



2020 Annual Results Announcement

March 2021

A traditional Chinese ink wash painting of a misty mountain landscape. The scene features a prominent, dark pine tree growing from a rocky cliff in the foreground. In the background, more mountains are visible, shrouded in a soft, white mist. The overall style is minimalist and atmospheric, with a focus on natural elements and a sense of depth.

Disclaimer

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

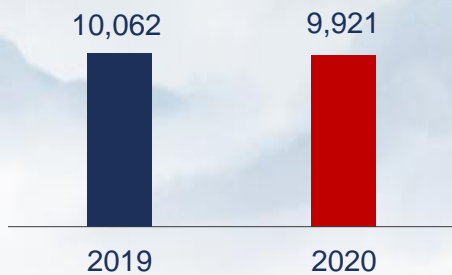


Financial Performance

Stable Core Profitability

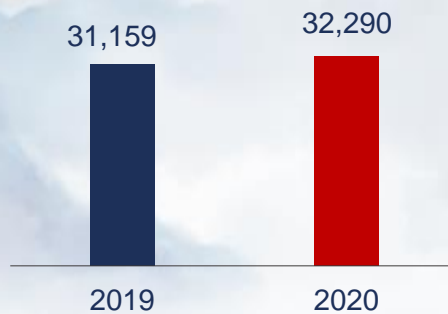
(RMB mn)

Net Profit
Remains Stable



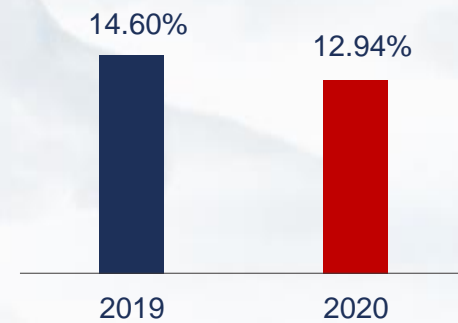
Net Profit

Operating Revenue
Continuous Improvement



Operating Revenue

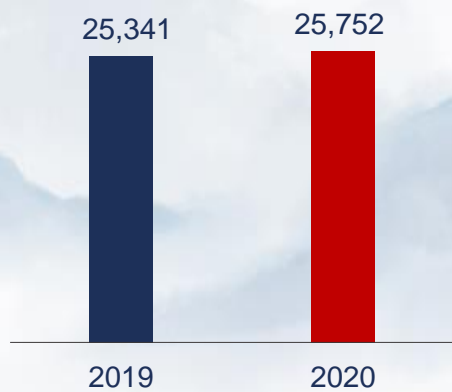
Return on Average Net
Assets Remains Stable



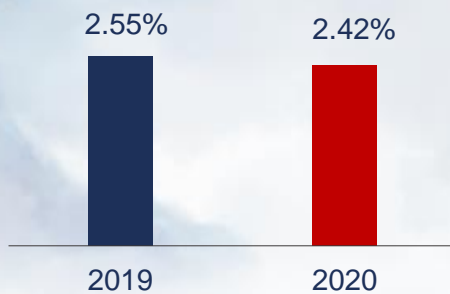
Return on Average Net Assets

Net Interest Spread Remains Healthy

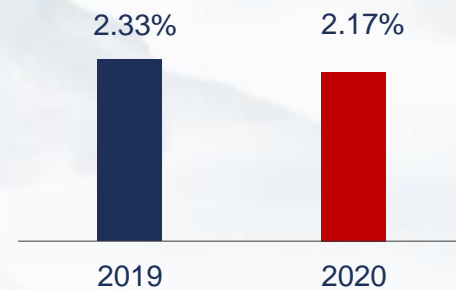
(RMB mn)



Net Interest Income



Net Interest Margin

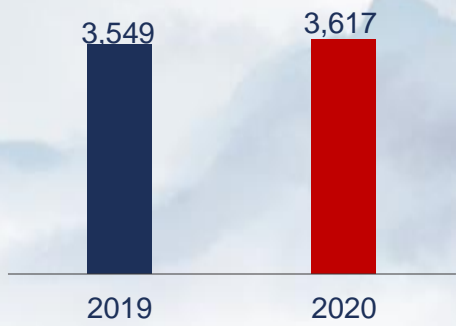


Net Interest Spread

Robust Growth in Net Fee and Commission Income

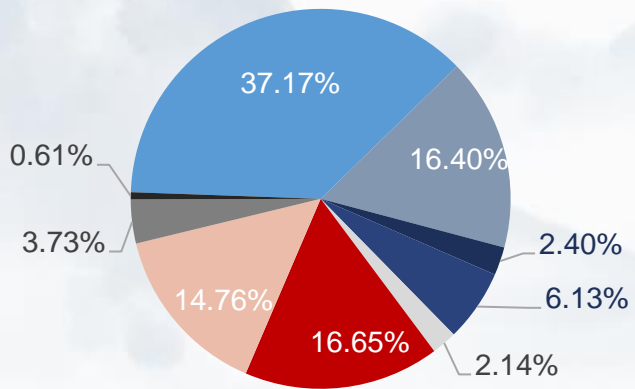
(RMB mn)

YoY Growth **1.92%**



Net Fee and Commission Income

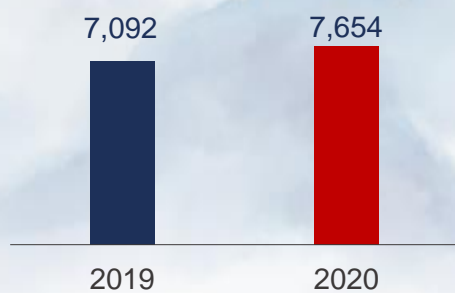
- Agency commissions
- Bank card fees
- Settlement and clearing fees
- Custody fees
- Acquiring business fees
- Financial leasing fee income
- Guarantee and commitment fees
- Investment banking fees
- Others



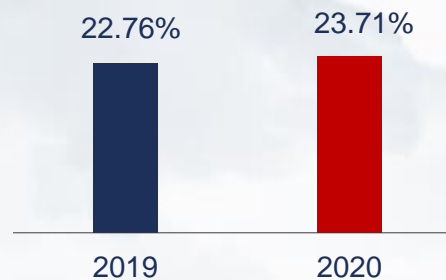
Principal Components of Fee and Commission Income

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



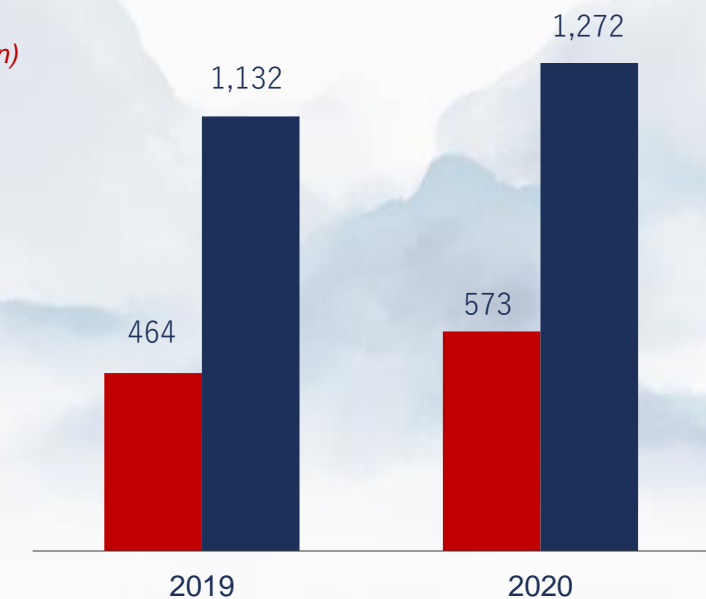
Total Assets: RMB **1,271.70** bn

Growth: **12.37%** YTD

Total Loans and Advances to

Customers Growth: **23.49%** YTD

(RMB bn)



■ Total Loans and Advances ■ Total Assets

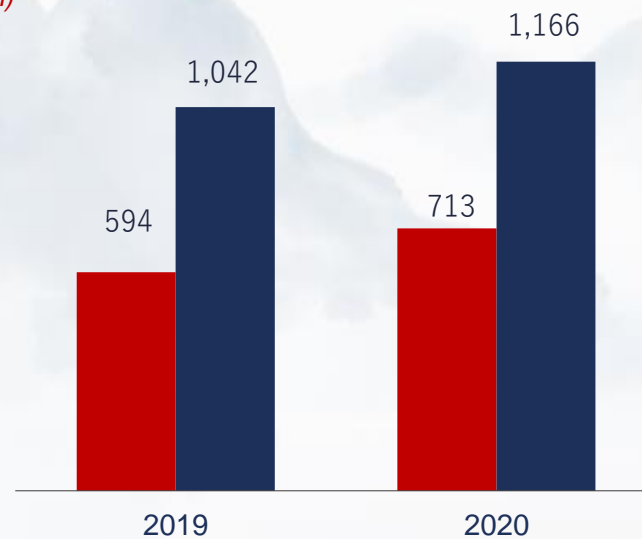


Total Liabilities: RMB **1,166.03** bn

Growth: **11.88%** YTD

Total Customer Deposits Growth: **20.06%** YTD

(RMB bn)



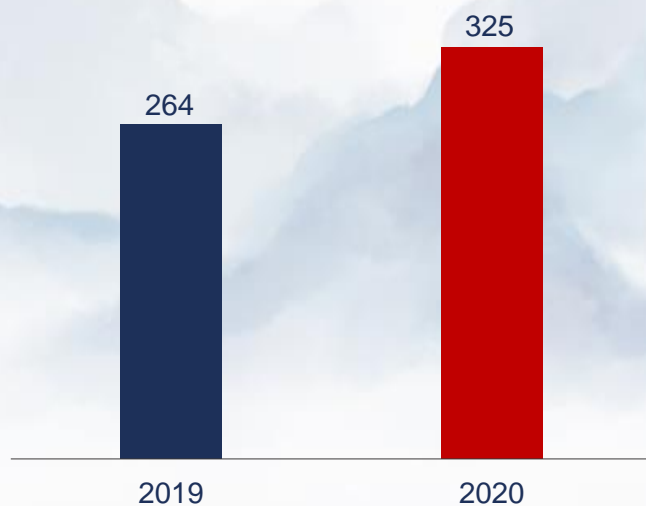
■ Total Customer Deposit ■ Total Liabilities

Steady Growth of Corporate Banking Business



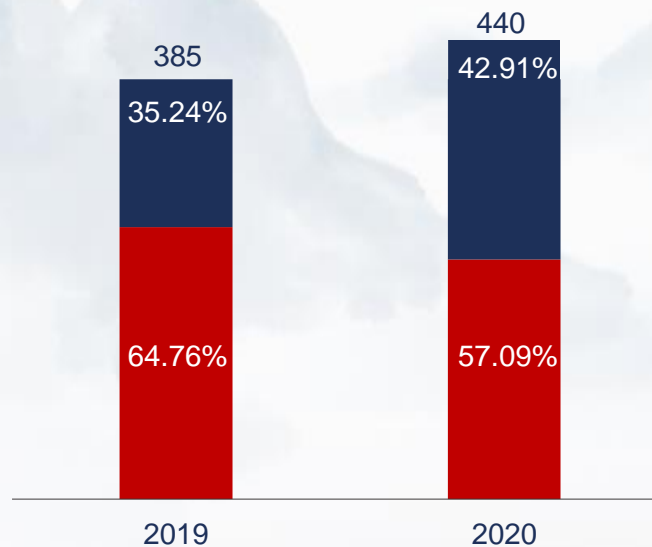
Total Corporate Loans: **325.11** bn
Growth: **23.25%** YTD

(RMB bn)



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

(RMB bn)

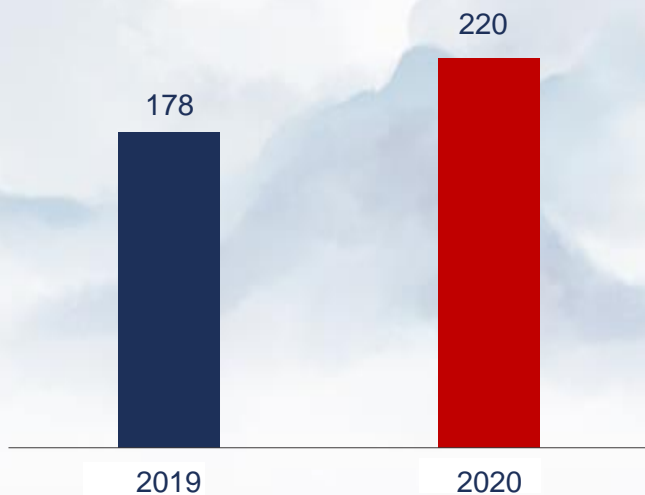


■ Demand Deposits ■ Time Deposits

Fast Growth of Retail Banking Business

 Retail Loan Growth: **23.41%** YTD

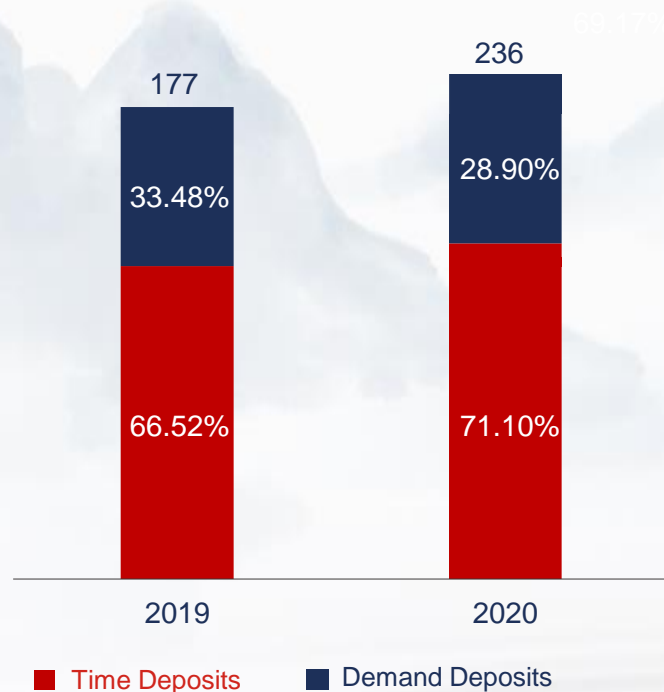
(RMB bn)



 Retail Deposit Growth: **33.10%** YTD

 The Group's Retail Loan in Anhui Province to Reach the Market Share of **7.45%**

(RMB bn)



Fast Growth of Retail Banking Business (Cont'd)



Total Number of Issued Debit Cards

(in millions)

18.76

20.89

2019

2020



Bank Card Fee Income

(RMB mn)

898

939

2019

2020



Wealth Management Business Scale
(Excluding Direct Banking Business)

(RMB bn)

164.78

192.45

2019

2020



Funds Raised from Personal
Wealth Management Business

(RMB bn)

362

545

2019

2020

Rapid Development of Other Businesses

International Business Maintained Steady and Rapid Growth

As at the end of 2020, international settlement amounted to US\$ **8.7** billion, up **13.62%** YoY

The Bank implements the new layout and strategy of correspondent banks under the "the Belt and Road Initiative" strategy, and constantly improves the network structure of overseas correspondent banks. By the end of 2020, the number of agent banks has reached **650**, and the number of overseas settlement accounts in major settlement currencies has reached **14**. In addition, the anti-money laundering compliance risk management system for the overseas agent bank business has been continuously improved. The agency structure of the Bank has been continuously optimized, and the settlement channels have become increasingly perfect, so as to fully meet customers' requirements for clearing and settlement business



Electronic Banking Channels Further Improved

As at the end of 2020, the total number of personal online banking customers amounted to **5.82** mn. The number of personal online banking transactions amounted to **456.81** mn, up **10.05%** YoY. The number of enterprise online banking transactions reached **21** mn. The transaction amount of enterprise online banking reached RMB **4,580** bn

The total number of contracted mobile banking customers reached **6.03** mn. The number of mobile banking transactions reached **161.05** mn, up **22.57%** YoY, and transaction amount accumulated to RMB **1,313.82** bn, up **73.73%** YoY

By the end of 2020, the number of direct selling bank accounts exceeded **22.75** mn, the balance of personal financial assets sold as agents was RMB **3.78** bn, the cumulative transaction volume of wealth products exceeded RMB **58.85** bn, the total amount of various loans was RMB **64.49** bn, and the balance of loans was RMB **14.33** bn



Rapid Development of Other Businesses(Cont'd)

 **The Balance of Assets under Custody**

(RMB bn)



 **Outstanding Loans to Science and Technology Enterprises**

(RMB bn)



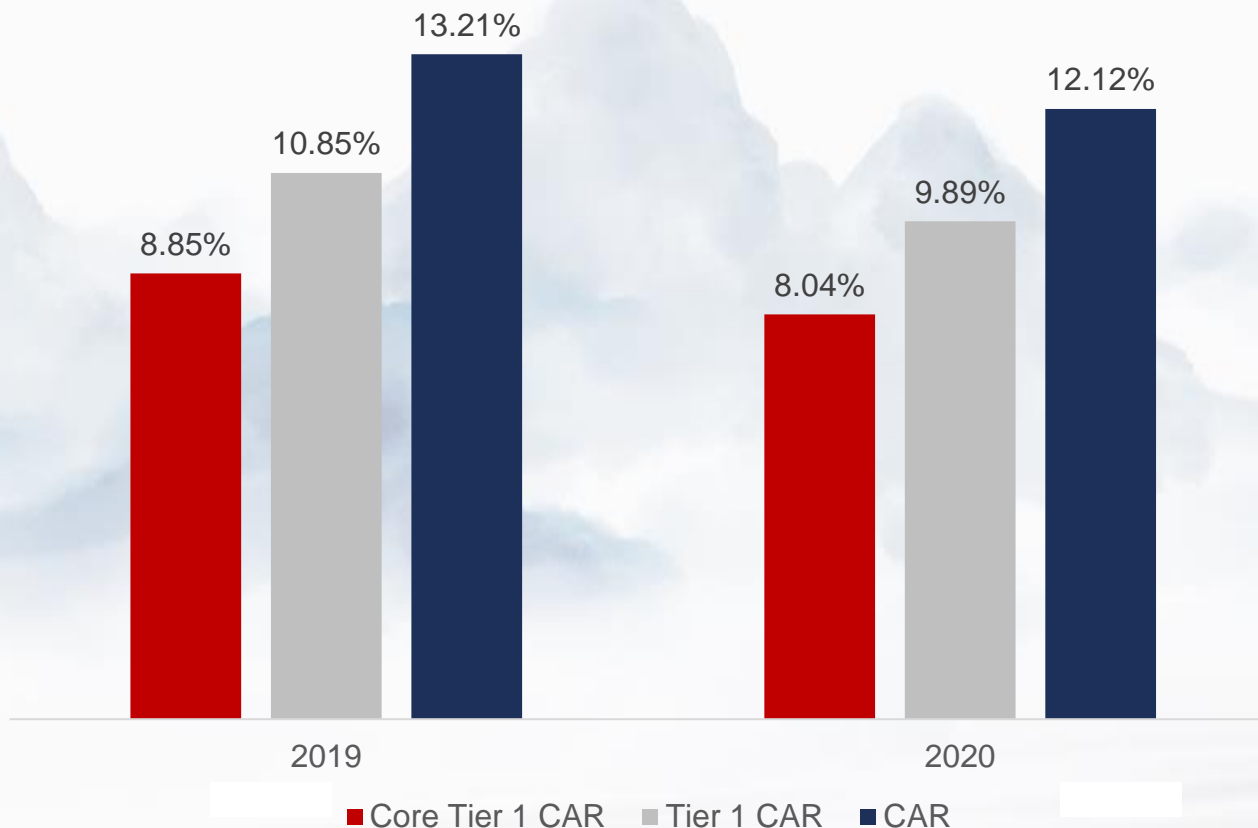


Risk Management

Capital Adequacy Ratios Continuously Comply with Regulatory Requirements



Capital Adequacy Ratios

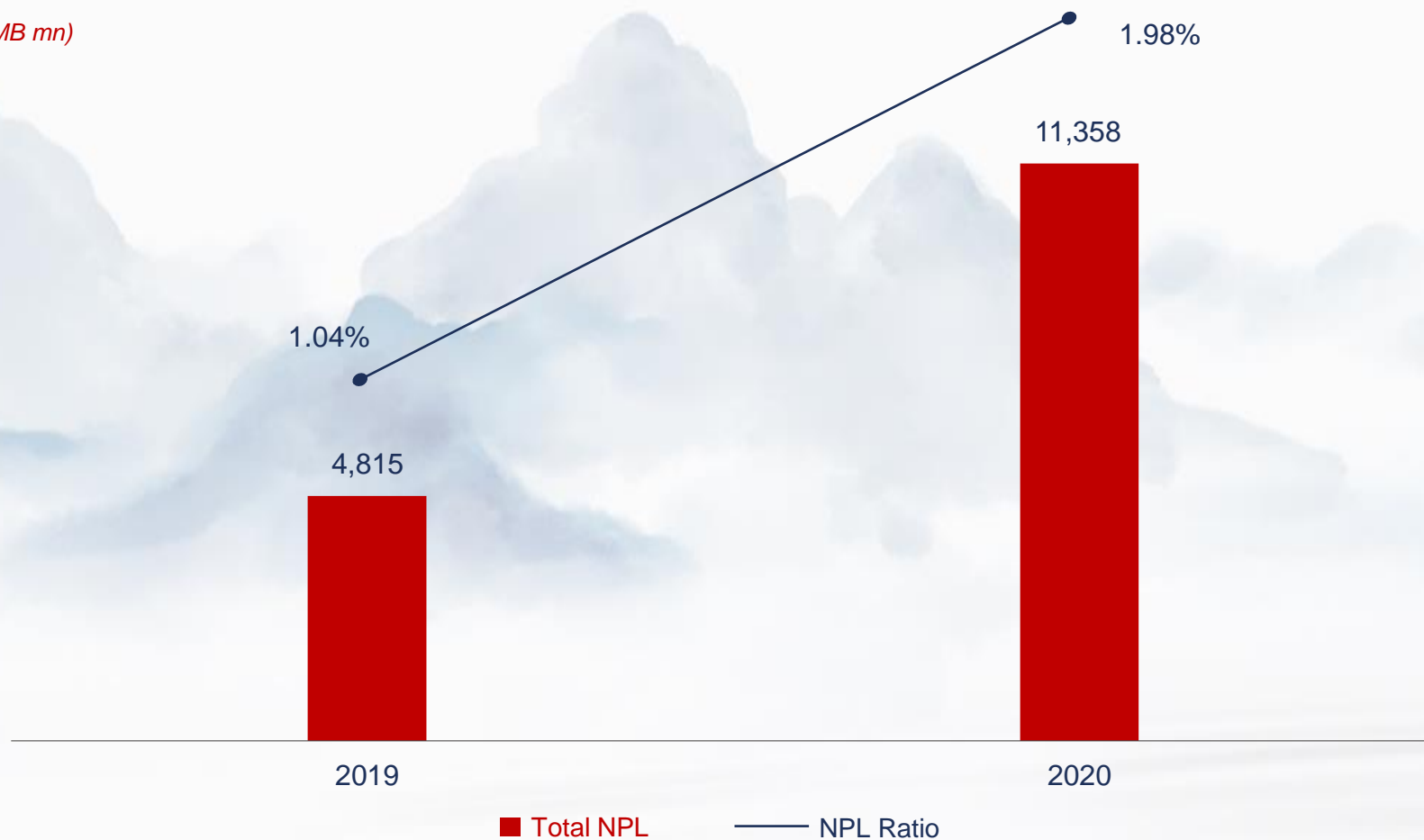


Asset Quality Remains Stable



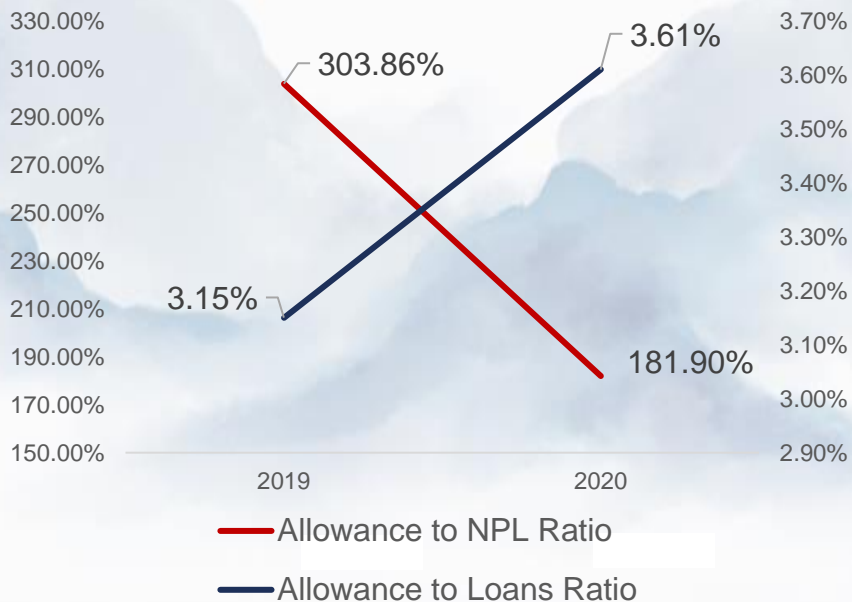
Slightly Increase in NPL Ratio

(RMB mn)

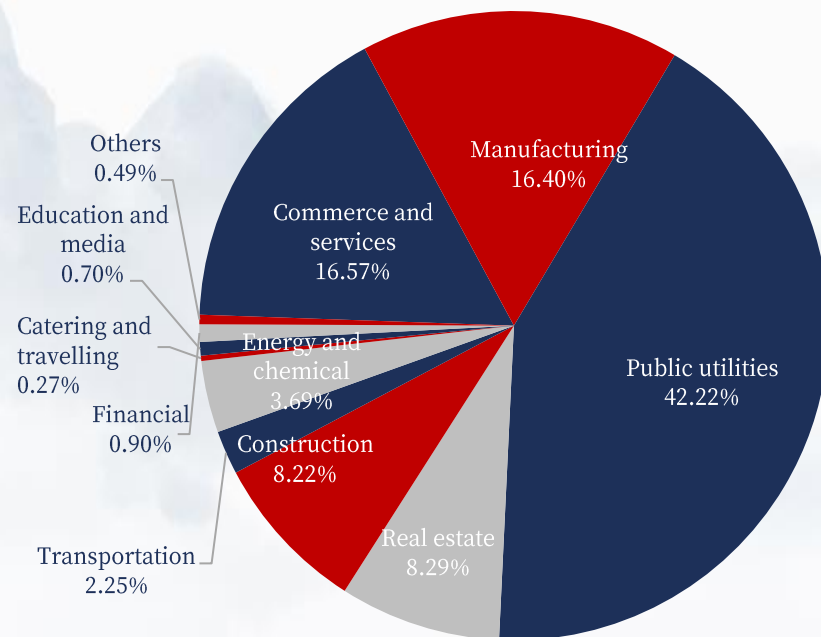


Effective Risk Management

 NPL Provision Coverage remained 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

2021 Outlook – Opportunities and Challenges

With the **institutional business** as the body, plan the layout of new capital



Looking ahead to 2021, the global economy is expected to grow by 5.5%, with the global economy picking up speed in the second half of the year. In 2021, the first year of the implementation of China's 14th Five-Year Plan, the government will continue to expand domestic demand, support innovative development and improve the business environment, and economic growth is likely to resume above the normal level of growth



Take the **new pattern of double circulation** as the direction, promote the development of new business













With **high quality development** as the main line, to develop new customers



With **digital banking** as the goal, follow up and promote new technologies

Summary Financials

RMB in millions, percentage excluded	31 Dec. 2020	31 Dec. 2019		Change
Total assets	1,271,701	1,131,721		12.37%
Total loans and advances	572,954	463,985		23.49%
Total liabilities	1,166,028	1,042,228		11.88%
Total customer deposits	712,953	593,834		20.06%
Equity attributable to shareholders of the bank	103,041	87,209		18.15%
Core Tier 1 capital adequacy ratio	8.04%	8.85%		0.81PPT
Capital adequacy ratio	12.12%	13.21%		1.09PPT
NPL ratio	1.98%	1.04%		0.94PPT
Allowance to NPL ratio	181.90%	303.86%		121.96PPT
Allowance to loans ratio	3.61%	3.15%		0.46PPT

Summary Financials (Cont'd)

RMB in millions, percentage excluded	31 Dec. 2020	31 Dec. 2019		Change
Net interest income	25,752	25,341		1.62%
Net fee and commission income	3,617	3,549		1.92%
Operating income	32,290	31,159		3.63%
Profit before tax	12,083	12,301		1.77%
Net profit	9,921	10,062		1.40%
Earnings per share (RMB Yuan)	0.72	0.78		7.69%
Net interest margin (NIM)	2.42%	2.55%		0.13PPT
Cost-to-income ratio (including tax and surcharges) ⁽¹⁾	23.71%	22.76%		0.95PPT
Return on average assets	0.83%	0.92%		0.09PPT
Return on average net asset	12.94%	14.60%		1.66PPT

(1) Cost-to-income ratio = Operating expenses / Operating income



Thank you