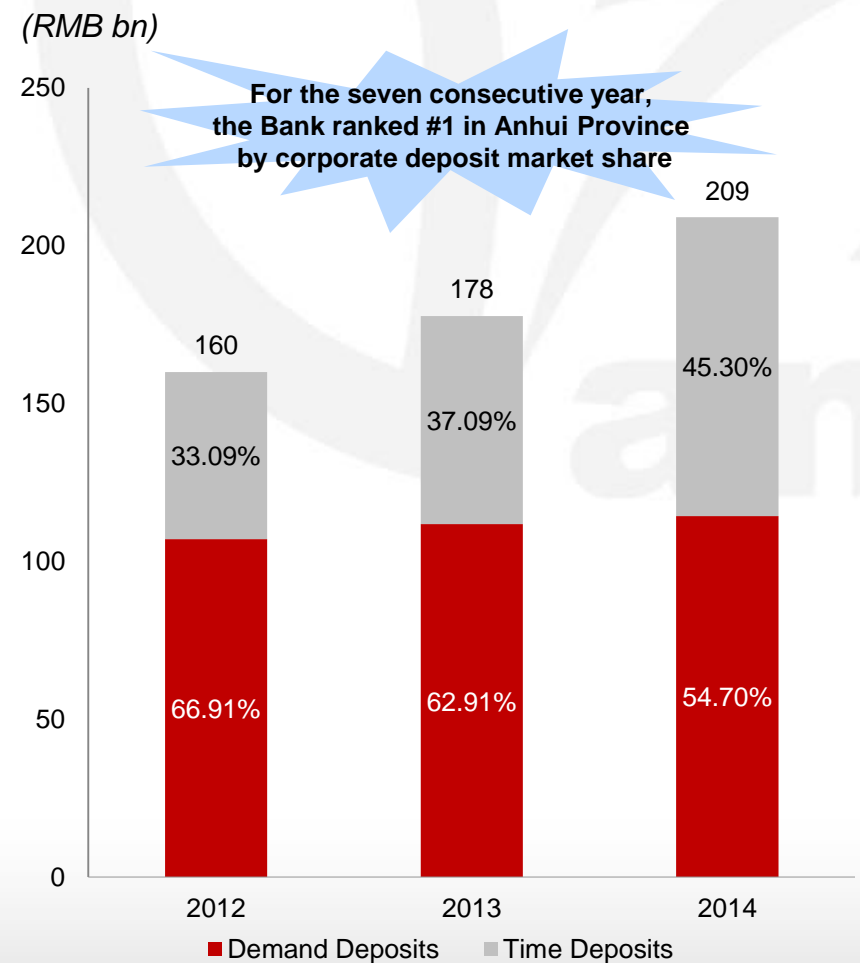
Steady Growth of Corporate Business



Corporate Loan Growth: 9.04% YOY



Corporate Deposit Growth: 17.64% YOY

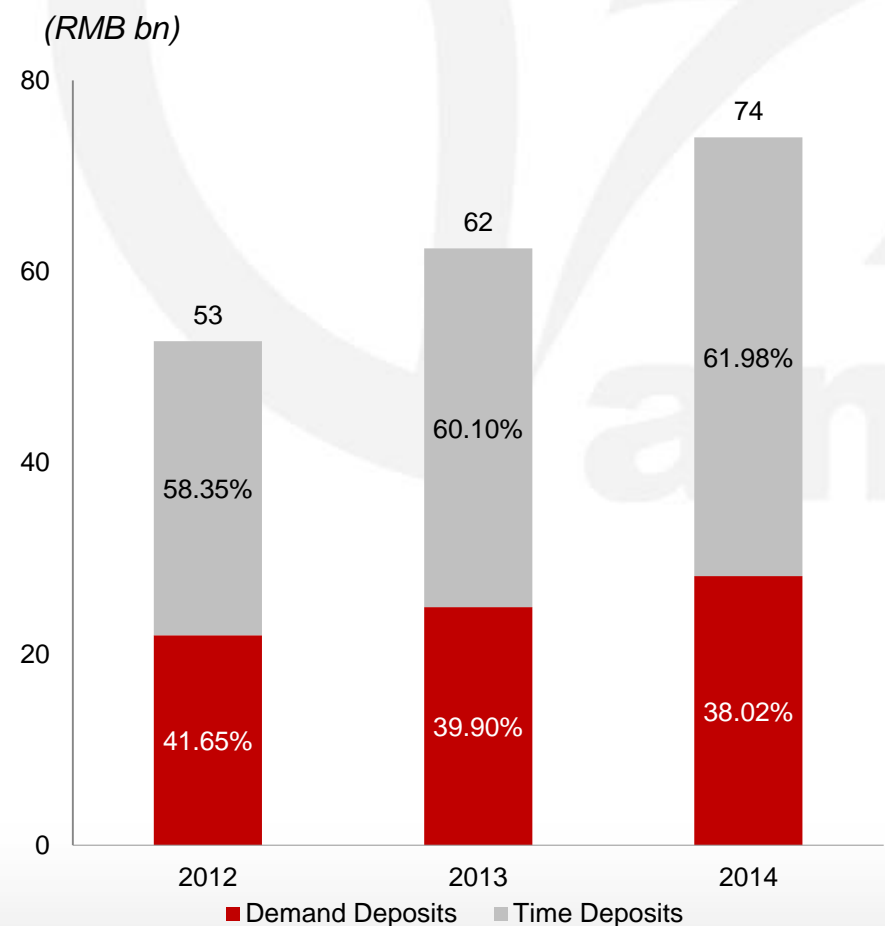
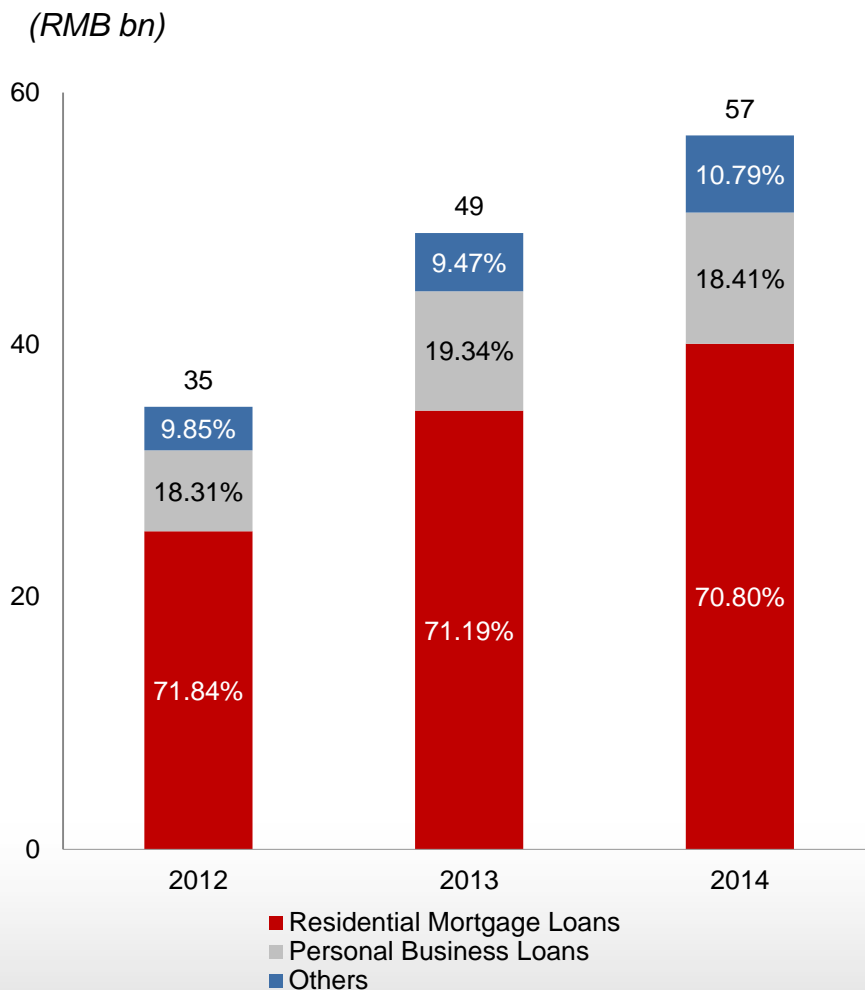


Fast Growth of Retail Business



Retail Loan Growth: 15.81% YOY

Retail Deposit Growth: 18.58% YOY

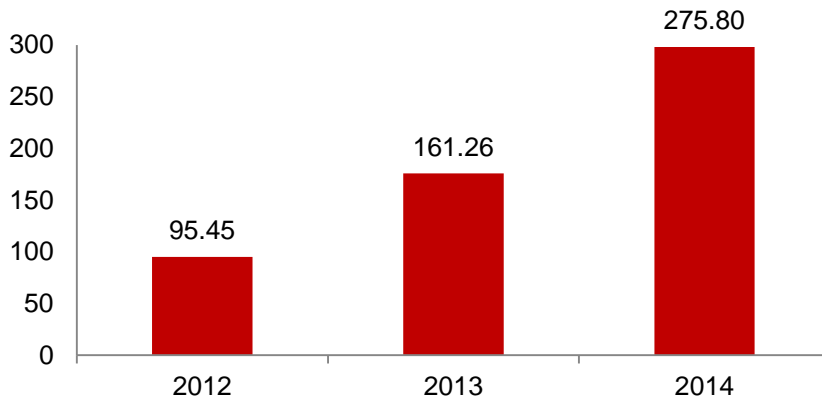


Fast Growth of Retail Business (Cont'd)



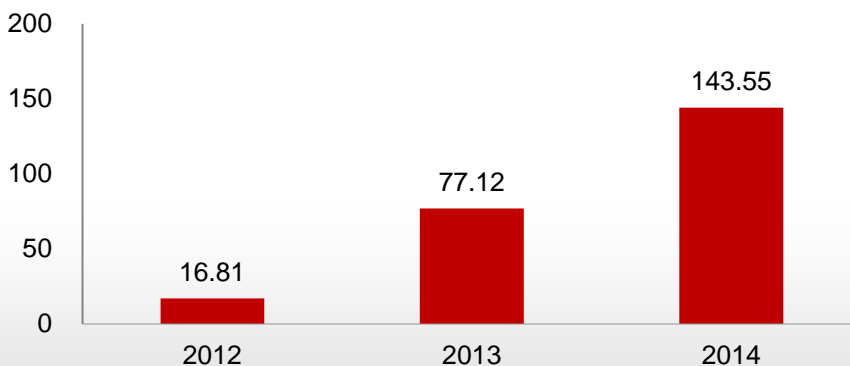
Accumulated Number of Valid Credit Cards

(in thousands)



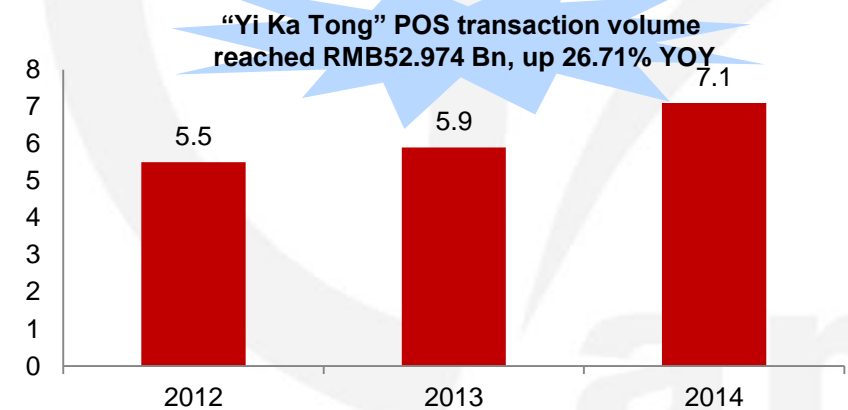
Income From Credit Card Business

(RMB mn)



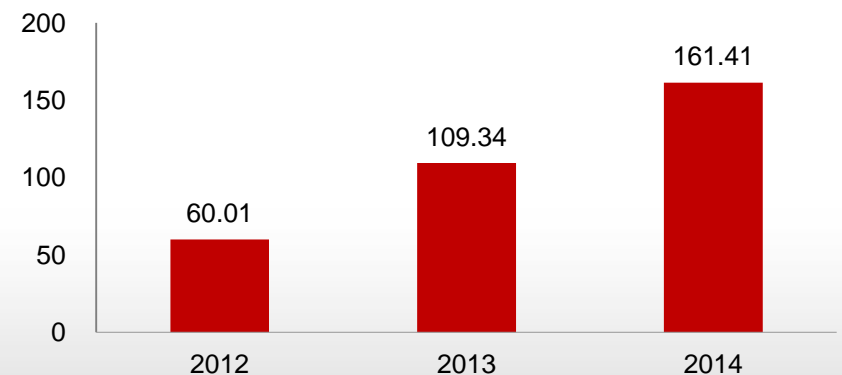
Total Number of Debit Cards Issued

(in millions)



Income From Bank Card Fees

(RMB mn)



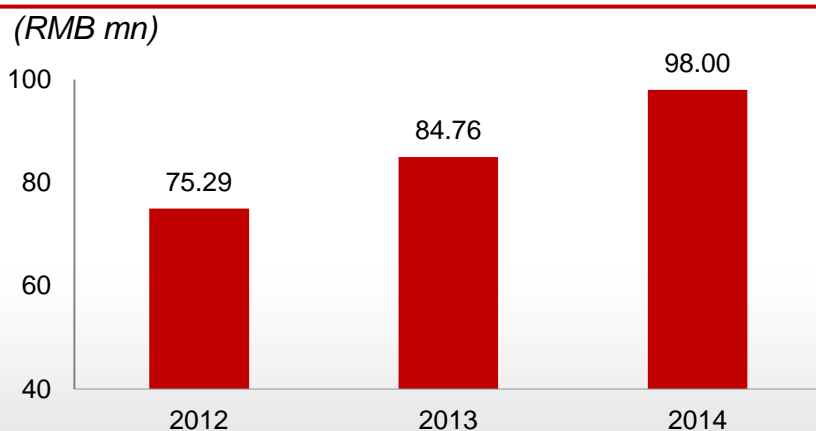
Rapid Development of Other Businesses



International Business Maintains Steady And Rapid Growth

- International settlement volume reached US\$5.507 billion in 2014, up 11.19% YoY
- Among the 25 financial institutions in Anhui Province, the Bank ranks #5 by international settlement and foreign exchange settlement volume
- Innovative products such as cross-border RMB settlement and forward foreign exchange settlement witnessed robust growth. 2014 cross-border RMB settlement volume reached RMB2.098 billion, up 115% YoY
- By 2014 year end, the Bank established correspondent banking relationship with 760 banks in more than 80 countries and regions across six continents in the world

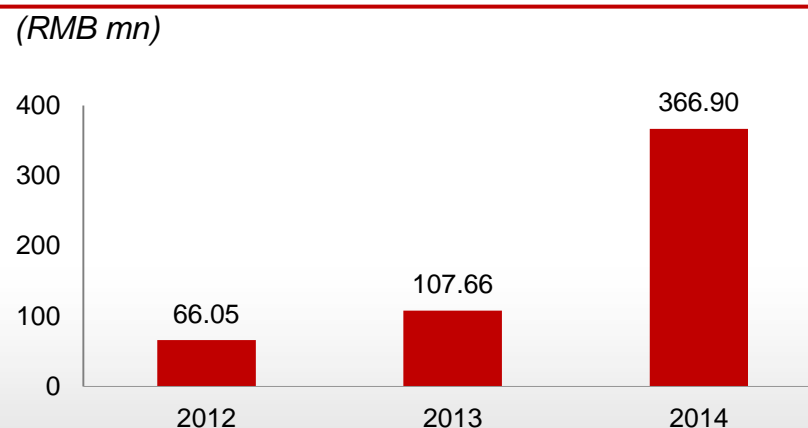
Settlement and Clearing Fee Income



E-banking Channels Further Improved

- In 2014, trading via alternative electronic channel accounted for 71.52%
- Number of online retail banking customers reached 1.3152 million; number of online retail banking transactions reached 79.7538 million, up ~32.03% YoY, and total transaction volume reached RMB867.341 billion, up ~26.35% YoY
- Coverage ratio of online corporate banking service reached 66.24%; number of online corporate banking transactions reached 30.4022 million, up ~20.61% YoY; total transaction volume reached RMB1.369892 trillion, up ~13.47% YoY
- Number of registered mobile customers reached 326.5 thousand, number of transactions reached 3,595.5 thousand and total transaction volume reached RMB 4.491 billion

Commission Income from Custodian and other Fiduciary Service Fees





Financial Performance



Business Development



Risk Management

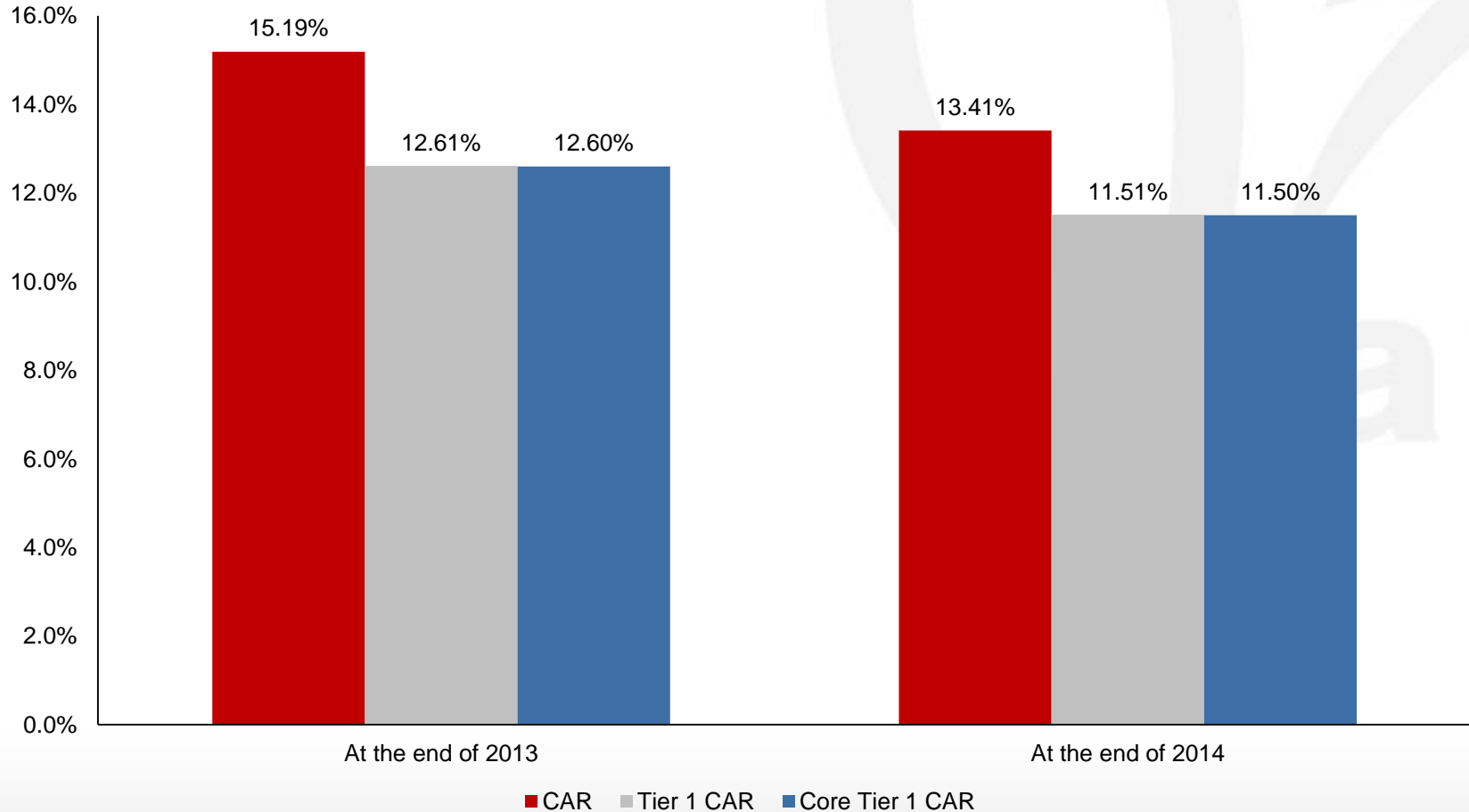


2015 Outlook

Sufficient Capital to Support Future Business Development



Capital Adequacy Ratios

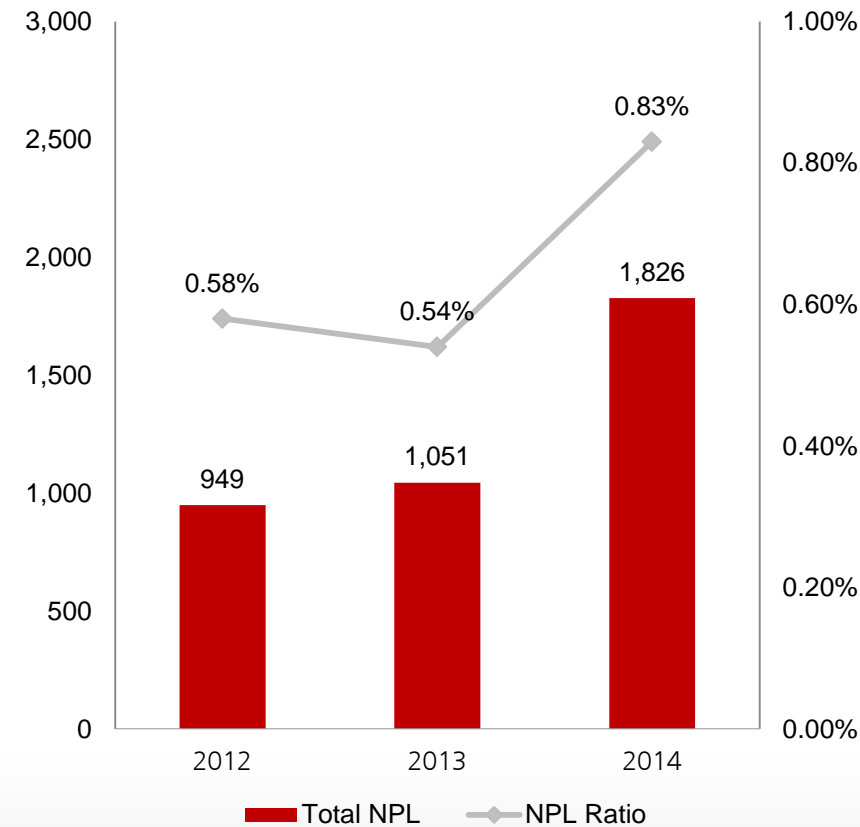


Asset Quality Remains Stable

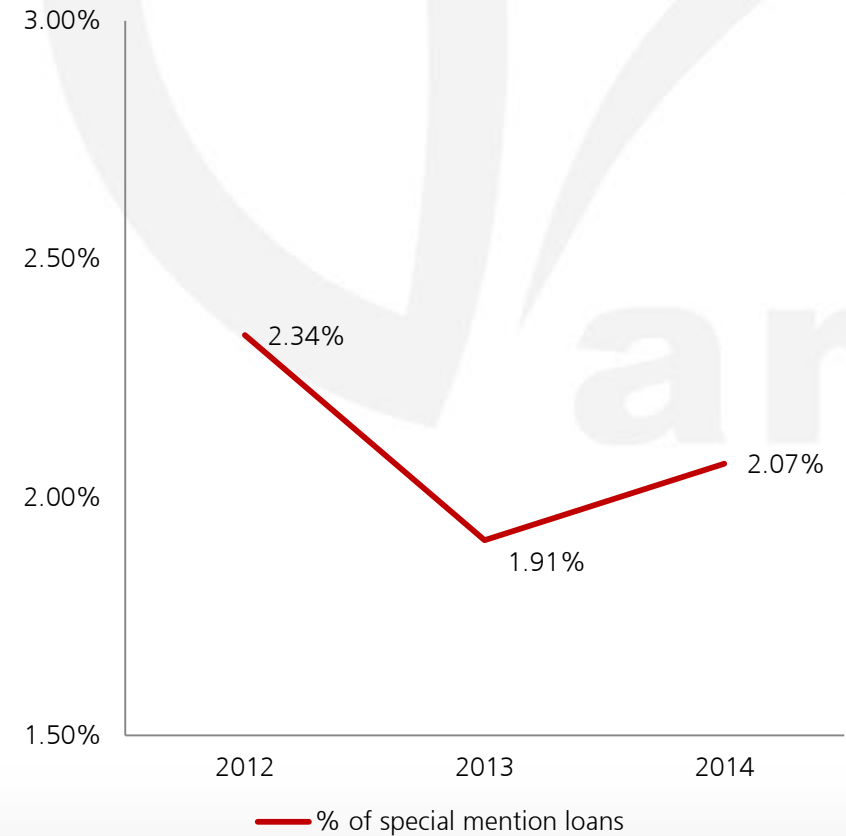


Stable NPL Levels

(RMB mn)



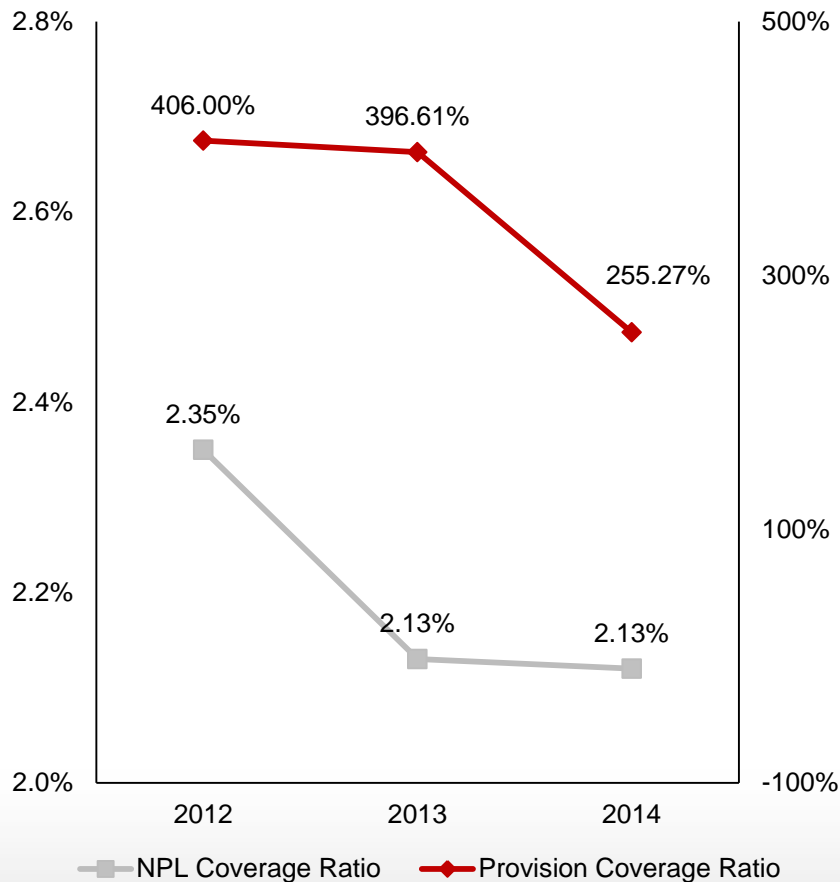
Proportion of Special Mention Loans Kept at Low Levels



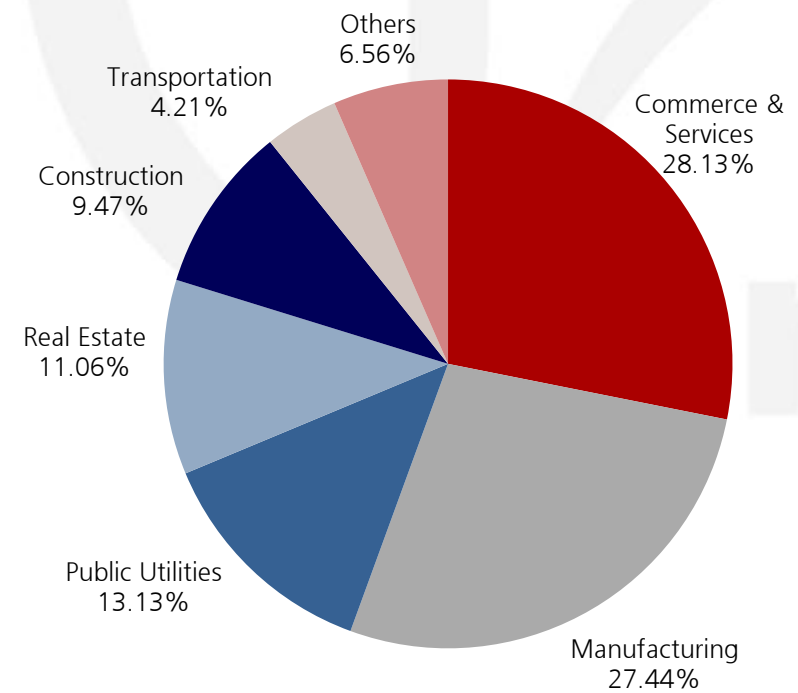
Effective Risk Management



Sufficient Coverage Ratios



Strict Control over Industry Exposure⁽¹⁾



(1) Corporate loans by industry distribution, others include Energy and chemistry, Catering and travelling, Education and media, Financial services, etc. (discounted bills not included)

Highlights of 2014



Enhancement of Brand Name



Full institution coverage for all counties



Exploration of Internet Finance Business



Key Development of Business Qualifications



Financial Performance



Business Development



Risk Management



2015 Outlook

2015 Outlook – The Year of Reformation



2015 will be a crucial year for the implementation of new strategic development plan, reform and upgrade for Huishang Bank



Integrated corporate business development



Professional penetration into Small & Micro business



Enhancement of its intelligence-based retail business



Diversification of its interbank business

Q & A

Main Financial Indicators



RMB in billions	31 Dec. 2014	31 Dec. 2013		Variance
Total assets	483	382		26.34%
Total loans and advances	219	195		12.25%
Total liabilities	446	350		27.33%
Total deposits	318	273		16.52%
Total equity attributable to shareholders of the bank	36	32		15.02%
Core Tier 1 capital adequacy ratio ⁽¹⁾	11.50%	12.60%		1.10ppts
Total capital adequacy ratio	13.41%	15.19%		1.78ppts
NPL ratio	0.83%	0.54%		0.29ppts
Provision coverage ratio	255.27%	396.61%		141.34ppts
Provision-to-loan ratio	2.13%	2.13%		0.00ppts

(1) Since 1st Jan. 2013, the company began to implement Administrative Measures for the Capital Management of Commercial Banks (Provision) of CBRC promulgated on 7 June, 2012

Main Financial Indicators (cont'd)



RMB in millions	2014	2013		Variance
Net interest income	11,423	9,603	↑	18.95%
Net fee and commission income	856	540	↑	58.68%
Operating income	12,748	10,173	↑	25.32%
Profit before income tax	7,411	6,399	↑	15.81%
Net profit	5,676	4,926	↑	15.24%
Earnings per share (RMB Yuan)	0.51	0.58	↓	12.07%
Dividends per share ⁽¹⁾ (RMB Yuan)	0.16	0.16	—	
Net Interest Margin (NIM)	2.74%	2.63%	↑	0.11ppts
Cost to income ratio ⁽²⁾	33.08%	33.29%	↓	0.21ppts
Return on average assets	1.31%	1.39%	↓	0.08ppts
Return on average equity	16.64%	18.89%	↓	2.25ppts

(1) [Announced in 2014 board meeting, subject to obtaining the shareholder's approval at the forthcoming 2014 general meeting]

(2) Calculated by dividing total operating expenses by operating income.

Thank You