



2022 Interim Results Announcement

(Stock Code: 3698)

August 2022

Disclaimer

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Notes: Increase/decrease and percentage figures are derived based

financials rounded to RMB millions



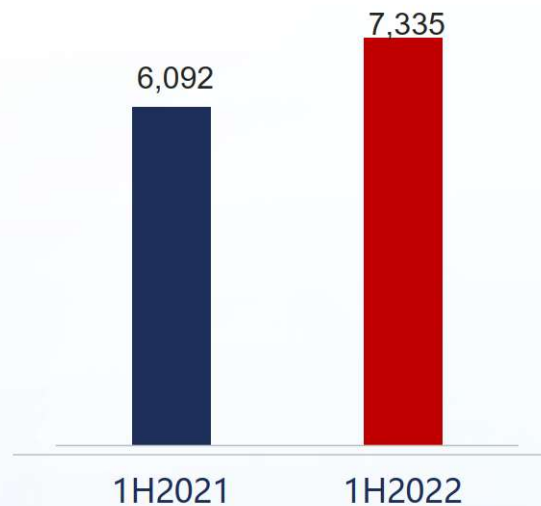
Financial Performance



Core Profitability Continued to Strengthen

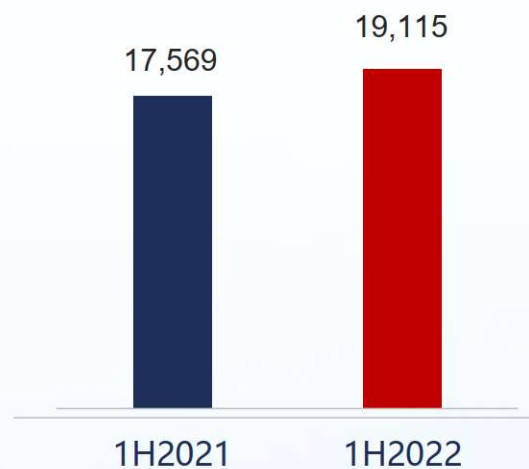
(RMB mm)

Net Profit Remains Steady Growth



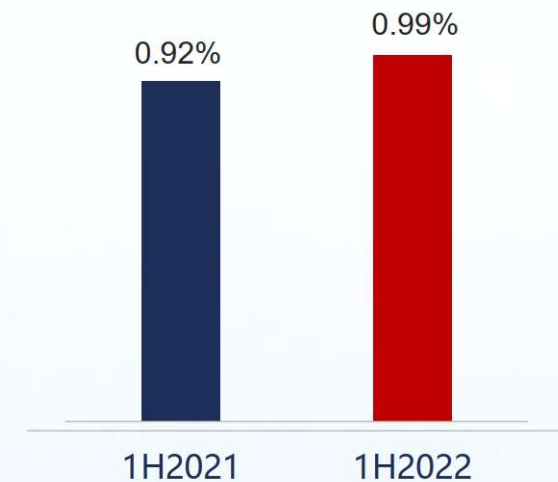
Net Profit

Operating Revenue Continuous Improvement



Operating Revenue

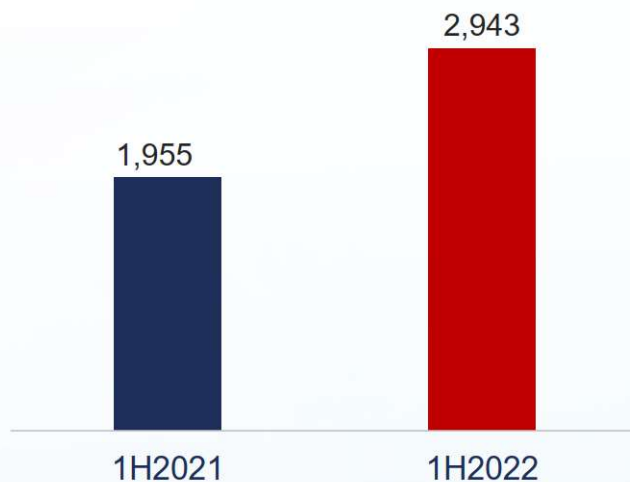
ROA Remains Stable



ROA

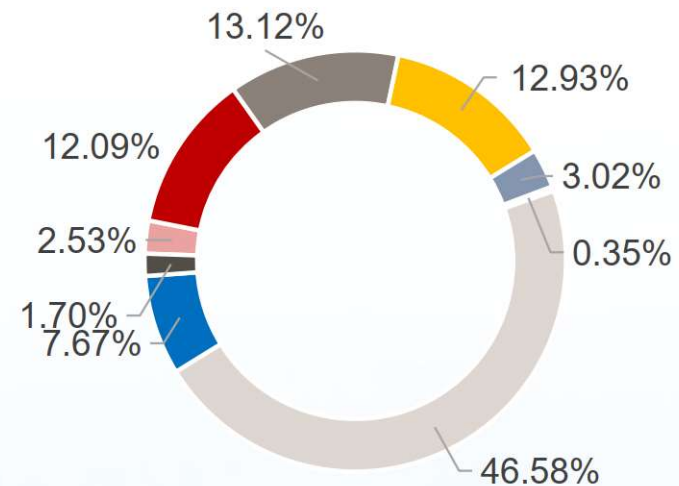
Net Fee and Commission Income Rose Sharply

(RMB mm)



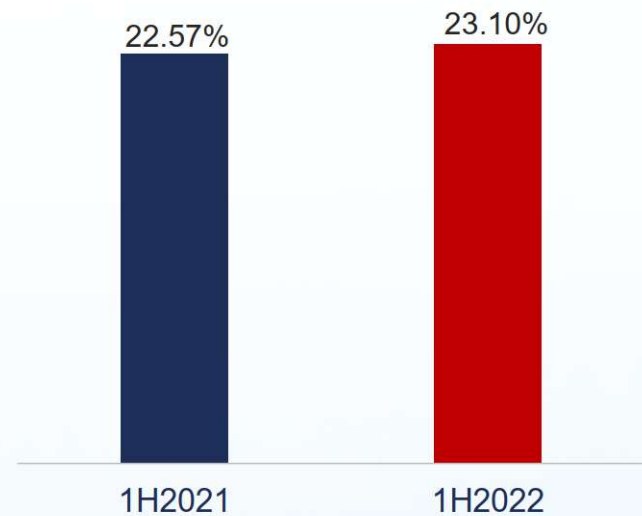
Net Fee and Commission Income

Principal Components of Fee and Commission Income



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

Continued Leading Cost-efficiency among Peers



Cost-to-income Ratio

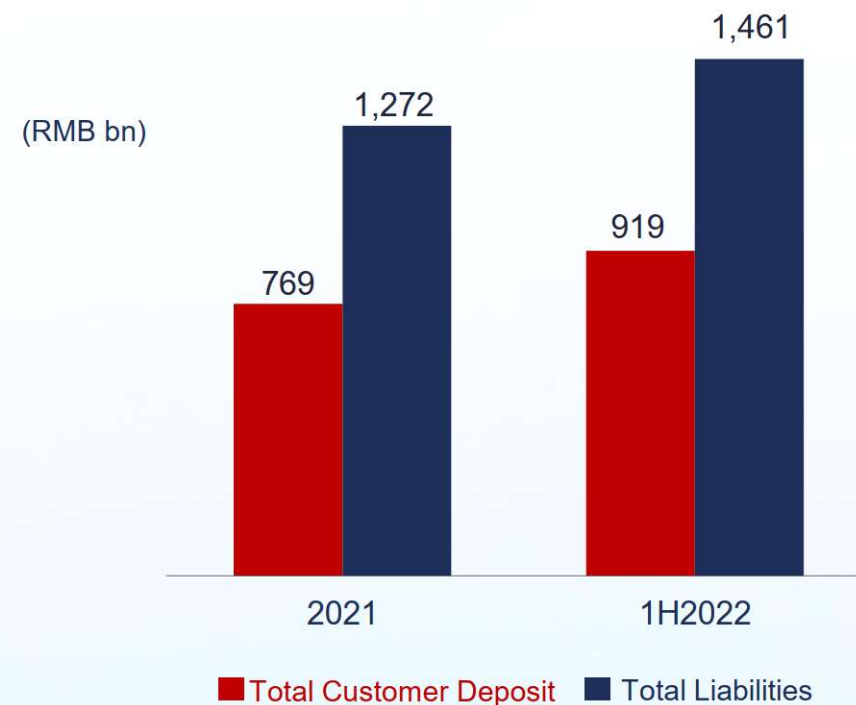
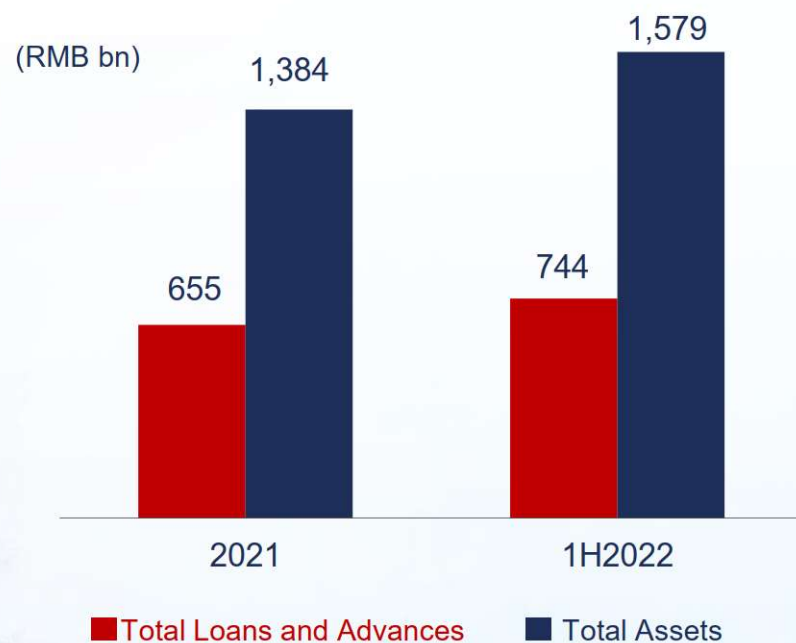


Business Performance

Business Scale Reached a New High


Total Assets: RMB 1,578.68 bn
Growth: 14.09% YTD
Total Loans and Advances to Customers Growth: 13.61% YTD

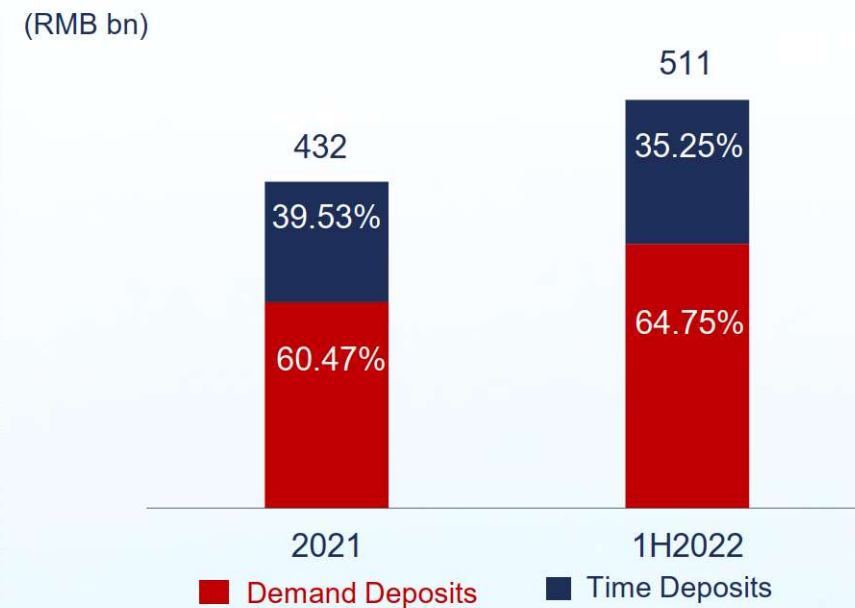
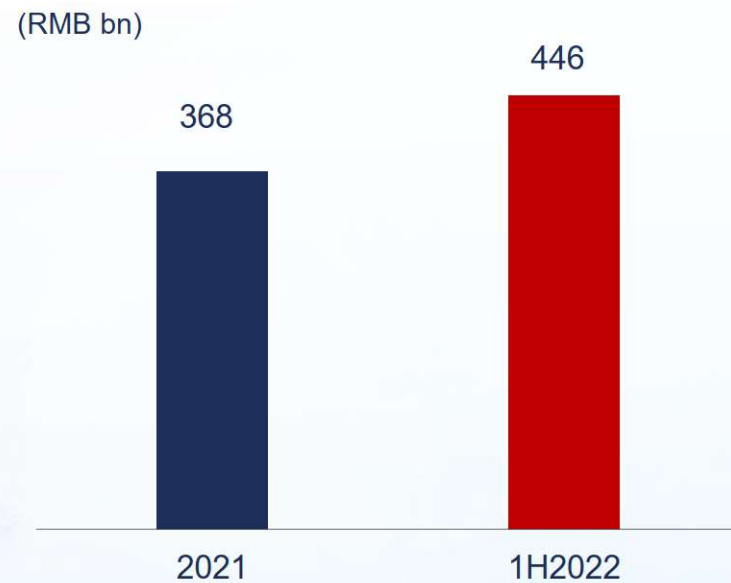
Total Liabilities: RMB 1,460.72 bn
Growth: 14.82% YTD
Total Customer Deposits Growth: 19.58% YTD



Rapid Growth of Corporate Banking Business

Total Corporate Loans: **445.92 bn**
Growth: **21.19%YTD**

Continue to Maintain
Its **Leading Position** in Corporate
Deposits within Anhui Province



Rapid Growth of Retail Banking Business

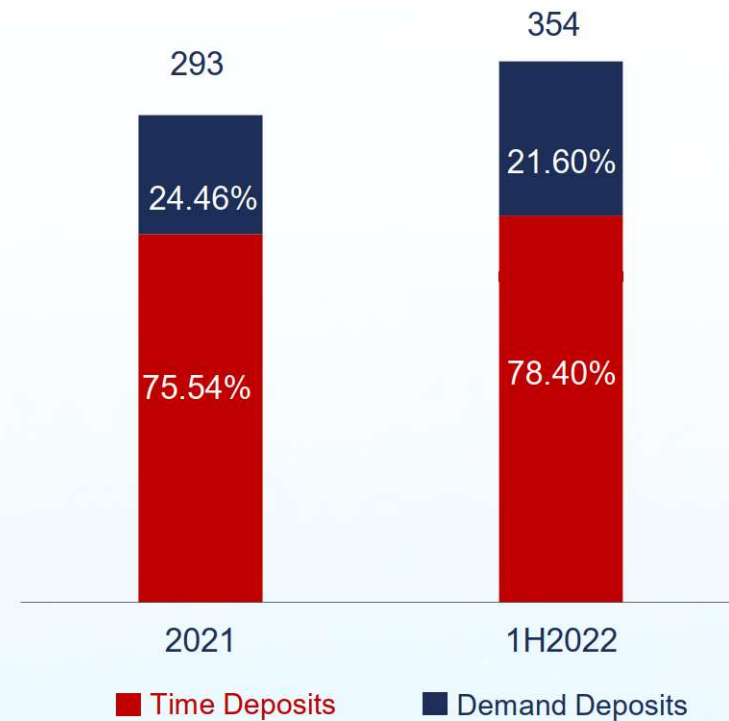
 Retail Loan Growth **3.88%** YTD

(RMB bn)



 Retail Deposit Growth: **21.01%** YTD

(RMB bn)

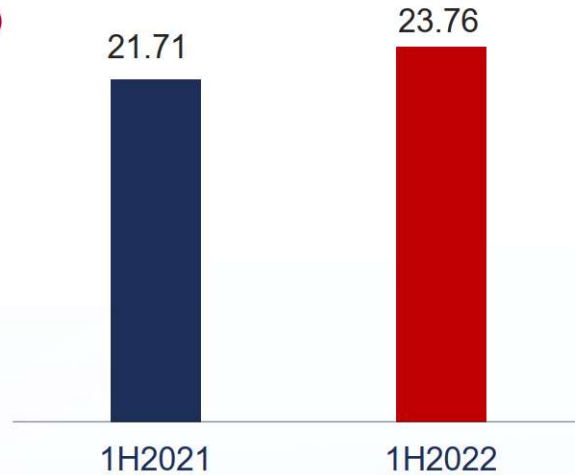


Rapid Growth of Retail Banking Business (Cont'd)



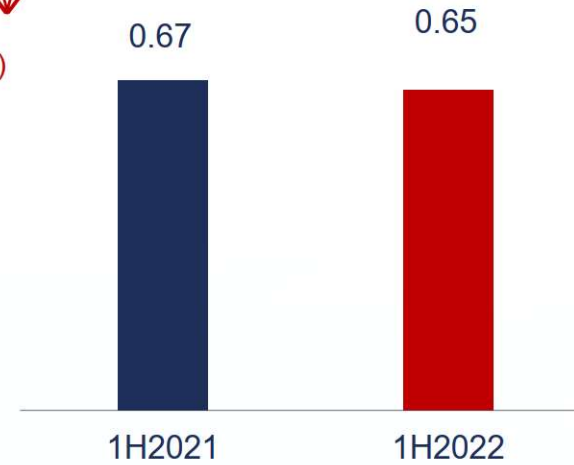
Total Number of Issued Debit Cards

(in mm)



Credit Card Fee Income

(RMB bn)



Wealth Management Business Scale (Excluding Direct Banking Business)

(RMB bn)



Personal Business Loans

(RMB bn)



Other Businesses Achieved Rapid Growth As Well

Give play to the professional service advantages of transaction banks

In the first half of 2022, the Bank was committed to building a domestic and foreign currency integrated transaction banking and wealth and asset management platform and meeting capital management demands of customers during the entire transaction process, and at the same time, it accelerated the formation of an industrial chain ecosystem in key areas and improved the service capacity of small and micro enterprises in the industrial chain. In the first half of 2022, the transaction volume of the Bank's cash management business reached RMB 2.1 trillion, and the number of upstream and downstream customers of the supply chain financing service industry chain exceeded 1,600.

Digital and online transformation of cross-border business

In the first half of 2022, the Bank continued to promote the digital and online transformation of cross-border business, realised the online application of international trade financing business, modelled quota approval and automated financing and disbursement, and provided customers with high-quality, efficient and convenient cross-border financial services. In the first half of 2022, the Bank completed cross-border settlement in a total of USD5,966 million, representing an increase of 33% as compared with same period of the last year; the international trade financing reached USD503 million, representing an increase of 49% as compared with same period of the last year



E-banking channels develop rapidly

In the first half of 2022, the number of mobile banking customers of the bank amounted to 7.8273 million, and the number of mobile banking transactions was 122.1464 million, representing a year-on-year increase of 15.68%. In the first half of 2022, the total number of personal online banking customers of the bank amounted to 7.206 million, the number of transactions was 22.2223 million, and the transaction amount reached RMB248.282 billion; The total number of enterprise online banking customers reached 328,900, and the transaction amount reached RMB2.4 trillion; The online payment business realised 178.9596 million transactions, representing a year-on-year increase of 17.49%, and the transaction amount reached RMB105.636 billion.

Actively advocate green finance

Guiding by “carbon peaking and carbon neutrality”, the Bank faithfully implements national environmental protection laws and regulations, industrial policies, industry access policies and other policies and regulations, actively pursues green finance, and supports green, low-carbon and recycling economy development. As of the end of June 2022, the green loan balance of the Bank amounted to RMB 52.226 billion in total, representing an increase of RMB 20.045 billion or 62.29% as compared with the beginning of the year.

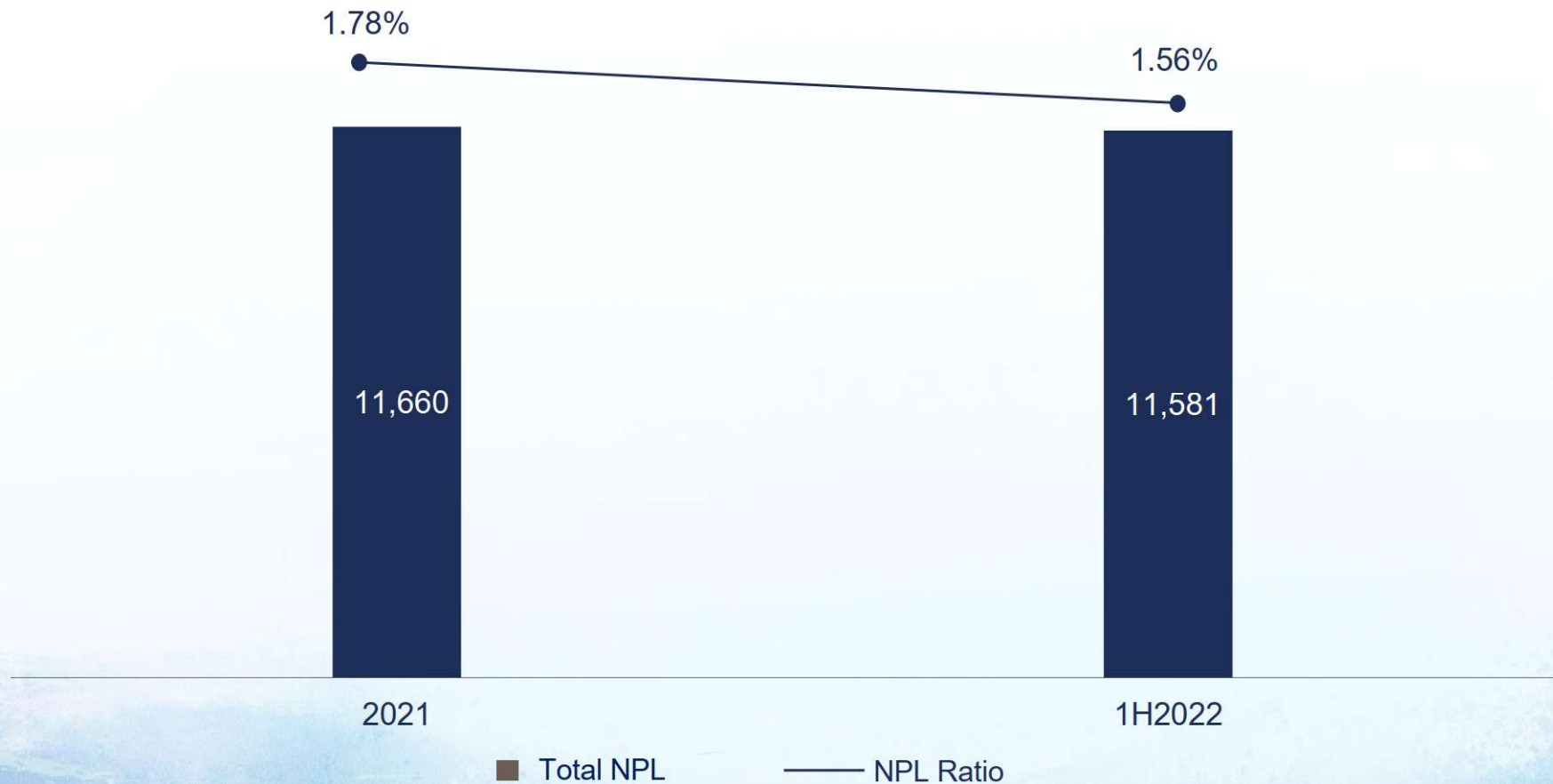


Risk Management

Asset Quality Remains Stable

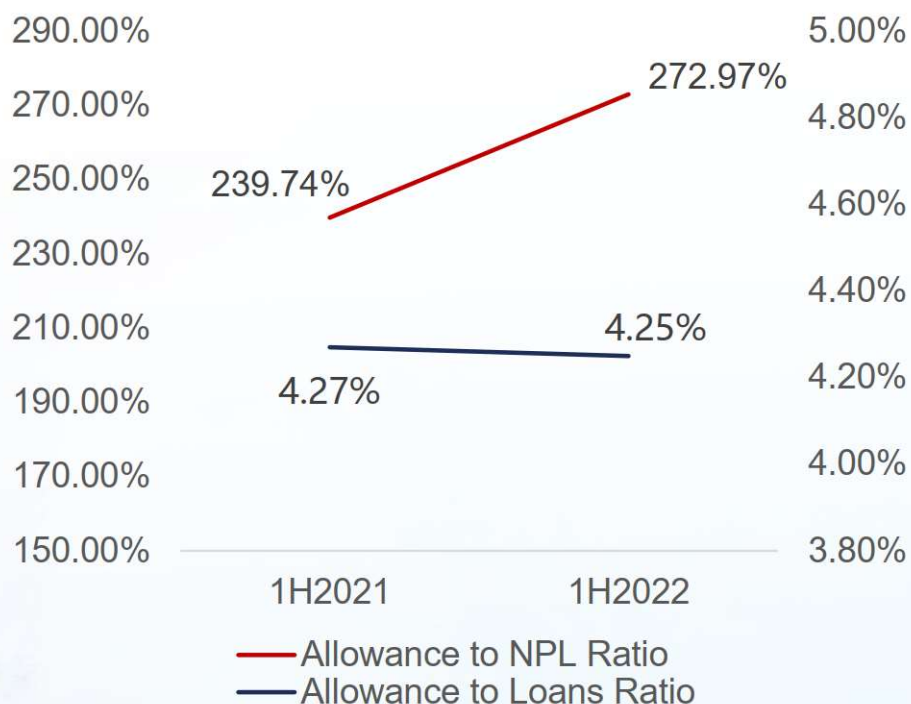
Significant Decrease in NPL Ratio

(RMB mm)

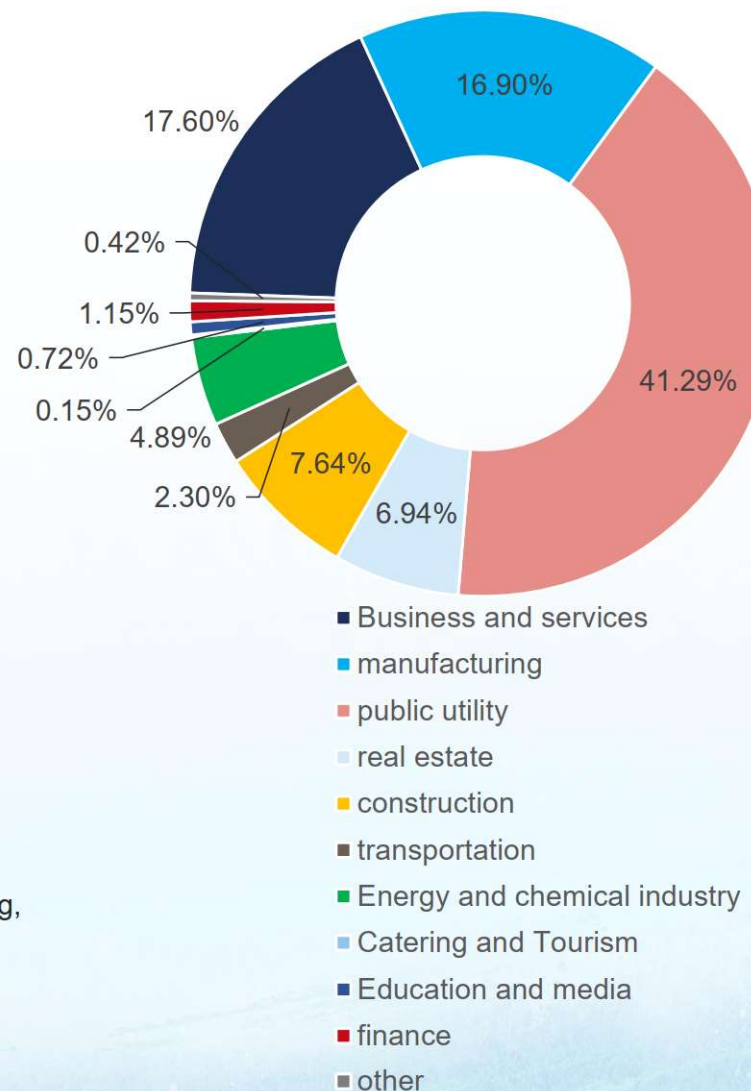


Effective Risk Management

Allowance to NPL ratio has Improved Steadily
Allowance to Loans Ratio was Basically Stable



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



Outlook for the Second Half of 2022

In the second half of 2022, Huishang Bank will coordinate development, transformation and innovation, vigorously carry out **market-based reform, digital transformation, integrated operation, and refined management**, devote to building an outstanding local mainstream bank, and serve as the "main force" of local finance.

1

The bank will go all out for development, focusing on the transformation of integrated financial services

2

The bank will accurately promote transformation and open up new space for business development

3

The bank will push forward the construction of digital banking, digitalization and fintech business

4

The bank will prudently guard against risks and take multiple measures to lay a solid foundation for high-quality development

5

The bank will consolidate the mainstream banking market position, strive to write a new chapter of high-quality development

Summary Financials

RMB in millions, percentage excluded	30 Jun.2022	31 Dec.2021	Change
Total assets	1,578,684	1,383,662	+14.09%
Total loans and advances	743,929	654,795	+13.61%
Total liabilities	1,460,719	1,272,146	+14.82%
Total customer deposits	919,180	768,668	+19.58%
Equity attributable to shareholders of the bank	114,940	108,564	+5.87%
Core Tier 1 capital adequacy ratio	8.07%	8.45%	-0.38PPT
Capital adequacy ratio	11.56%	12.23%	-0.67PPT
NPL ratio	1.56%	1.78%	-0.22PPT
Allowance to NPL ratio	272.97%	239.74%	+33.23个PPT
Allowance to loans ratio	4.25%	4.27%	-0.02PPT

Summary Financials (Cont'd)

RMB in millions, percentage excluded	30 Jun.2022	30 Jun.2021	Change
Net interest income	13,734	13,181	+4.20%
Net fee and commission income	2,943	1,955	+50.54%
Operating income	19,115	17,569	+8.80%
Profit before tax	8,536	7,310	+16.77%
Net profit	7,335	6,092	+20.40%
Earnings per share (RMB Yuan)	0.52	0.45	+15.56%
Net interest margin	2.08%	2.19%	-0.11PPT
Net interest spread	1.85%	1.98%	-0.13PPT
Cost-to-income ratio (including tax and surcharges) ⁽¹⁾	23.10%	22.57%	+0.53PPT
Return on average assets	0.99%	0.92%	+0.07PPT
Return on average net asset	14.01%	13.12%	+0.89PPT

Cost-to-income ratio = Operating expenses / Operating income



Thank you!