



徽商银行股份有限公司

Huishang Bank Corporation Limited

Huishang Bank Corporation Limited 2023 Interim Results Announcement

(Stock code: 3698)

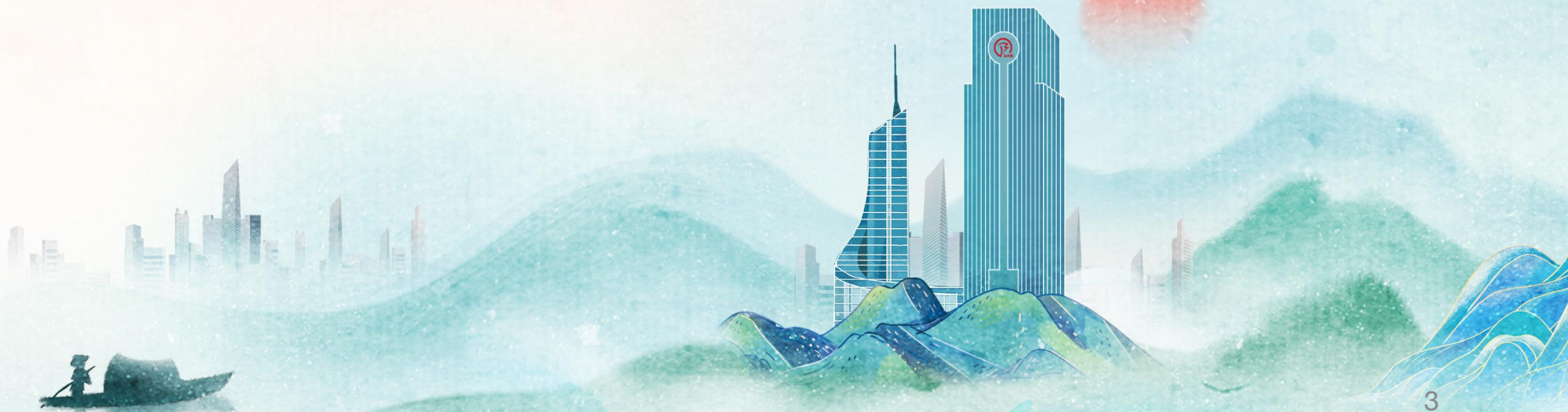


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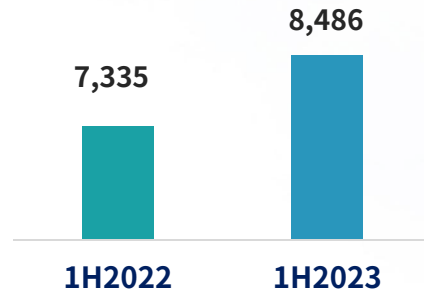
Notes: Increase/decrease and percentage figures are derived based financials rounded to RMB millions except special annotation and %

1 | Financial Performance



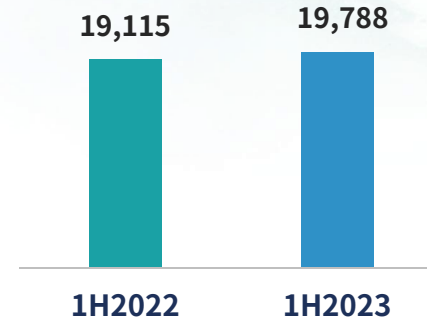
■ Stable Core Profitability

Net Profit Remains Steady Growth



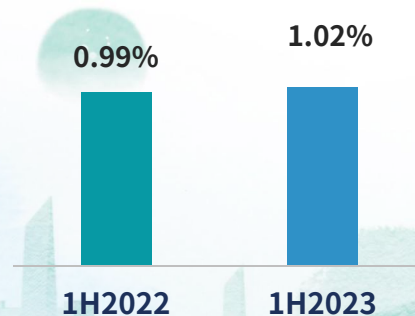
 Net Profit

Operating Revenue Continuous Improvement



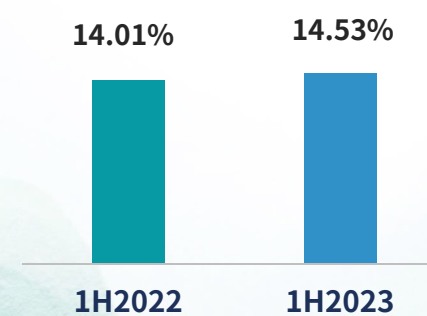
 Operating Revenue

Return on Average Total Assets Maintained Stable Growth



 ROA

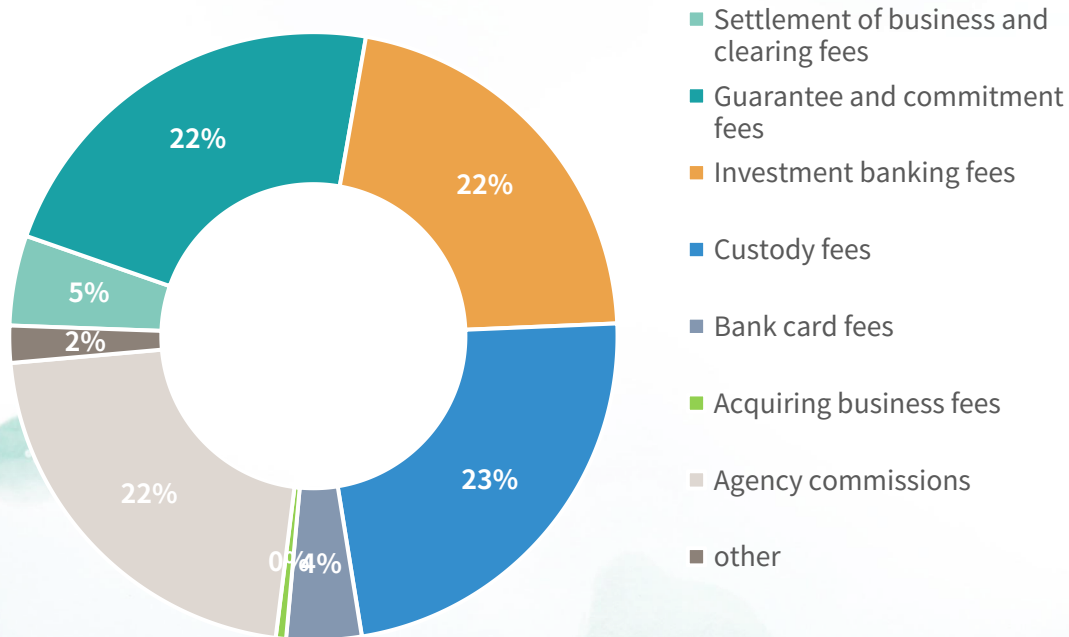
Return on Average Net Assets Maintained Stable Growth



 ROE

The Fee and Commission Income Structure Continued to Improve

Principal Components of Fee and Commission Income



2 | Business Performance



Steady Expansion of Business Scale

Total Assets: RMB **1,732.89bn**

Growth: **9.66%** YTD



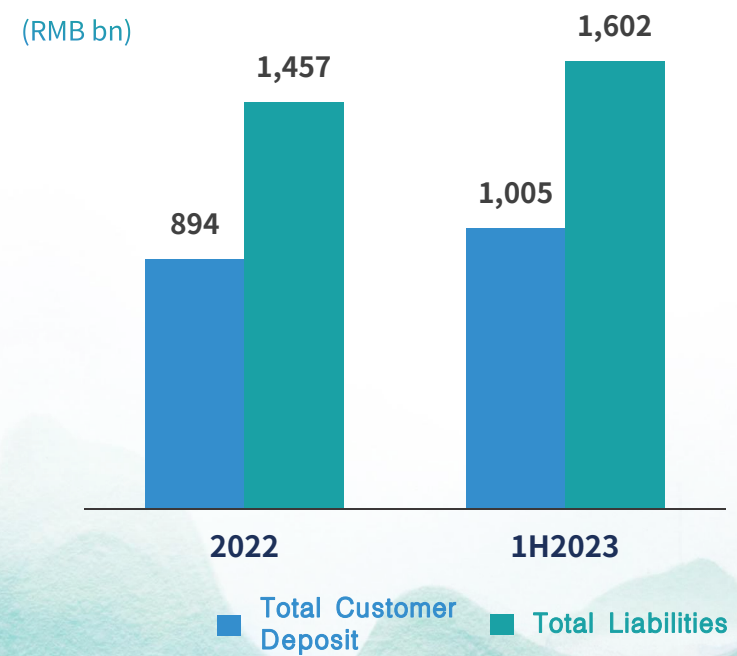
Total Loans and Advances to

Customers Growth: **11.62%** YTD

Total Liabilities: RMB **1,602.04 bn**

Growth: **9.92%** YTD

Total Customer Deposits Growth: **12.41%** YTD

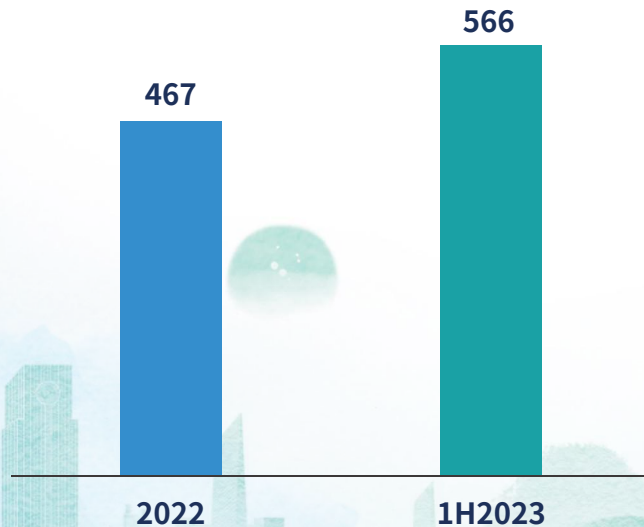


Maintain The Leading Position in Corporate Deposits and Corporate Loans among Commercial Banks in Anhui Province

 Total Corporate Loans: **565.53bn**

Growth: **21.17%YTD**

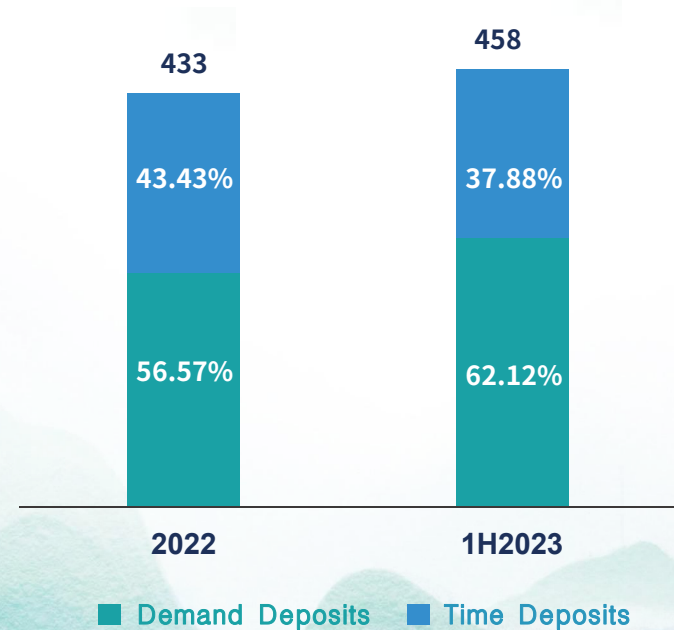
(RMB bn)



Corporate Deposits: **457.87bn**

Growth: **5.78%YTD**

(RMB bn)

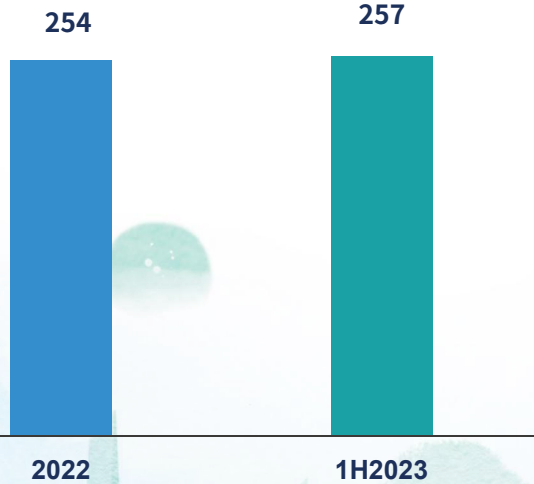


Relatively Growth of Personal Finance Business

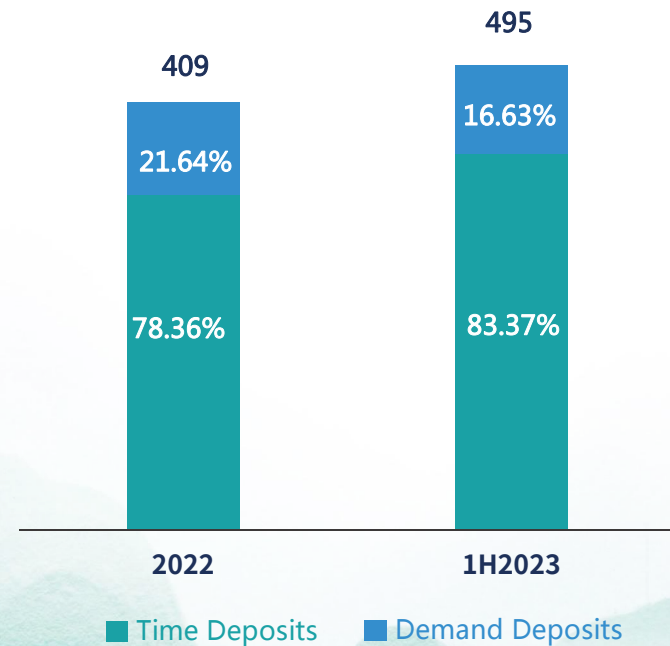
 Personal Loan Growth **1.11%YTD**

Personal Deposit Growth: **21.23%YTD**

(RMB bn)



(RMB bn)

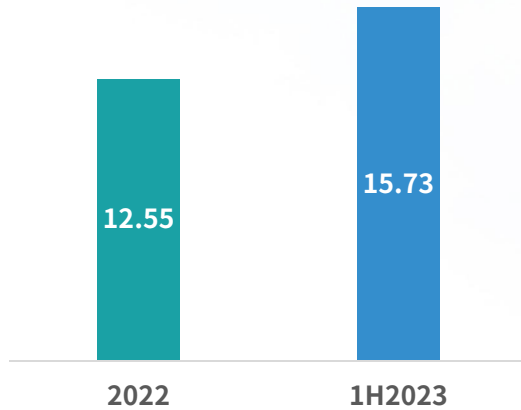


Relatively Growth of Personal Finance Business



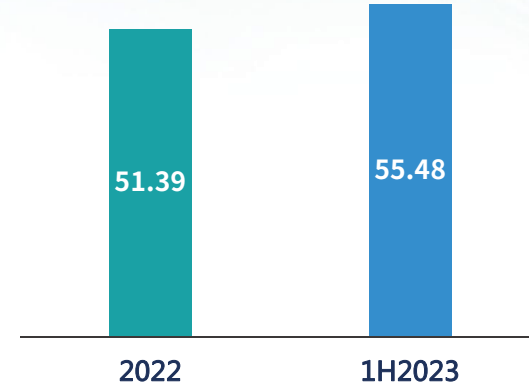
non-home consumption loans

(RMB bn)



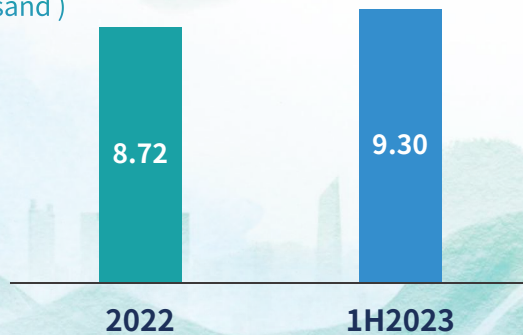
personal business loans

(RMB bn)



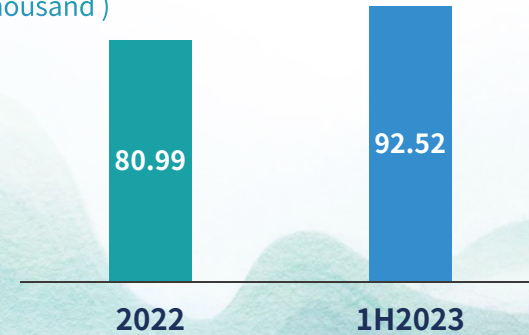
high-net value customers amount

(10 thousand)



personal wealth management customers

(10 thousand)



Other Businesses

Transaction banking

In the first half of 2023, with the recovery of credit demand driven by the recovery of the economic fundamentals, the Bank constantly adhered to the customer-centric service philosophy, actively played the role as a major local financial force and continuously promoted the improvement of the comprehensive cross-border financial service capabilities, achieving steady development in the transaction banking business. In the first half of 2023, the number of customers in the upstream and downstream of the industrial chain of the supply-chain financing of the Bank increased by **120.62%**YoY; the transaction amount of cash management business of the Bank reached RMB**3.2** trillion; granted international trade financing amounted to RMB**7,364** million, increase of **33.99%** YoY.

Investment banking business

In the first half of 2023, the Bank continued to make breakthroughs in the fields of asset securitization and M&A loan business by successfully completing a number of asset securitization and M&A loan business and realizing the rapid development of direct financing of wealth management business, further satisfying the diversified corporate financing needs. In the first half of 2023, the Bank completed the issuance of **59** debt financing instruments with a total amount of RMB**37,610** million. In particular, the underwriting amount was RMB**24,831** million, representing an increase of **52%** YoY.

Fintech business

In the first half of 2023, the Bank thoroughly implemented the national innovation-driven development strategic deployment. With the integration of the Yangtze River Delta, the construction of the G60 Science and Technology Innovation Corridor and pilot zones for science and technology finance reform and innovations, it has taken the initiative to focus on technology-based enterprises, and innovatively develop scientific and technological financial services through the integration of industry and finance, etc., in order to create a scientific and efficient system of scientific and technological financial service. As of the end of Jun. 2023, the balance of technology-based enterprises loans of the Bank amounted to RMB**70,773** million, representing a net increase of RMB**12,243** million or **20.92%**YTD. The number of customers from technology-based enterprises loans amounted to **5,846**, representing an increase of **35.76%**YTD.

Green finance business

The Bank fully displayed its comprehensive financial advantages, established and improved a multi-layered green finance product spectrum with wide coverage in green credit, green bonds and green investments, continuously promoted the development of the green finance business and boosted efforts in supporting green industries, providing strong financial support to the construction of demonstration areas for comprehensive and green transformation in economic and social development in Anhui Province. As of the end of Jun. 2023, the green loan balance of the Bank amounted to RMB**80.223** billion in total, representing an increase of RMB**25.646** billion or **46.99%**YTD.

Other Businesses

Financial business for small and micro enterprises

In the first half of 2023, the Bank continued to implement the decision and arrangement of the competent authorities and regulatory authorities on strengthening financial services for small and micro enterprises, continuously increased credit loans, and significantly facilitated the quality of financial services for small and micro enterprises. As of the end of Jun. 2023, the balance of loans to national-standard small and micro enterprises of the Bank was RMB**377,103** million, representing a net increase of RMB**62,484** million as compared with the beginning of the year. Among them, the balance of inclusive loans to small and micro enterprises with the credit granted to a single customer less than RMB**10** million (inclusive) was RMB**126,022** million, representing a net increase of **20.53%** as compared with the beginning of the year; the number of accounts was **218,000**, achieving a positive growth of **42,700** from the beginning of the year.

Electronic banking

Online banking

In the first half of 2023, the Bank's online banking business maintained a steady development. The Bank continuously enhanced the development of online banking security mechanisms, consistently optimized business processes and customer service experience, and improved the in-depth integration of online banking channels with business. As of the end of Jun. 2023, as for personal online banking, the total number of customers reached **7,879,900**, representing a YoY increase of **9.35%**; as for enterprise online banking, the total number of customers reached **365,000**, the number of transactions reached **16,050,000**, and the transaction amount reached RMB**2.48** trillion.

Online payment

The Bank actively promoted the rapid development of various online payment services such as quick payment, gateway payment and mobile payment, and continued to focus on providing payment services for government, public welfare and merchants providing daily necessities to improve the efficiency and effectiveness of mobile convenient payments in promoting consumption and improving people's livelihood. In the first half of 2023, the number of online payment transactions reached **237,893,100**, representing a year-on-year increase of **32.96%**, and the transaction amount totaled RMB**122,150** million, representing a YoY increase of **15.63%**.

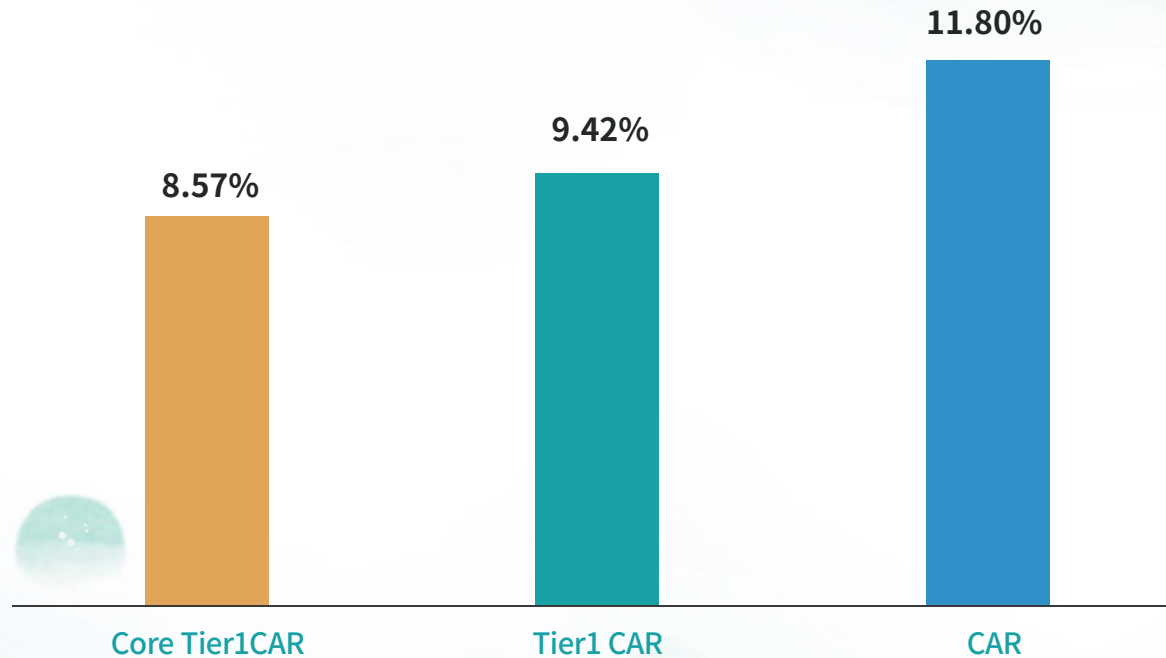
Mobile banking

As at the end of June 2023, the number of mobile banking customers of the Bank reached **9,144,200**, representing a year-on-year increase of **16.82%**. The number of mobile banking transactions reached **130,627,600**, representing a YoY increase of **6.94%**.

3 | Risk Management



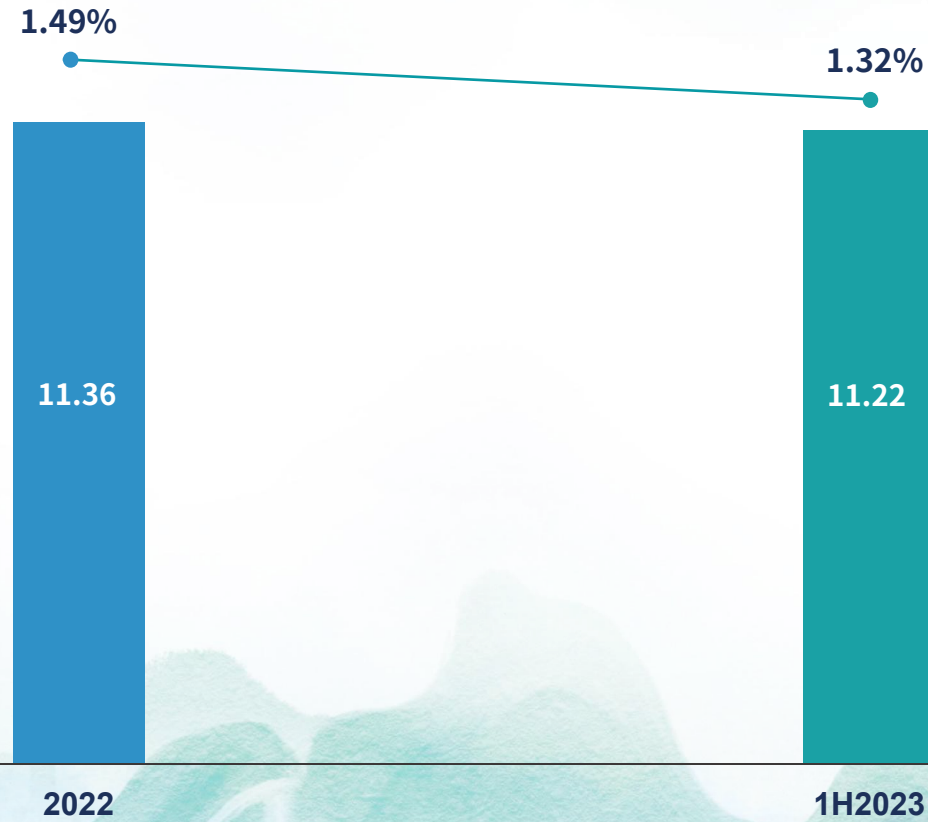
■ Capital Adequacy Ratios Continuously Comply with Regulatory Requirements



Asset Quality Remains Stable

Significant Decrease in NPL Ratio

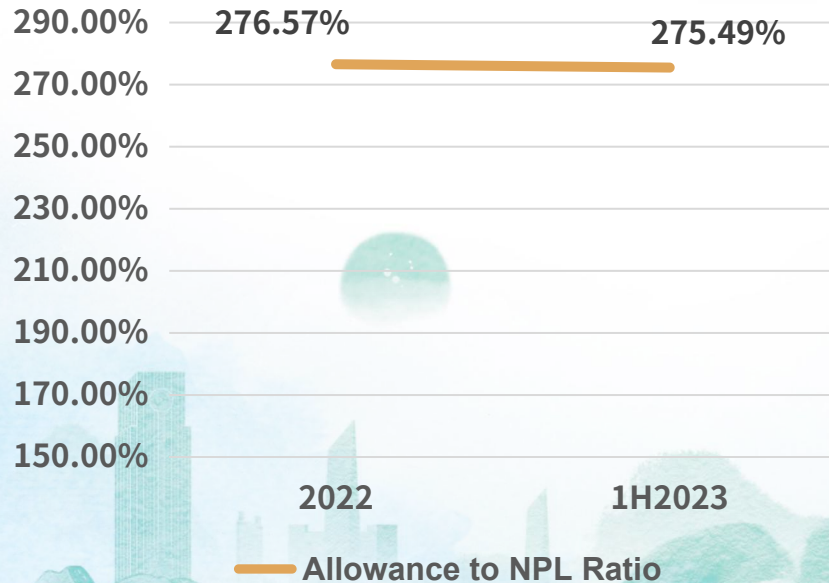
(RMB bn)



■ ■ Total NPL — NPL Ratio

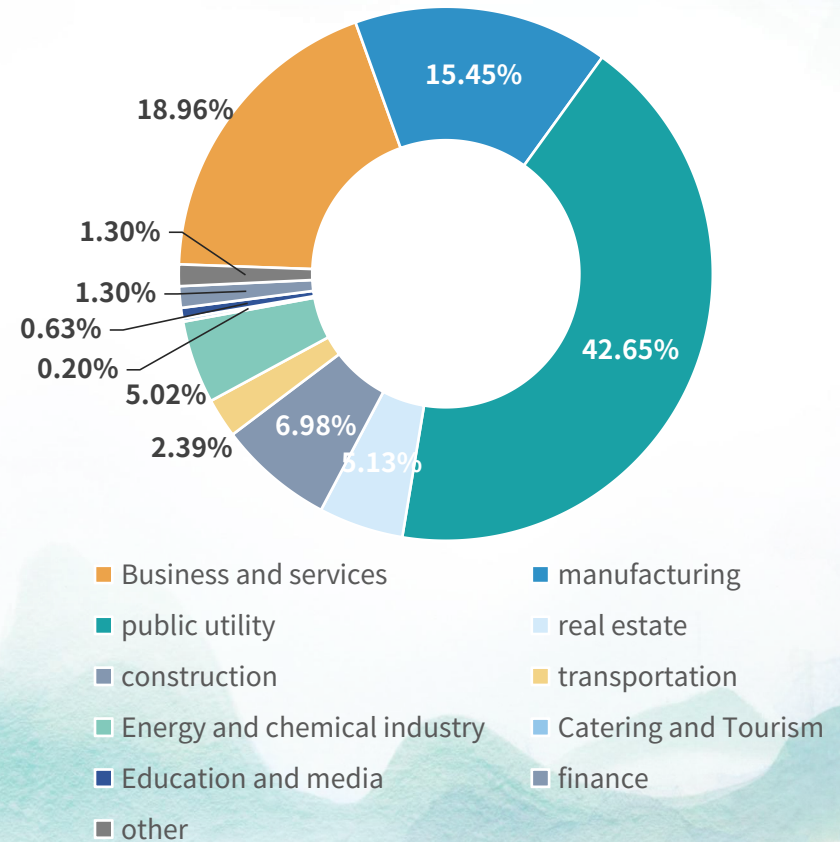
Effective Risk Management

NPL Provision Coverage Rised Steadily



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

Strictly Control of Corporate Loan Distribution (1)



4 | Outlook

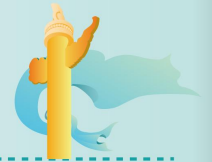


—★ Outlook for the Second Half of 2023 ★—

Huishang Bank will be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, unswervingly follow the road of financial development with Chinese characteristics, resolutely implement the decisions and arrangements of the Party Central Committee, Anhui Provincial Party Committee and Anhui Provincial Government, and comprehensively build an excellent local mainstream bank serving the high-quality development of Anhui.

01

Comprehensively and accurately grasp the external environment and internal advantages, adhere to the market positioning of city commercial bank, adhere to the guidance in party building, and adhere to the service of local areas;



02

Customer-centric, with digital transformation as the main line, transformation and improvement projects in nine major fields as the starting point, institutional business as the basis, capital-light public business and digital personal financial business in synergy;



03

Accelerate business specialization, service integration, capability digitization, business standardization, organizational agility, strong body and abundant wings, digital intelligence leadership;



04

To build excellent local mainstream bank in an all-round way, and make greater contributions in serving the coordinated development of the region and the construction of a modern and beautiful Anhui.



Summary Financials

	30 Jun. 2023	31 Dec. 2022		Change
Total assets	1,732,894	1,580,236	↗	9.66%
Total loans and advances	853,124	764,309	↗	11.62%
Total liabilities	1,602,036	1,457,414	↗	9.92%
Total customer deposits	1,005,131	894,156	↗	12.41%
Equity attributable to shareholders of the bank	127,282	119,608	↗	6.42%
	30 Jun. 2023	30 Jun. 2022		
Core Tier 1 capital adequacy ratio	8.57%	8.07%	↗	0.50PPT
Capital adequacy ratio	11.80%	11.56%	↗	0.24PPT
NPL ratio	1.32%	1.56%	↘	0.24PPT
Allowance to NPL ratio	275.49%	272.97%	↗	2.52PPT
Allowance to loans ratio	3.62%	4.25%	↘	0.63PPT

Summary Financials

	Jan. – Jun. 2023	Jan. – Jun. 2022		Change
Net interest income	15,142	13,734	↗	10.25%
Net fee and commission income	1,787	2,943	↘	39.28%
Operating income	19,788	19,115	↗	3.52%
Profit before tax	9,881	8,536	↗	15.76%
Net profit	8,486	7,335	↗	15.69%
Earnings per share (RMB Yuan)	0.58	0.52	↗	11.54%
Net interest margin (NIM)	2.00%	2.08%	↘	0.08PPT
Cost-to-income ratio	24.60%	23.10%	↗	1.50PPT
Return on average assets	1.02%	0.99%	↗	0.03PPT
Return on average net asset	14.53%	14.01%	↗	0.52PPT



徽商银行股份有限公司

Huishang Bank Corporation Limited

Thank you!

