

2021 Interim Results Announcement

August 2021



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



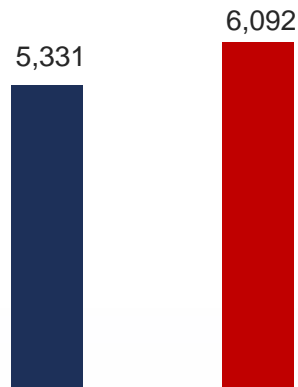
Financial Performance



Stable Core Profitability

(RMB mm)

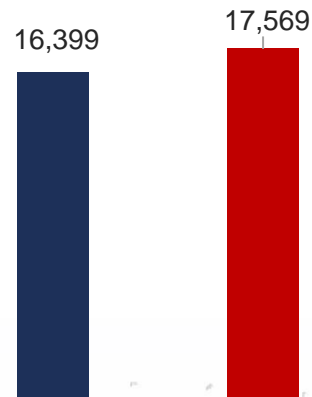
Net Profit Remains Steady Growth



1H2020 1H2021

Net Profit

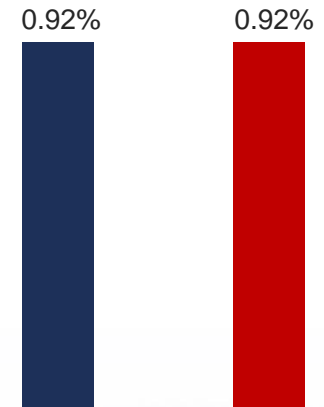
Operating Revenue Continuous Improvement



1H2020 1H2021

Operating Revenue

Return on Average Total Assets Remains Stable

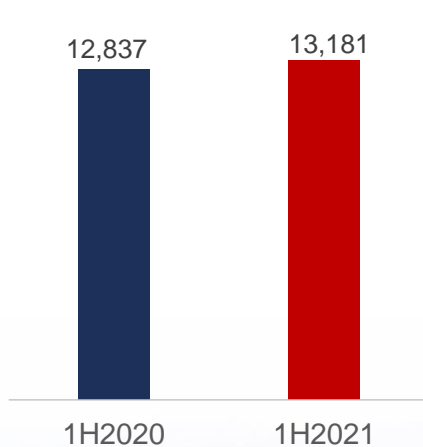


1H2020 1H2021

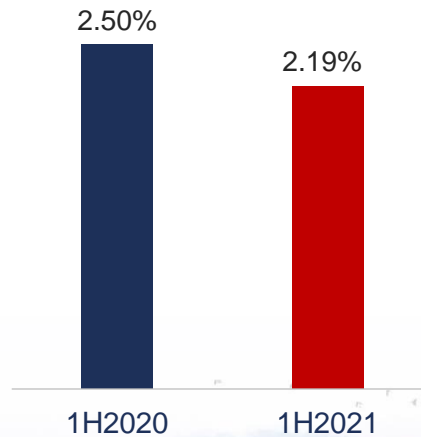
Return on Average Total Assets

Net Interest Spread Remains Healthy

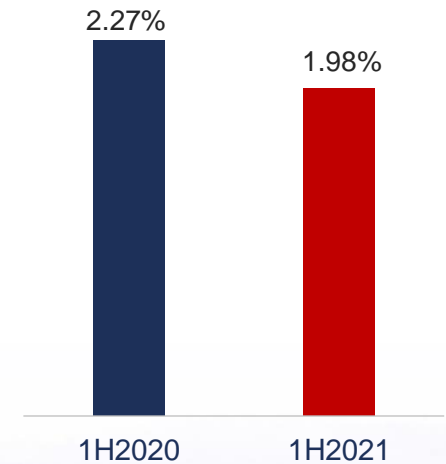
(RMB mm)



Net Interest Income



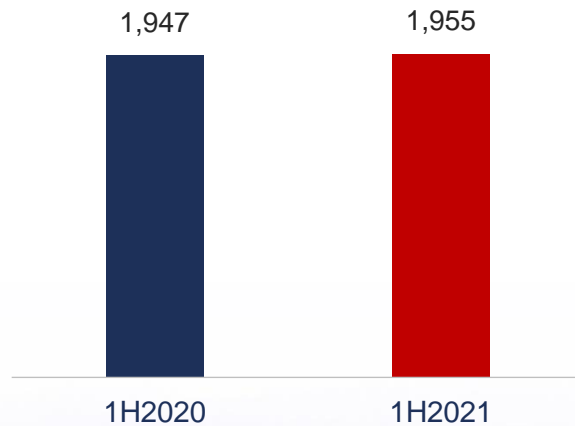
Net Interest Margin



Net Interest Spread

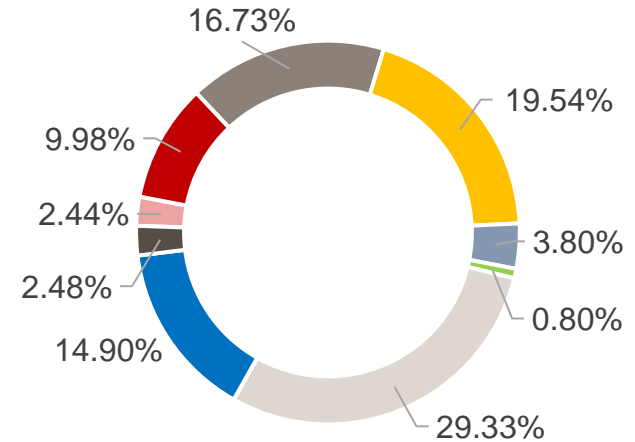
Steady Growth in Net Fee and Commission Income

(RMB mm)



Net Fee and Commission Income

Principal Components of Fee and Commission Income

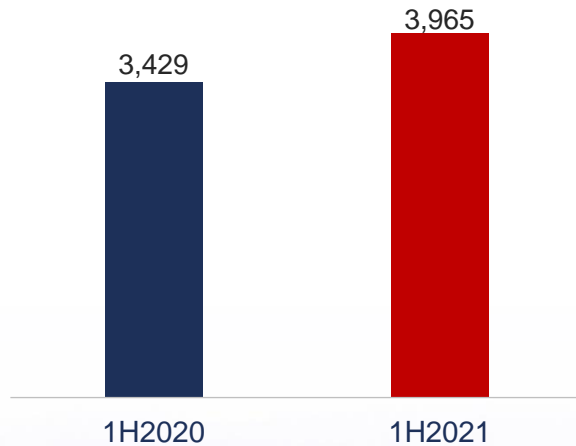


- Settlement and clearing fees
- Guarantee and commitment fees
- Investment banking fees
- Custody fees
- Bank card fees
- Acquiring business fees
- Agency commissions
- Financial leasing fee income
- other

Continued Leading Cost-efficiency among Peers

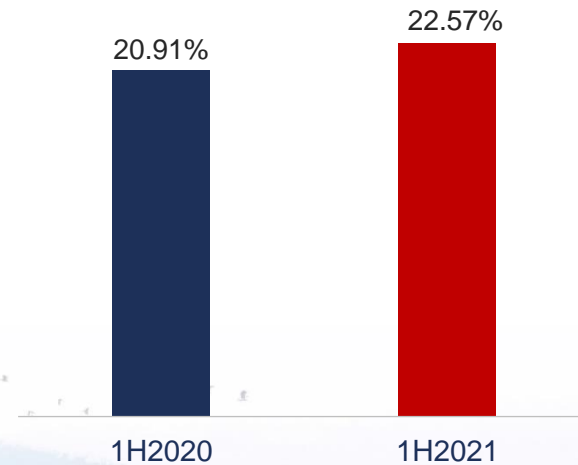
(RMB mm)

**Operating Expenses
Increased Slightly**



Operating Expenses

**Cost-to-income Ratio
Continually Stayed Low**



Cost-to-income Ratio



Business Development



Steady Expansion of Business Scale

Total Assets: RMB **1,389.83** bn



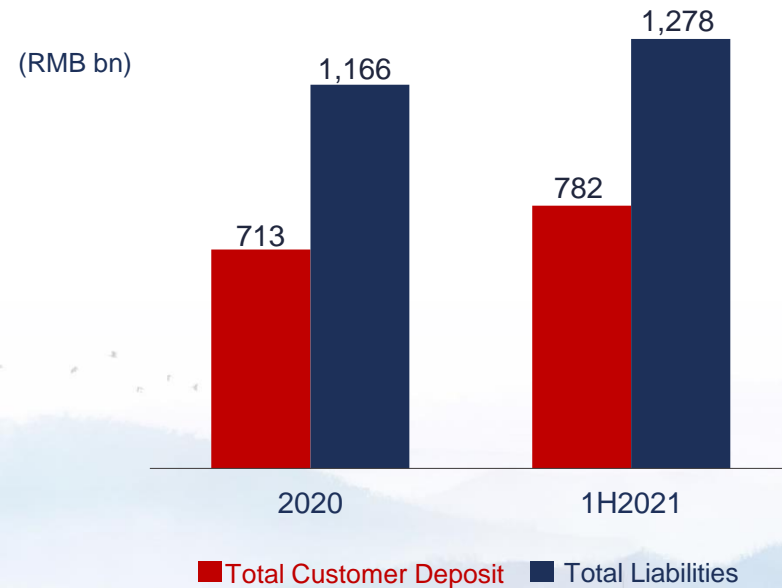
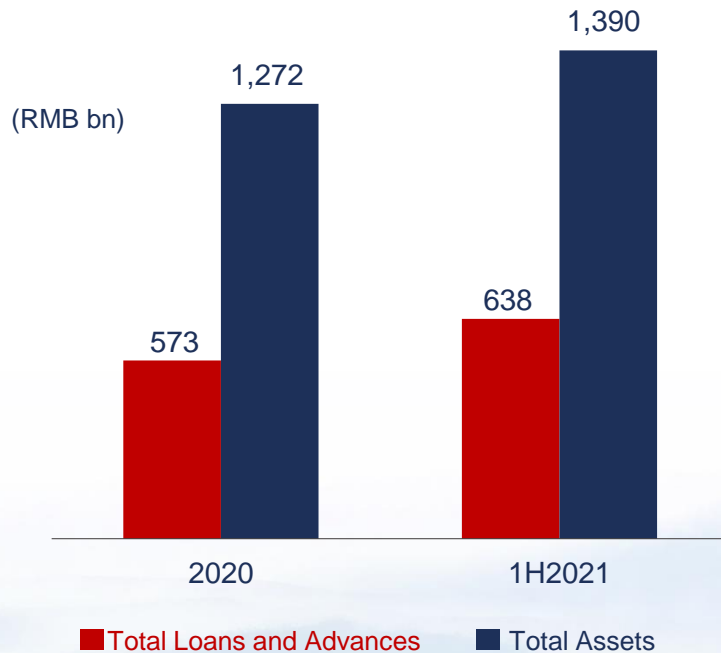
Growth: **9.29%** YTD

Total Loans and Advances to Customers Growth: **11.35%** YTD

Total Liabilities: RMB **1,277.84** bn

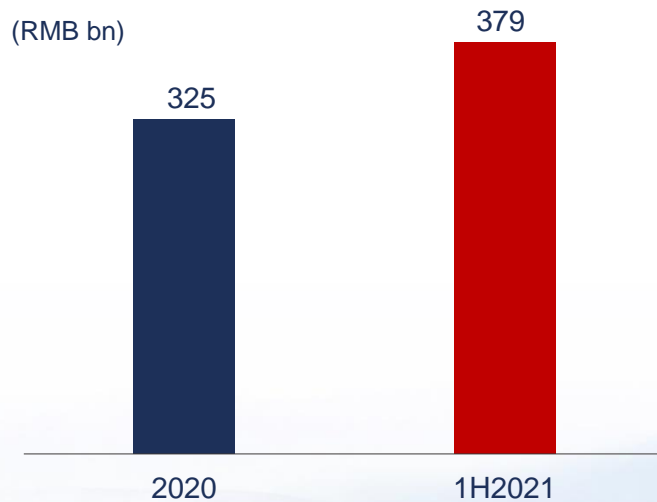
Growth: **9.59%** YTD

Total Customer Deposits Growth: **9.74%** YTD

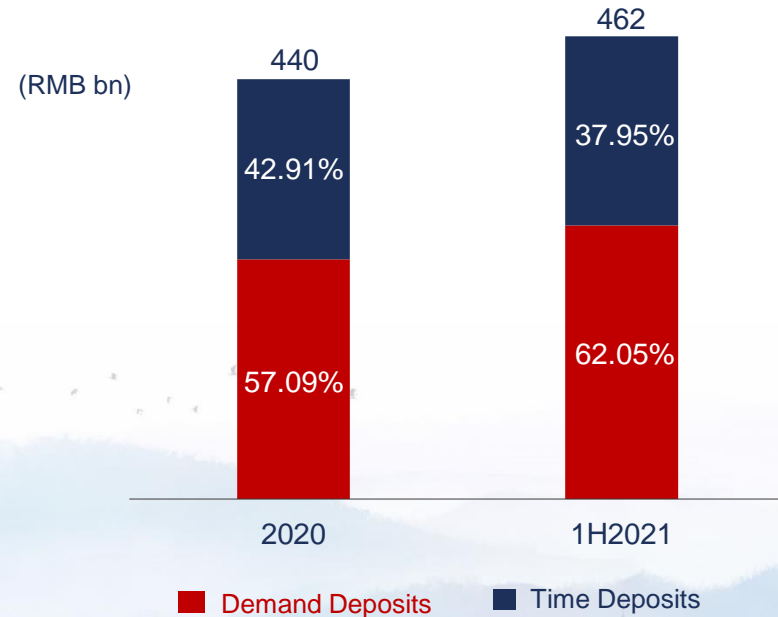


Rapid Growth of Corporate Banking Business

Total Corporate Loans: **379.48** bn
 Growth: **16.72%**YTD



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

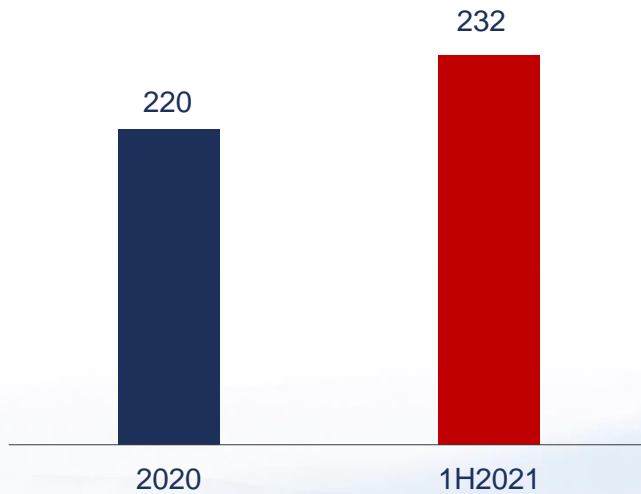


Rapid Growth of Retail Banking Business



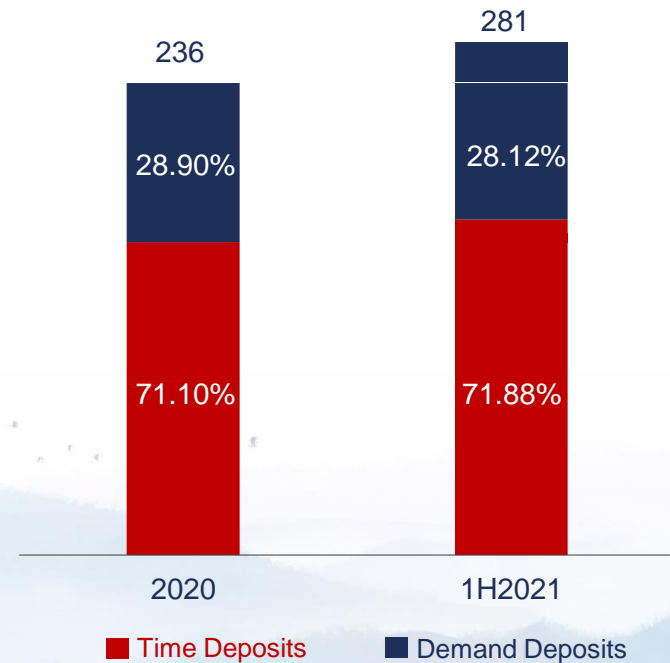
Retail Loan Growth **5.47%** YTD

(RMB bn)



Retail Deposit Growth: **19.19%** YTD

(RMB bn)



■ Time Deposits

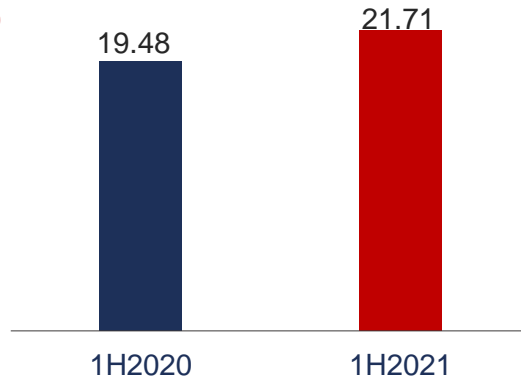
■ Demand Deposits

Rapid Growth of Retail Banking Business (Cont'd)



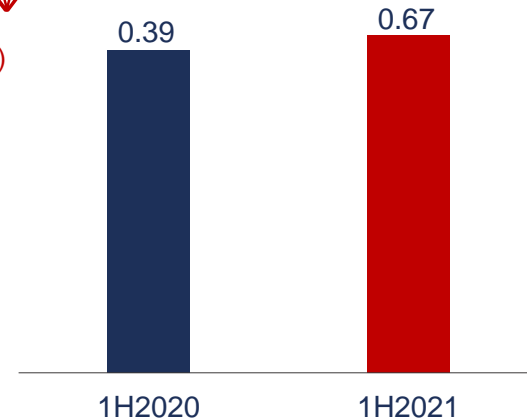
Total Number of Issued Debit Cards

(in mm)



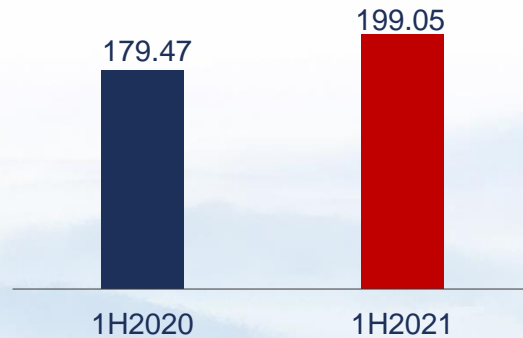
Credit Card Fee Income

(RMB bn)



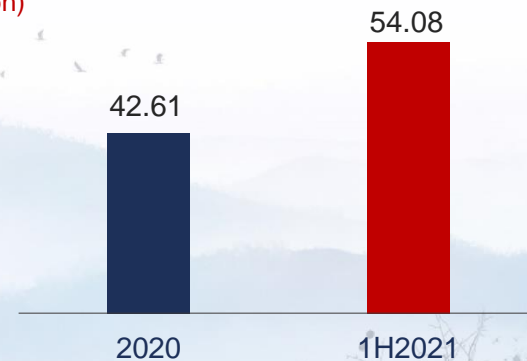
**Wealth Management Business Scale
(Excluding Direct Banking Business)**

(RMB bn)



**Retail Deposits of the Bank's
Inclusive Financial Outlets**

(RMB bn)



Rapid Development of Other Businesses

Improve Transaction Banking Services Capability

In the first half of 2021, the Bank returned to its missions as a financial institution, focused on small, medium, micro and private enterprises to improve the quality and efficiency of financial services provided to them. In the first half of 2021, the Bank's supply chain financial products have extended a total of RMB**15.725** billion, representing a year-on-year increase of **17.44%**. Cash management comprehensive services ability and market influence of the Bank were significantly enhanced. In the first half of 2021, the annual transaction amount of cash management business of the Bank reached RMB**2,700.0** billion, representing a year-on-year increase of **8%**.



International Business Maintained Steady and Rapid Growth

The Bank leveraged the favorable opportunities for the integration of the Yangtze River Delta and the construction of the Anhui Province Pilot Free Trade Zone to accelerate the research and development of innovative products and online upgrades, enhance the comprehensive cross-border financial service capabilities. As of the first half of 2021, the Bank completed cross-border settlement in a total of USD**4,500** million, representing a year-on-year increase of **8.69%**; the accumulatively granted on-sheet international trade financing amounted to RMB**2,186** million; domestic letters of credit and financing business there under amounted to RMB**26,441** million. As of the end of June 2021, the number of correspondent banks of the Bank was **644**, and the total number of overseas clearing accounts for the main settlement currencies amounted to **14**.

Electronic Banking Channels Further Improved

In the first half of 2021, the total number of contracted mobile banking customers of the Bank reached **6.7525** million, representing an increase of **11.90%** as compared with last year. The transaction amount accumulated to RMB**850.796** billion, representing a year-on-year increase of **45.19%**. In the first half of 2021, the number of online payment transactions amounted to **152,319,500**, representing a year-on-year increase of **42.87%**, and the amount of which totaled RMB**103.914** billion, representing a year-on-year increase of **31.91%**. As at the end of June 2021, the total number of the Bank's direct banking customers reached over **23.27** million, realized a total revenue of RMB**224** million.





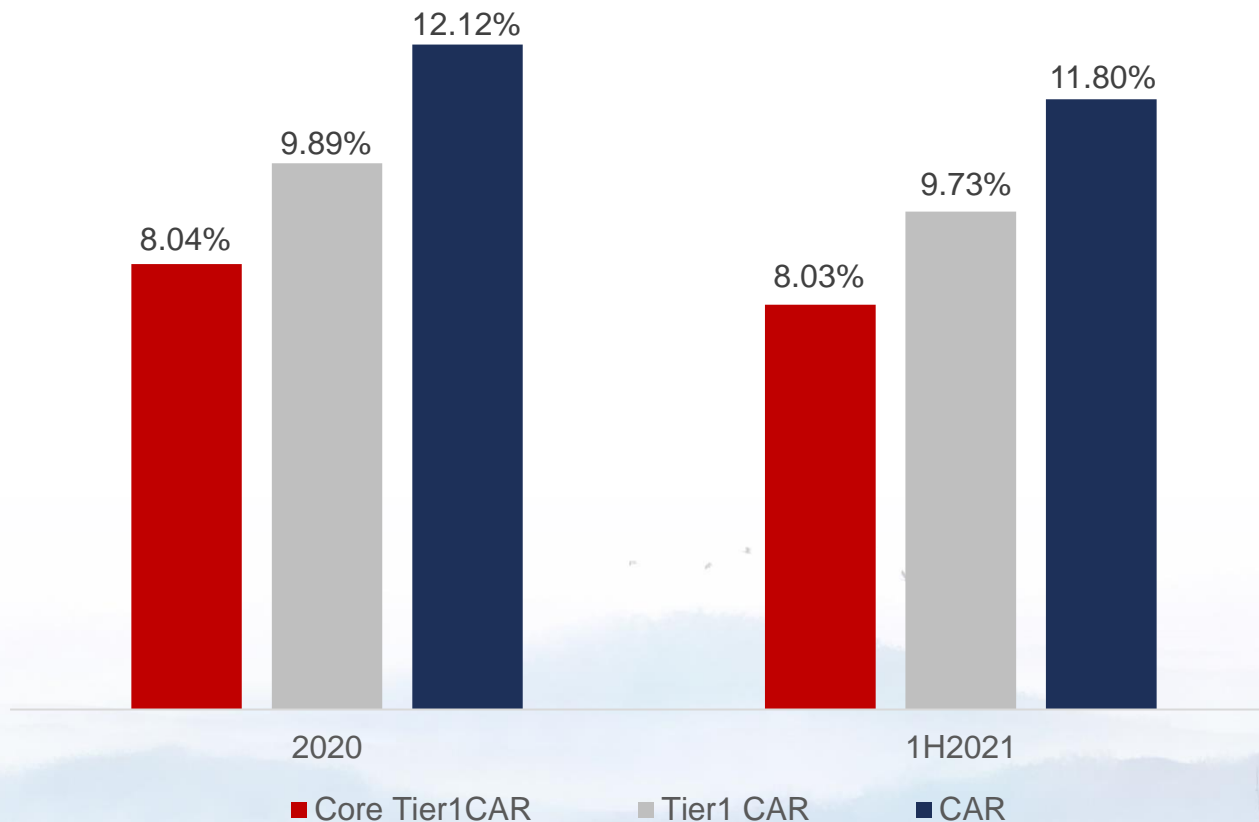
Risk Management



Capital Adequacy Ratios Continuously Comply with Regulatory Requirements



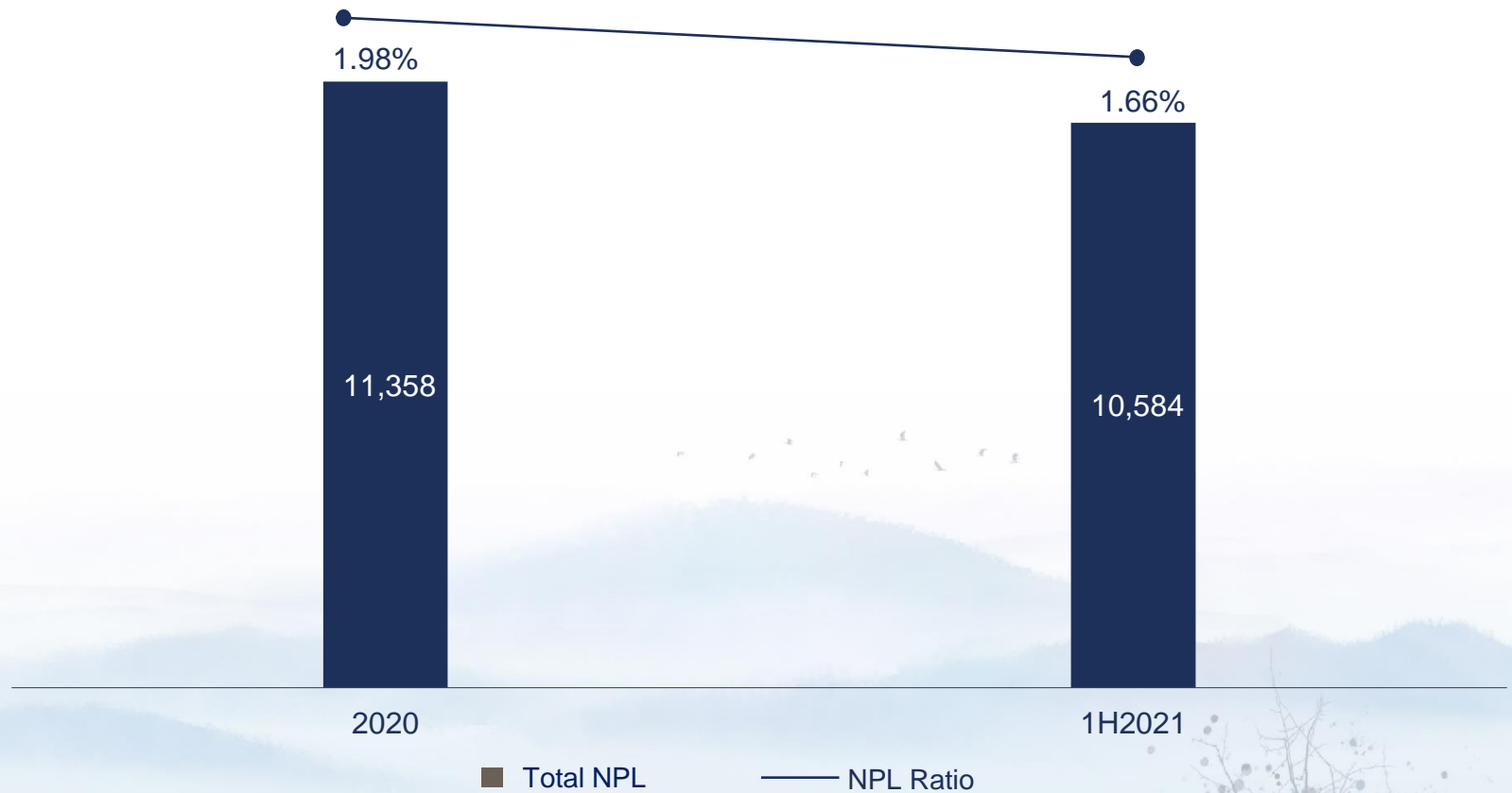
Capital Adequacy Ratios



Asset Quality Remains Stable

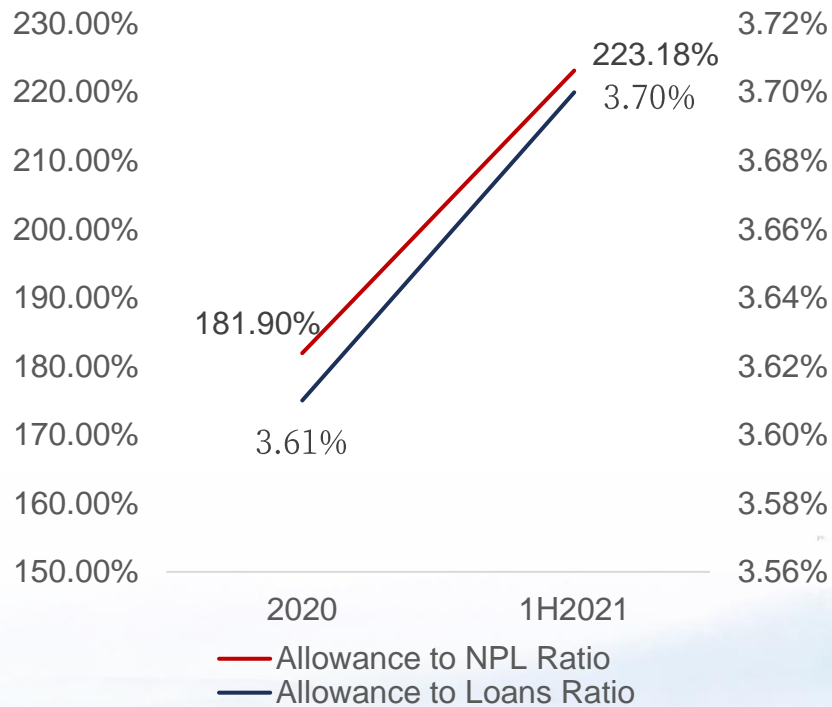
Significant Decrease in NPL Ratio

(RMB mm)

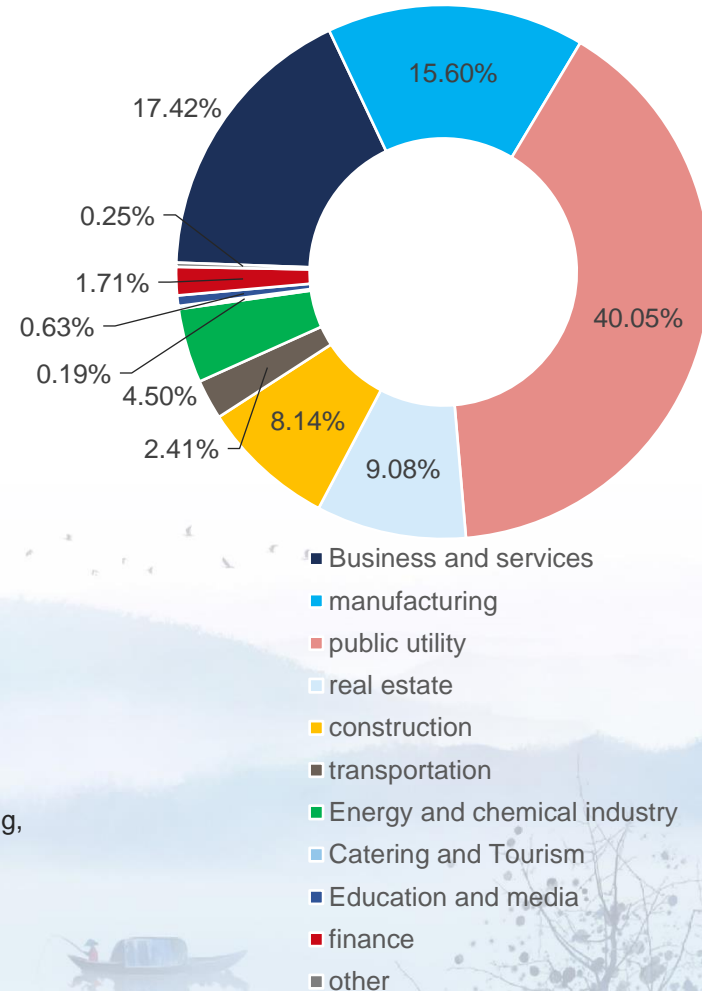


Effective Risk Management

NPL Provision Coverage Rised Steadily



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

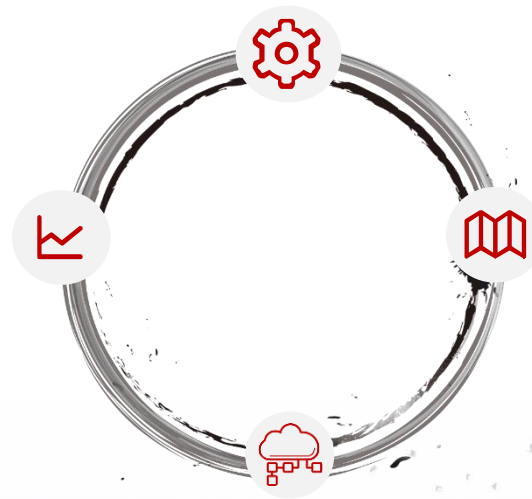
Outlook



Second Half of 2021 Outlook

Continue to consolidate its market position as a local mainstream bank, vigorously promote the construction of “four modernizations”, namely market reform, digital transformation, integrated operation and refined management.











Adhere to rely on business of wealth management, digital credit and “account+” to explore and create a new model of special digital retail finance, thereby improving business capabilities continually.













Focus on transaction banking and investment banking business under orientation of capital-light and asset-light model ttheo improve the layout of integrated business and build itself as a comprehensive financial service provider.

Strive to promote its development to a step further by seizing opportunities in serving the real economy and remedying the shortcomings in risk prevention and mitigation.

Summary Financials

RMB in millions, percentage excluded	30 Jun.2021	31 Dec.2020		Change
Total assets	1,389,831	1,271,701		9.29%
Total loans and advances	637,973	572,954		11.35%
Total liabilities	1,277,842	1,166,028		9.59%
Total customer deposits	782,378	712,953		9.74%
Equity attributable to shareholders of the bank	109,465	103,041		6.23%
Core Tier 1 capital adequacy ratio	8.03%	8.04%		0.01PPT
Capital adequacy ratio	11.80%	12.12%		0.32PPT
NPL ratio	1.66%	1.98%		0.32PPT
Allowance to NPL ratio	223.18%	181.90%		41.28个PPT
Allowance to loans ratio	3.70%	3.61%		0.09PPT

Summary Financials (Cont'd)

RMB in millions, percentage excluded	30 Jun.2021	30 Jun.2020		Change
Net interest income	13,181	12,837		2.68%
Net fee and commission income	1,955	1,947		0.41%
Operating income	17,569	16,399		7.13%
Profit before tax	7,310	6,440		13.51%
Net profit	6,092	5,331		14.29%
Earnings per share (RMB Yuan)	0.45	0.43		4.65%
Net interest margin (NIM)	2.19%	2.50%		0.31PPT
Cost-to-income ratio (including tax and surcharges) ⁽¹⁾	22.57%	20.91%		1.66PPT
Return on average assets	0.92%	0.92%		0.00PPT
Return on average net asset	13.12%	14.14%		1.02PPT

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

Thank you!

