



2019 Annual Results Announcement

March 2020



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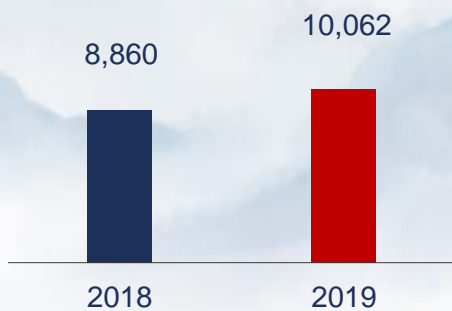
*Notes: Increase/decrease and percentage figures are derived based
financials rounded to RMB millions*



Financial Performance

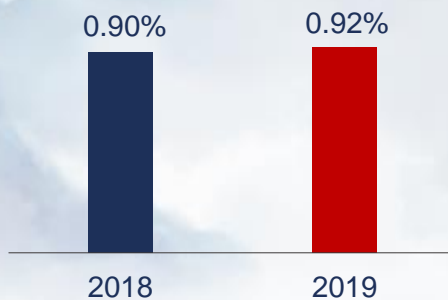
Stable Profitability with Steady Growth in Net Profit

(RMB mn)
YoY Growth **13.57%**



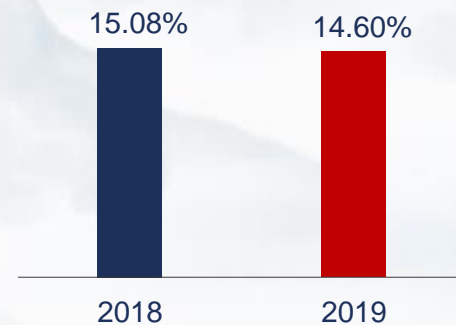
Net Profit

Return on Average Total Assets
reached over **0.9%** for five years



Return on Average Total Assets

Return on Average Net Assets
Reached more than **14.5%** for
five years

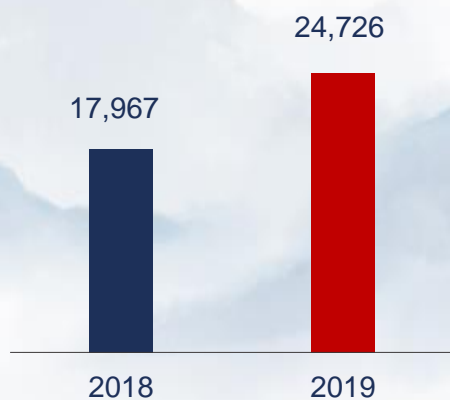


Return on Average Net
Assets

Steady Increase in Net Interest Spread

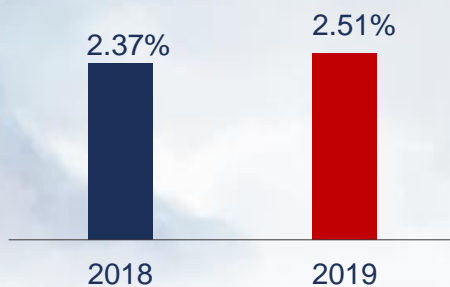
(RMB mn)

YoY Growth = **37.62%**



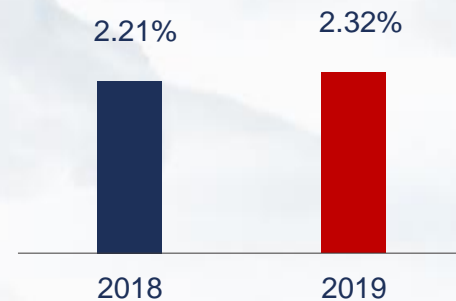
Net Interest Income

representing an increase of **14 BP**



Net Interest Margin (NIM)

representing an increase of **11 BP**

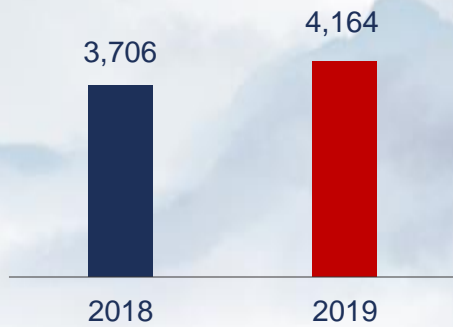


Net Interest Spread (NIS)

Robust Growth in Net Fee and Commission Income

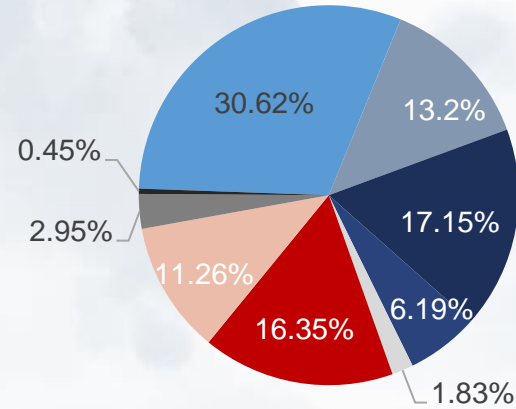
(RMB mn)

YoY Growth=12.36%



Net Fee and Commission Income

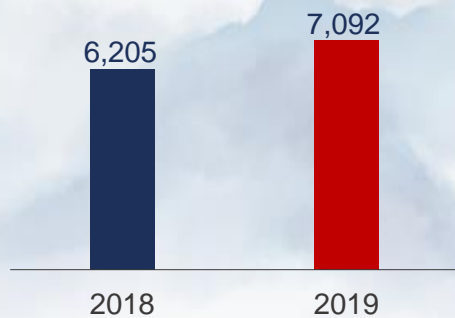
- Agency commissions
- Bank card fees
- Settlement and clearing fees
- Custody fees
- Acquiring business fees
- Financial leasing fee income
- Guarantee and commitment fees
- Investment banking fees
- Others



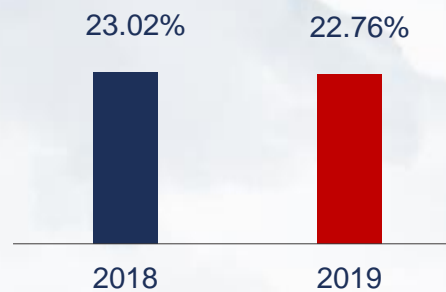
Principal Components of Fee And Commission Income

Continued Leading Cost-efficiency among Peers

(RMB mn)



Operating Expenses
Increased Slightly



Cost-to-income Ratio
Continually Stayed Low

II

Business Development

Steady Expansion of Business Scale



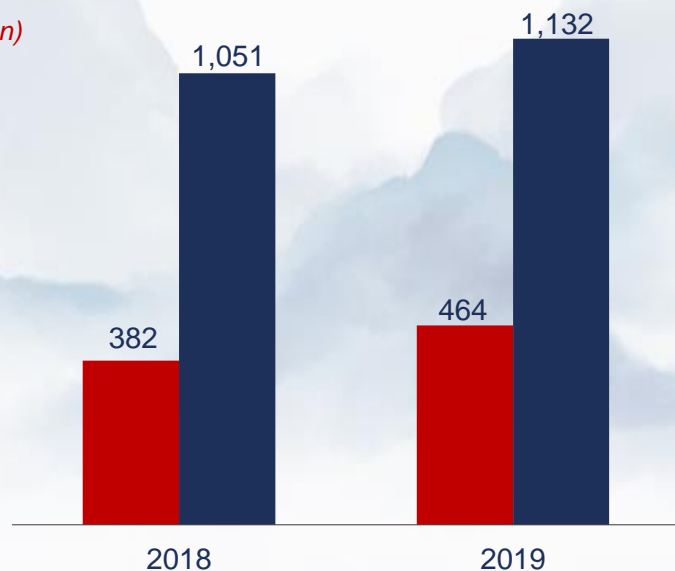
Total Assets: RMB **1,131.72** bn

Growth: **7.73%** YTD

Total Loans and Advances to

Customers Growth: **21.54%** YTD

(RMB bn)



■ Total Loans and Advances ■ Total Assets

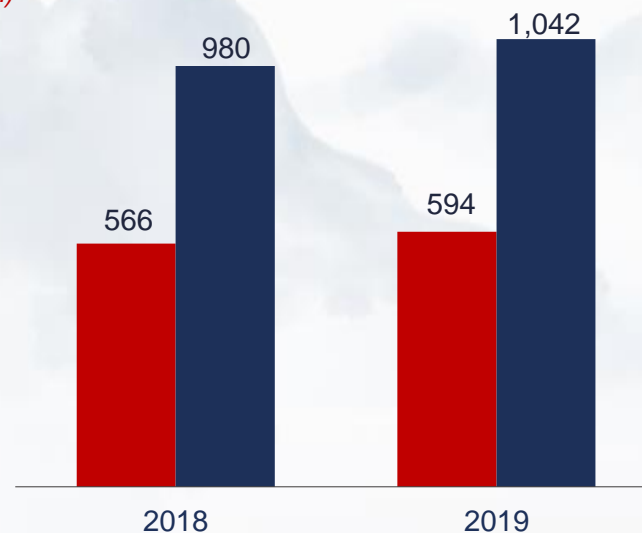


Total Liabilities: RMB **1,042.23** bn

Growth: **6.32%** YTD

Total Customer Deposits Growth: **4.92%** YTD

(RMB bn)



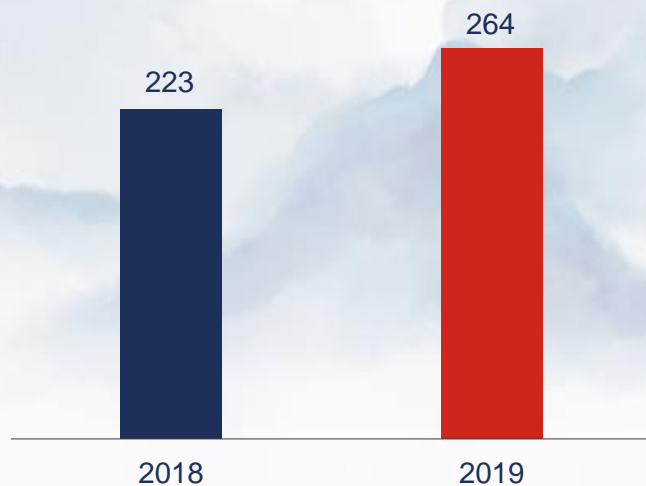
■ Total Customer Deposit ■ Total Liabilities

Steady Growth of Corporate Banking Business



Total Corporate Loans: **263.78** bn
Growth: **18.20%** YTD

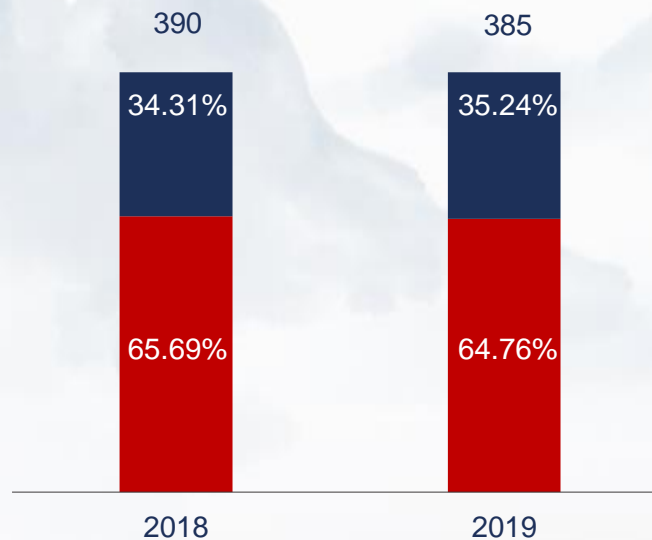
(RMB bn)



Corporate Deposit Keeps Steady

the Bank's market share of corporate deposit continued to rank the **first** in Anhui Province for twelve consecutive years

(RMB bn)



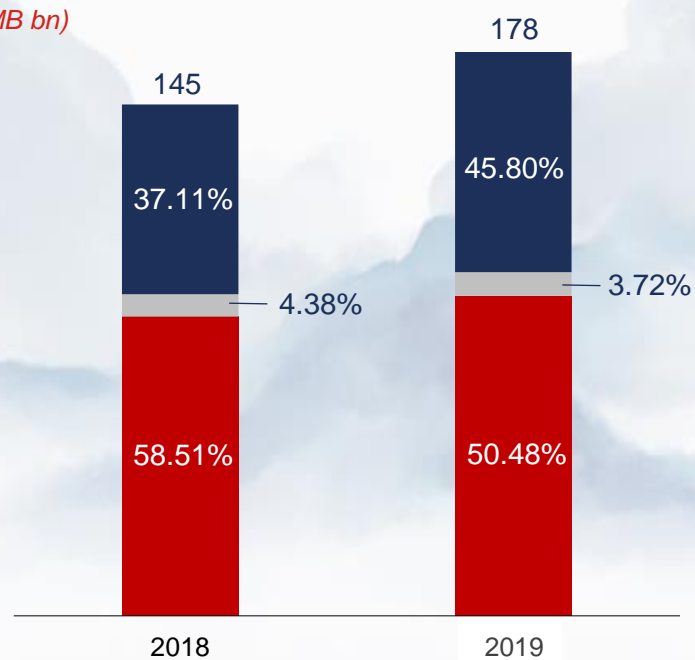
■ Demand Deposits ■ Time Deposits

Fast Growth of Retail Banking Business

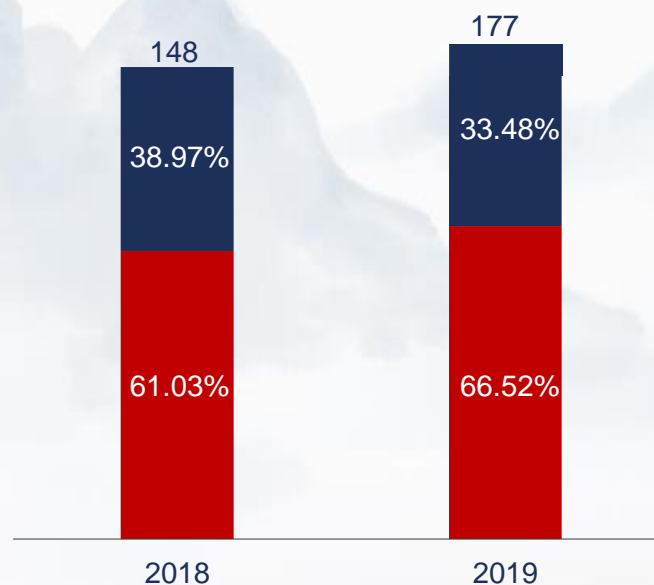
 Retail Loan Growth: **22.78%** YTD

 Retail Deposit Growth: **19.52%** YTD

(RMB bn)



(RMB bn)



■ Personal Residential Mortgage Loans
 ■ Personal Business Revolving Loans
 ■ Others

■ Time Deposits
 ■ Demand Deposits

Fast Growth of Retail Banking Business (Cont'd)

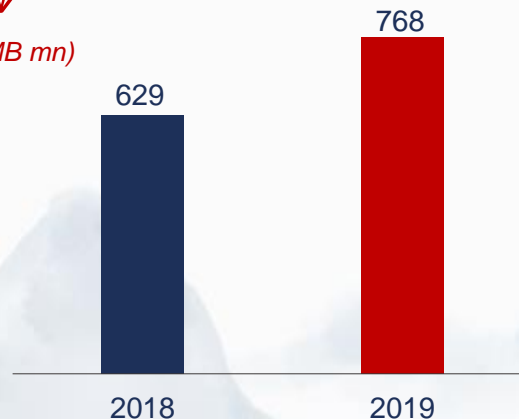
 Total Number of Debit Cards

(in millions)



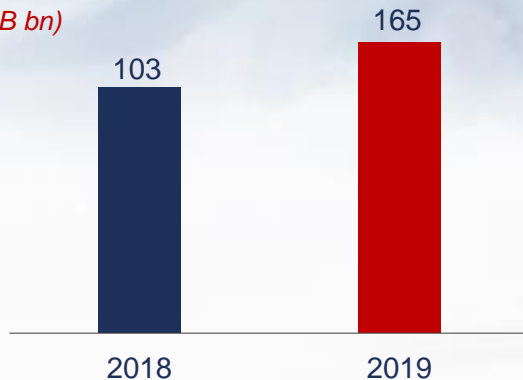
 Bank Card Fee Income


(RMB mn)



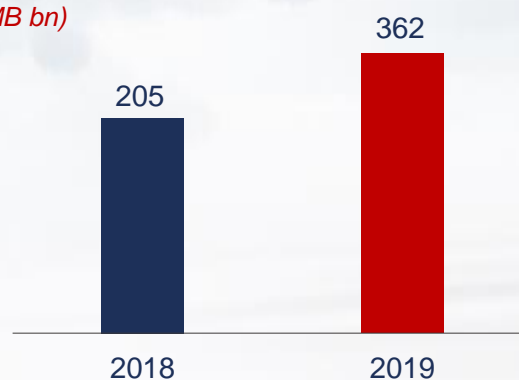
 Wealth Management Business Scale
(Excluding Direct Banking Business)

(RMB bn)



 Fund Raised for Personal
Wealth Management Business

(RMB bn)



Rapid Development of Other Businesses

International Business Maintained Steady and Rapid Growth

International settlements for clients amounted to US\$ **7.66** bn as at the end of December 2019

As at the end of December 2019, the cumulative transaction volume of foreign exchange funds amounted to US\$**21.49** bn.

In distributors channel construction, the Bank implemented its new layout and new strategies of agency banking in line with “One Belt, One Road” initiative and further improved its overseas agency networks according to customer and business development demands. As at the end of 2019, the number of agency banks of the Bank was **682**, and the total number of overseas clearing accounts for the main settlement currencies amounted to **14**. It also further improved the anti-money laundering compliance risk management system for overseas agency business.



Electronic Banking Channels Further Improved

In 2019, the trading account transactions via retail electronic channels and via corporate electronic channels increased by **2.6** percentage points and **4.13** percentage respectively, compared with the end of 2018

The total number of personal online banking customers amounted to **4.81** mn. The number of personal online banking transactions accumulated to **415.10** mn, up **42.67%** YoY. The number of the Bank's corporate online banking transactions amounted to **99.04** mn. The transaction amount of corporate online banking accumulated to RMB **2,699.28** bn

The total number of contracted mobile banking customers reached **4.54** mn. The number of mobile banking transactions reached **131.39** mn in 2019, up **38.71%** YoY, and transaction amount accumulated to RMB **756.25** bn, up **98.02%** YoY

As at the end of December 2019, the number of direct banking accounts of the Bank exceeded **19** mn, the balance of various loans was RMB **25.79** bn

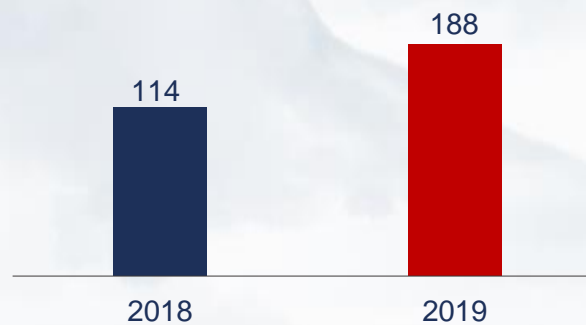


Rapid Development of Other Businesses(Cont'd)

 The Balance of Assets under Custody⁽¹⁾



 The Balance of Wealth Management Products



Note (1): Excluding regulating products of corporate and investment banking

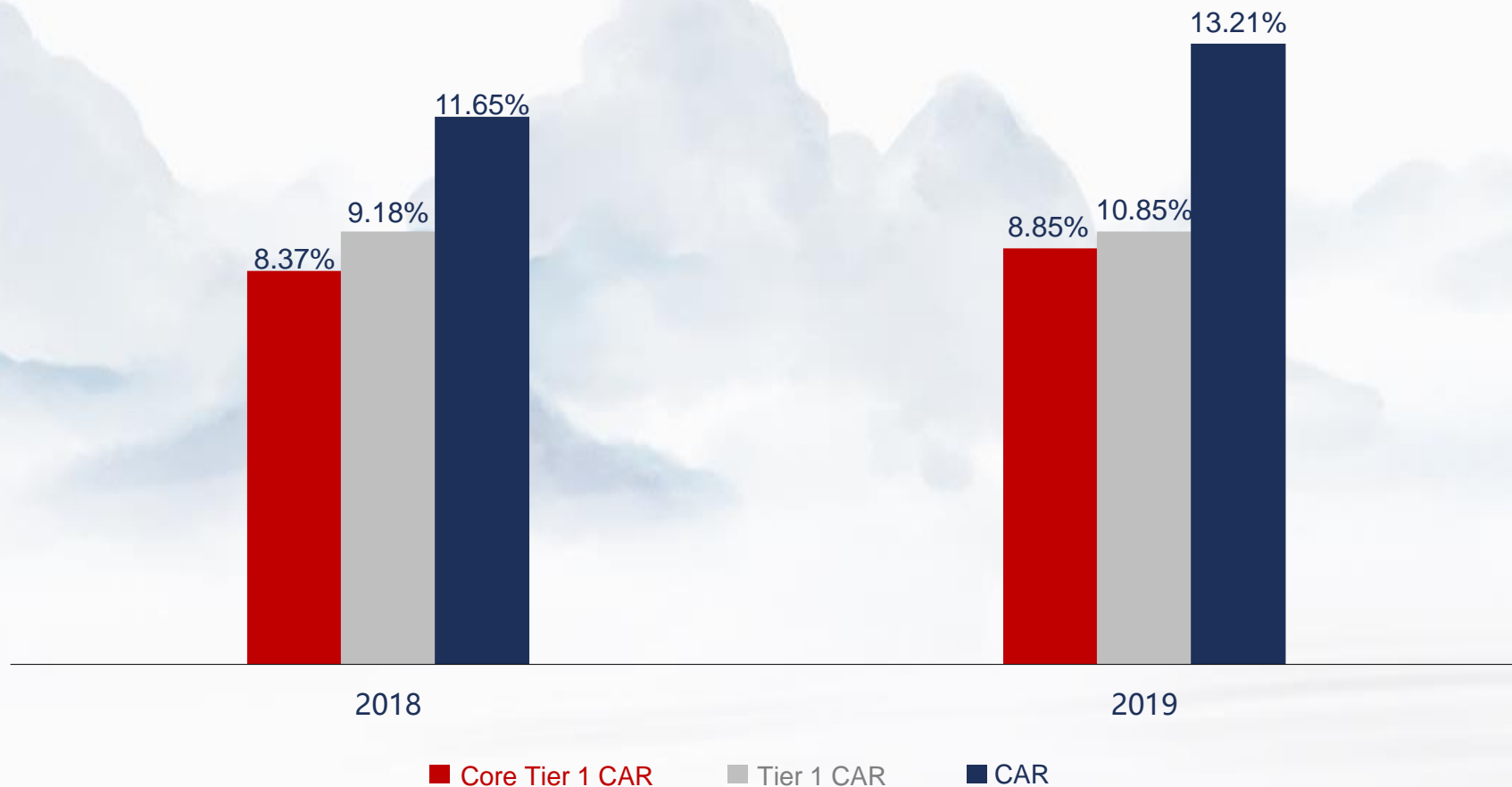


Risk Management

Capital Adequacy Ratios Continuously Comply with Regulatory Requirements



Capital Adequacy Ratios

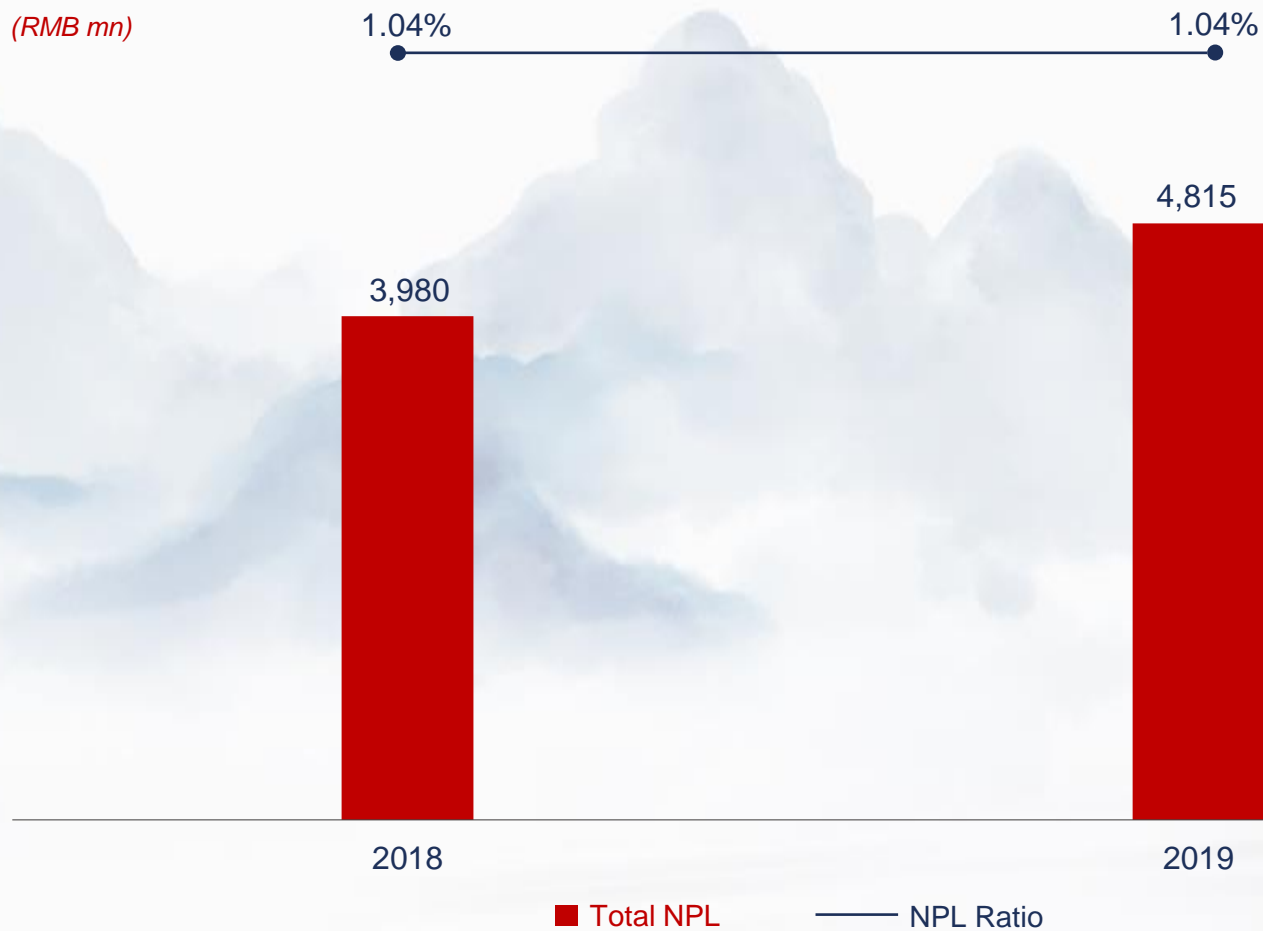


Asset Quality Remains Stable



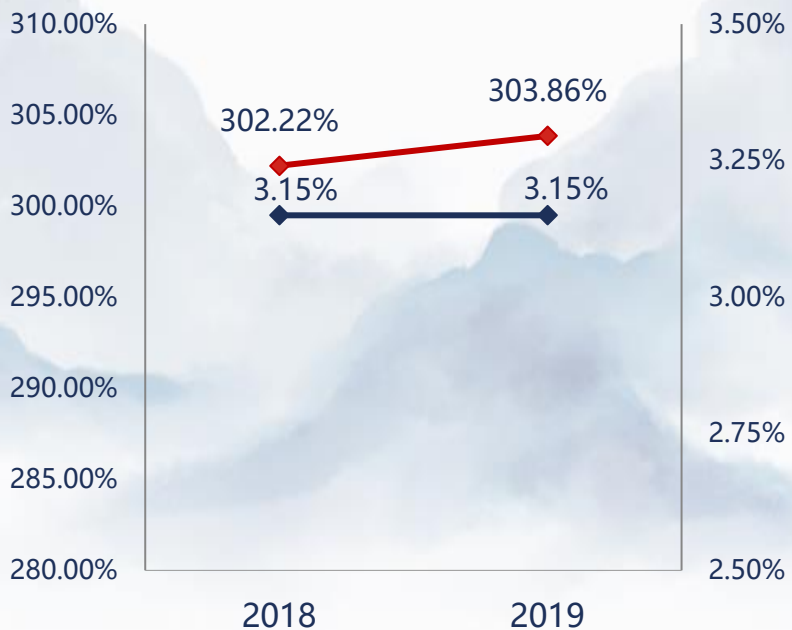
Asset Quality Remains Stable

(RMB mn)



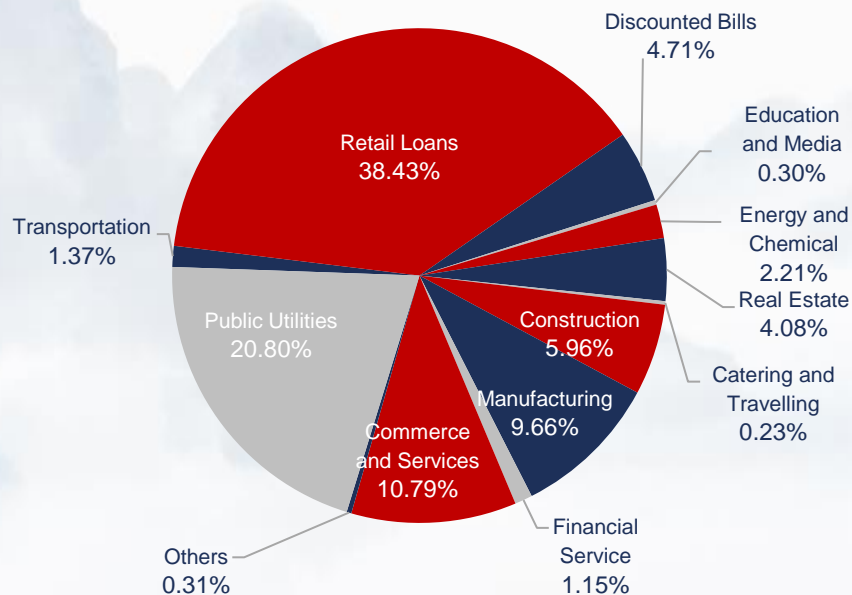
Effective Risk Management

Atom Slightly Decrease in NPL Provision Coverage



◆ Allowance to NPL Ratio ◆ Allowance to Loans Ratio

Atom Strictly Control of Corporate Loan Distribution (1)



(1) Corporate loans are classified by industry; other sectors include the planting, forestry and livestock industry and the fishery industry.









IV

Outlook











2019 Outlook – Opportunities and Challenges



Summary Financials

RMB in millions, percentage excluded	31 Dec. 2019	31 Dec. 2018		Change
Total assets	1,131,721	1,050,506		7.73%
Total loans and advances	463,985	381,766		21.54%
Total liabilities	1,042,228	980,229		6.32%
Total customer deposits	593,834	565,961		4.92%
Equity attributable to shareholders of the bank	87,209	68,213		27.85%
Core Tier 1 capital adequacy ratio	8.85%	8.37%		0.48PPT
Capital adequacy ratio	13.21%	11.65%		1.56PPT
NPL ratio	1.04%	1.04%		0.00PPT
Allowance to NPL ratio	303.86%	302.22%		1.64PPT
Allowance to loans ratio	3.15%	3.15%		0.00PPT

Summary Financials (Cont'd)

RMB in millions, percentage excluded	31 Dec. 2019	31 Dec. 2018		Change
Net interest income	24,726	17,967		37.62%
Net fee and commission income	4,164	3,706		12.36%
Operating income	31,159	26,951		15.61%
Profit before tax	12,301	10,821		13.68%
Net profit	10,062	8,860		13.57%
Earnings per share (RMB Yuan)	0.78	0.69		13.04%
Net interest margin (NIM)	2.51%	2.37%		0.14PPT
Cost-to-income ratio ⁽¹⁾	22.76%	23.02%		0.26PPT
Return on average assets	0.92%	0.90%		0.02PPT
Return on average net asset	14.60%	15.08%		0.48PPT

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



Thank You