



**徽商银行股份有限公司**

**Huishang Bank Corporation Limited**

# **2022 Results Announcement**

**Stock code: 3698.HK**

**April 2023**



## Disclaimer

**This document may contain time-sensitive information which is only current as of the date of publication. In addition, this document may also contain “forward looking statements” which are subject to risks and uncertainties. No reliance may be placed on the information contained in this document or on its completeness, accuracy or fairness, nor is any responsibility accepted for any errors, misstatements, or omissions or any direct or consequential loss howsoever arising from any use of, or reliance on, this document or otherwise in connection with it. Please refer to the Company’s latest issued Annual Results for detailed financials.**

*Notes: Increase/decrease and percentage figures are derived based*

*financials rounded to RMB millions*



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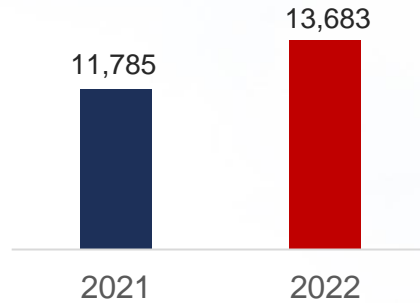
# Financial Performance



# Stable Core Profitability

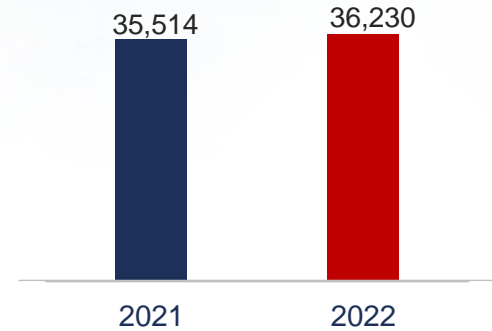
(RMB mm)

## Net Profit Remains Steady Growth



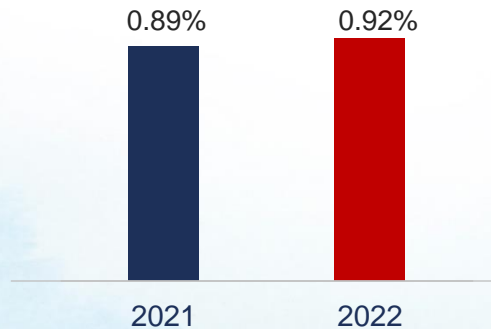
 Net Profit

## Operating Revenue Continuous Improvement



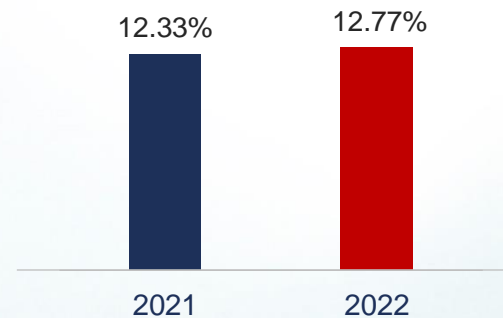
 Operating Revenue

## Return on Average Total Assets Maintained Stable Growth



 ROA Return on Average Total Assets

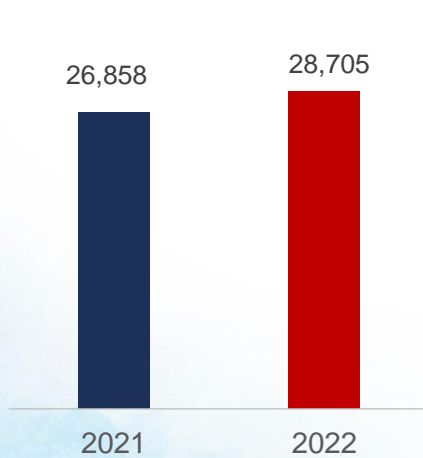
## Return on Average Net Assets Maintained Stable Growth



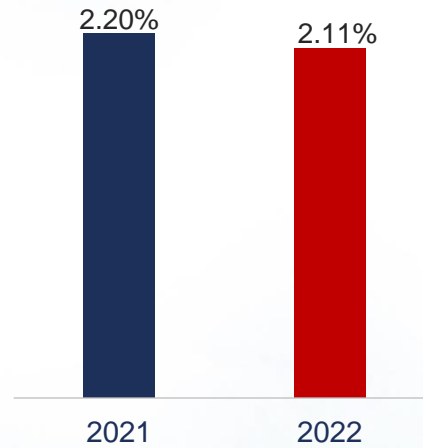
 ROE Return on Average Total Assets

# Profitability Spread Remains Healthy

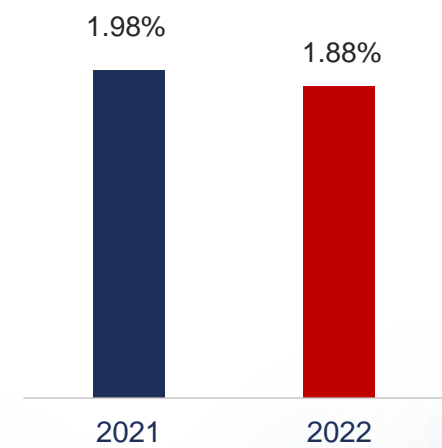
(RMB mm)



**Net Interest Income**



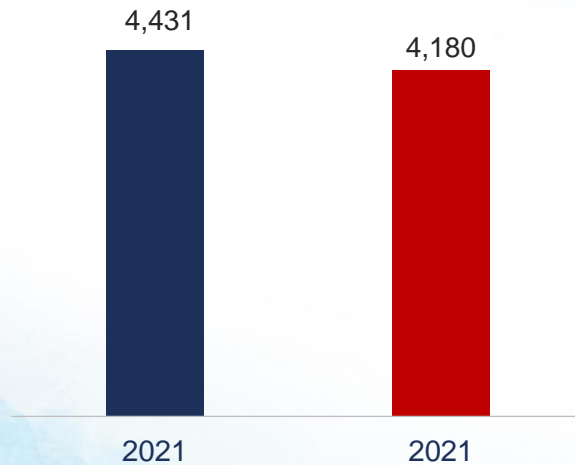
**Net Interest Margin**



**Net Interest Spread**

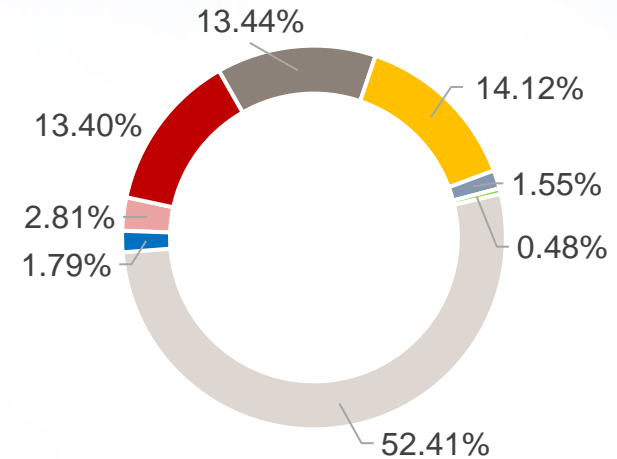
# Net Fee and Commission Income Remained Stable

(RMB mm)



Net Fee and Commission Income

## Principal Components of Fee and Commission Income



- Settlement of business and clearing fees
- Guarantee and commitment fees
- Investment banking fees
- Custody fees
- Bank card fees
- Acquiring business fees
- Agency commissions
- other



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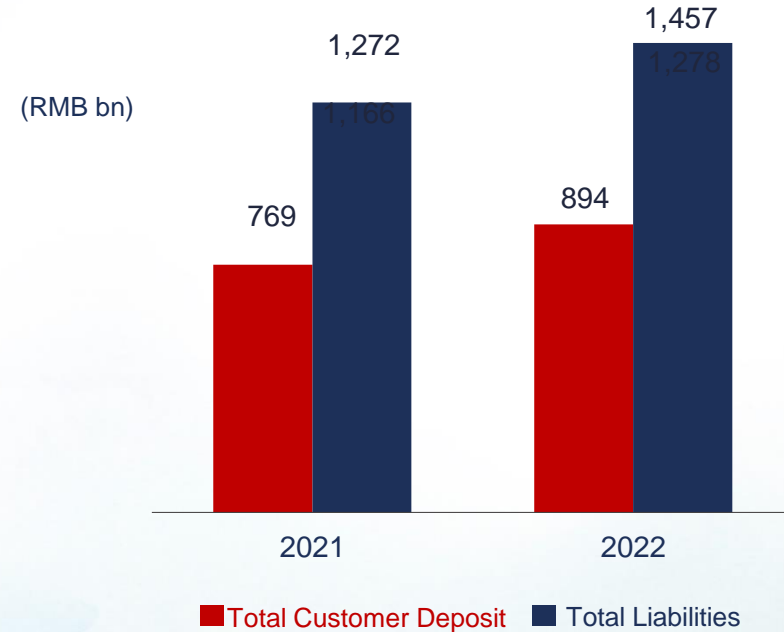
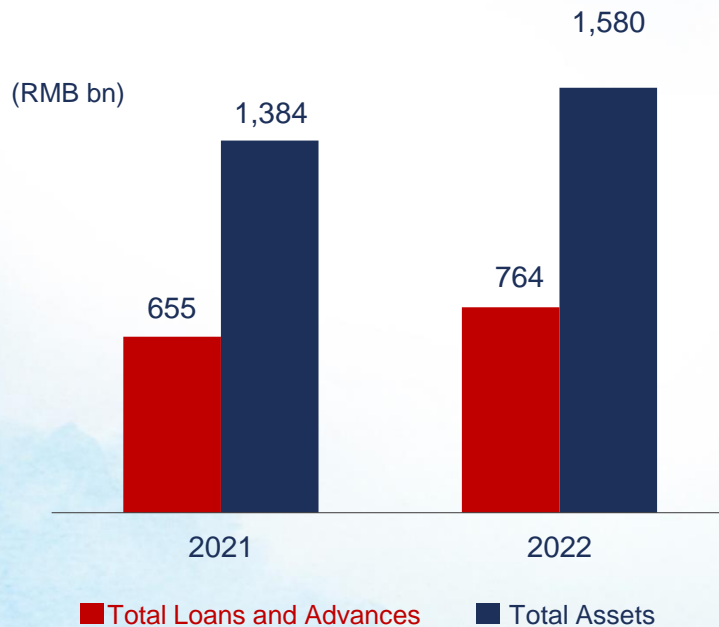
# **Business Development**



# Steady Expansion of Business Scale

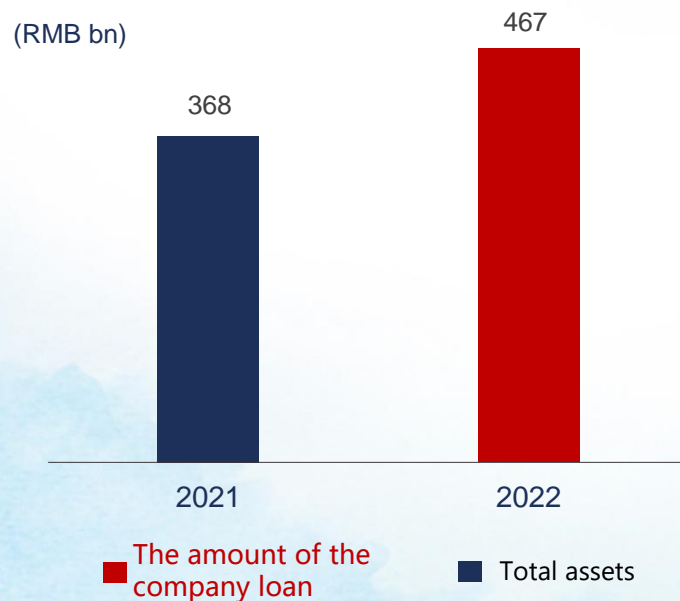

**Total Assets: RMB 1,580.24bn**  
**Growth: 14.21%YTD**  
**Total Loans and Advances to Customers Growth: 16.72% YTD**

**Total Liabilities: RMB 1,457.41bn**  
**Growth: 14.56%YTD**  
**Total Customer Deposits Growth: 16.33% YTD**

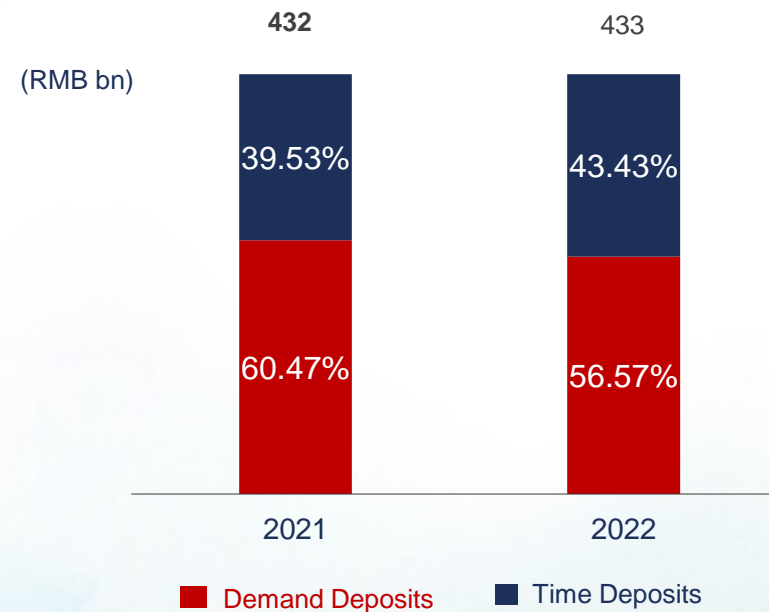


# Rapid Growth of Corporate Banking Business

Total Corporate Loans: **466.72** bn  
Growth: **26.84%**YTD



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



# Rapid Growth of Retail Banking Business

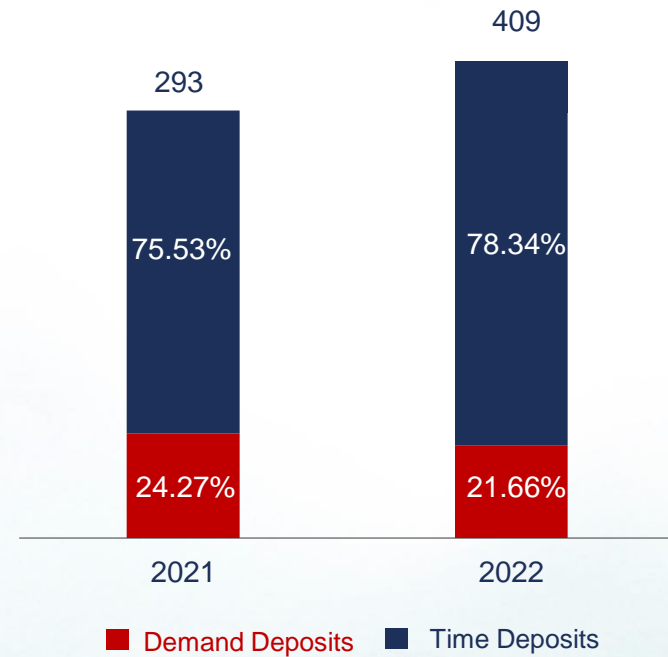
 Retail Loan Growth **7.05%** YTD

 Retail Deposit Growth: **39.55%** YTD

(RMB bn)



(RMB bn)

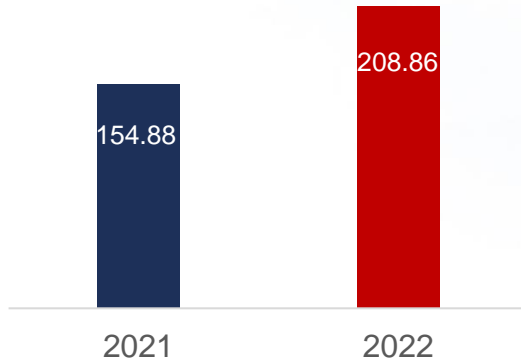


# Rapid Growth of Retail Banking Business (Cont'd)



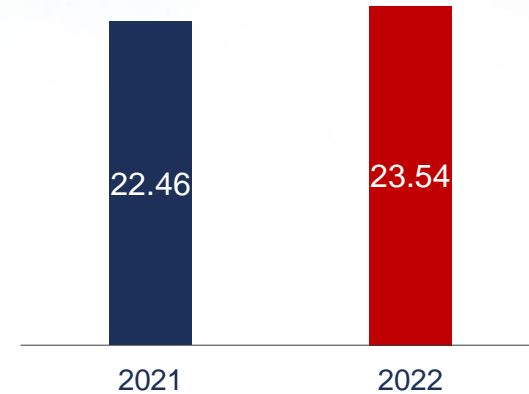
**Debit Card Deposit at The End of The Year**

(RMB bn)



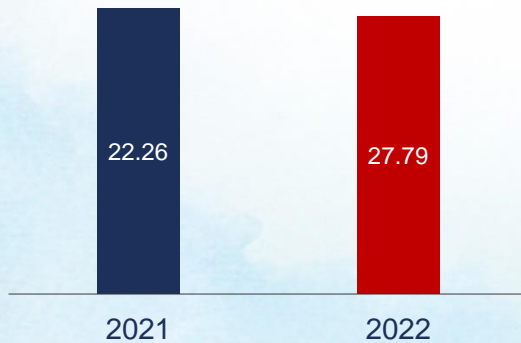
**Principal Balance of Credit Card Overdraft**

(RMB bn)



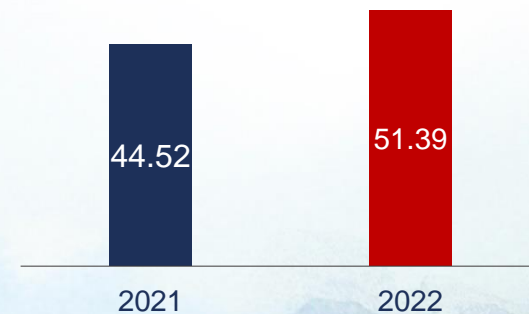
**The Number of Customers Whose Assets are Above RMB 500,000**

(10 thousand)



**Personal Business loans Balance**

(RMB bn)



# Rapid Development of Other Businesses

## Transaction banks

The Bank was committed to building a domestic and foreign currency integrated transaction banking and wealth and asset management platform, to give full play to advantage of professional services of cash management and meet capital management demands of customers during the entire transaction process. The Bank recorded performance highlights in serving the digital transformation of government authorities, establishing regulations on capitals in people's livelihood under multi scenarios and providing resolutions in key industries. In 2022, the Bank has signed contracts with **8,657** customers on cash management, representing an increase of **70.35%** from the previous year; the annual transaction amount of the cash management business reached **RMB4.99** trillion, representing an increase of **1.22%** from the previous year.



## Investment bank

The Bank continually enriches its investment banking products by launching innovative products such as asset-backed notes, green debts and other innovative products. During the Reporting Period, the Bank vigorously promoted the underwriting business of debt financing instruments. The Bank completed the registration of **39** debt financing instruments, with a total registered amount of **RMB83,270** million; and completed the issuance of **57** debt financing instruments with an underwriting amount of **RMB23,510** million, increasing by **10%** as compared to last year. In 2022, the Bank continued to make breakthroughs in the asset securitization and financing debts business, successfully implementing the lead underwriting business of multiple asset securitization products and financial bonds. It also achieved rapid growth in the sector of M&A loan business and further satisfied the diversified corporate financing needs.

## Fintech Business

In 2022, the Bank thoroughly implemented the national innovation-driven strategic deployment. With the integration of the Yangtze River Delta, the construction of the G60 Science and Technology Innovation Corridor and the free trade zones, 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 2022, the balance of technology-based enterprises loans of the Bank amounted to **RMB58,530** million, representing a net increase of **RMB14,633** million or **33.33%** as compared with the beginning of the year. The number of customers from technology-based enterprises loans amounted to **4,306**, representing an increase of **28.42%**.

## Green finance business

The Bank fully displayed its comprehensive financial advantages, established and improved a multi-layered green finance product spectrum with wide coverage, covering 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 2022, the balance of green credit of the Bank totaled **RMB54,576** million, representing an increase of **RMB22,396** million or **69.59%** as compared with the end of 2021.

# Rapid Development of Other Businesses

## Electronic Banking

### Online Banking

In 2022, the Bank's online banking business maintained a steady development. The Bank continued to strengthen the construction of online banking security mechanisms, continuously optimized business processes and customer service experience, as well as improved the deep integration of online banking channels with business. As of the end of the Reporting Period, the Bank's total number of personal online banking customers reached **7,539,400**. The Bank's total number of corporate online banking customers reached **345,800** with **29,636,200** corporate online banking transactions, representing a year-on-year increase of **8.97%**. The transaction amount of corporate online banking accumulated to RMB**5.22** trillion, basically remaining flat as compared with the corresponding period of the last year.

### Online Payment

The Bank actively promotes the rapid development of various online payment services such as fast payment, gateway payment and mobile payment, and continuously provided payment services for government, public welfare and merchants engaging in basic living services to accelerate the process of the mobile payment convenience project and improve the efficiency and level of convenient services. In 2022, the number of online payment transactions amounted to **400,887,300**, representing a year-on-year increase of **16.36%**, and the amount of which totaled RMB**217,032** million, representing a year-on-year increase of **0.25%**.

### Mobile Banking

As of the end of 2022, the total number of mobile banking customers of the Bank reached **8,482,700**, representing a year-on-year increase of **20.33%**. The number of mobile banking transactions reached **226,812,900**. The transaction amount accumulated to RMB **1,723.699** billion.





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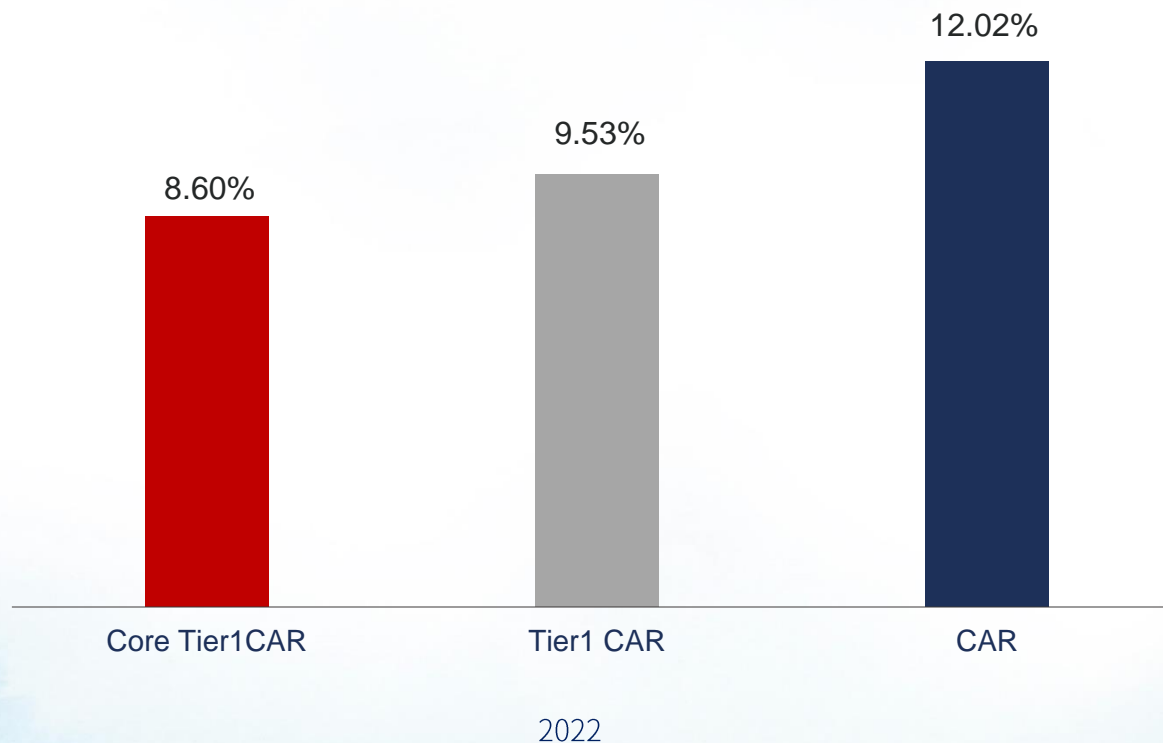


# Risk Management

# Capital Adequacy Ratios Continuously Comply with Regulatory Requirements



## Capital Adequacy Ratios



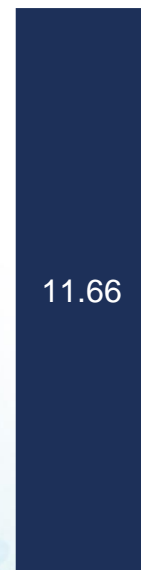
# Asset Quality Remains Stable

## Significant Decrease in NPL Ratio

(RMB billion)

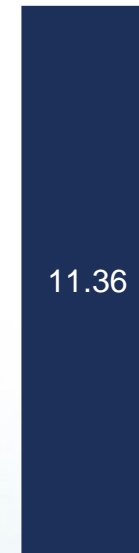
1.78%

1.49%



11.66

2021



11.36

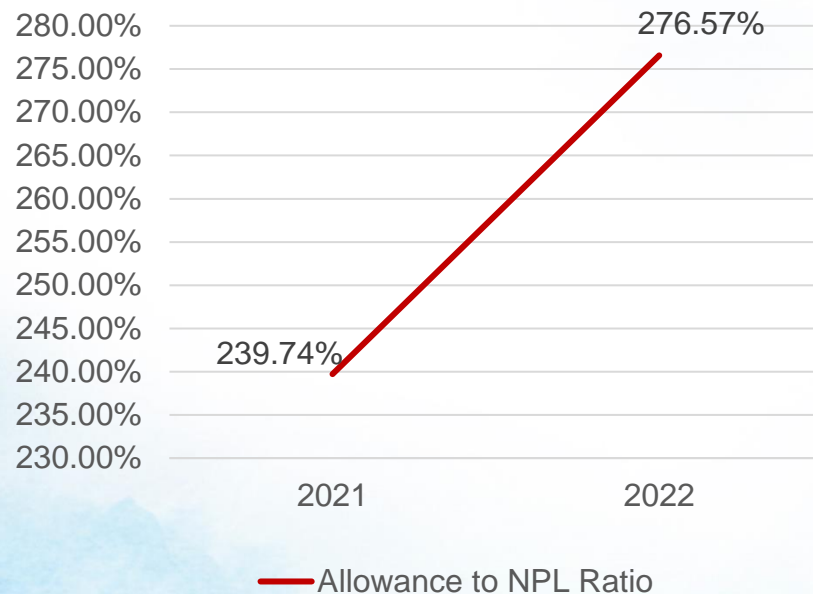
2022

■ Total NPL

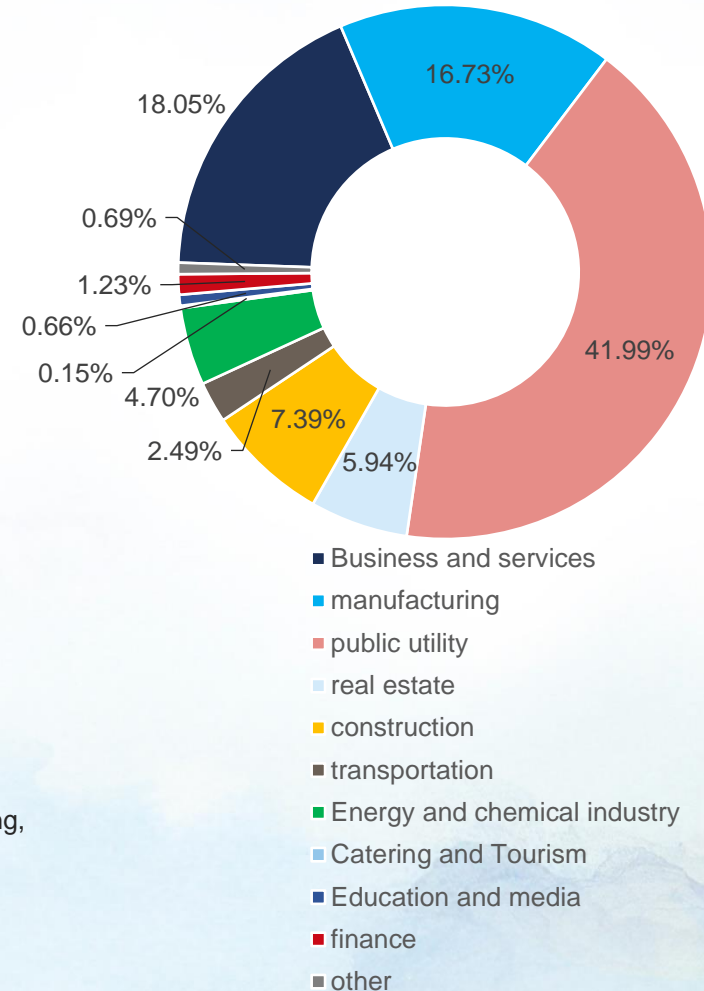
— NPL Ratio

# Effective Risk Management

## NPL Provision Coverage Rised Steadily



## Strictly Control of Corporate Loan Distribution<sup>(1)</sup>



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



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# **IV Outlook**



# 2023 Outlook

In 2023, under the guidance of the 20th National Congress of the CPC and the Central Economic Work Conference, by unwaveringly upholding the principle of “seeking development, preventing risks, promoting transformation, strengthening management and improving practices,” the Bank will seize the opportunities brought by multiple national strategies, such as the integrated development of Anhui and the Yangtze River Delta, and the acceleration of the rise of Central China, and will strive to promote digital transformation and build itself into an outstanding local mainstream bank with professional, standardized, synergetic and agile development by focusing its operation on serving the development of an innovative, equal, beautiful, open, and happy Anhui.

**Focusing on serving the “five major objectives” to support the economic and social development of Anhui.**

**Accelerating digital transformation and making more efforts to promote high-quality development.**

**Consolidating basic management and improving professional management.**

# Summary Financials

<b>RMB in millions, percentage excluded</b>	<b>2021</b>	<b>2021</b>		<b>Change</b>
Total assets	1,580,236	1,383,662		14.21%
Total loans and advances	764,309	654,795		16.72%
Total liabilities	1,457,414	1,272,146		14.56%
Total customer deposits	894,156	768,668		16.33%
Equity attributable to shareholders of the bank	119,608	108,564		10.17%
Core Tier 1 capital adequacy ratio	8.60%	8.45%		0.15PPT
Capital adequacy ratio	12.02%	12.23%		0.21PPT
NPL ratio	1.49%	1.78%		0.29PPT
Allowance to NPL ratio	276.57%	239.74%		36.83PPT
Allowance to loans ratio	4.11%	4.27%		0.16PPT

# Summary Financials (Cont'd)

<b>RMB in millions, percentage excluded</b>	<b>2021</b>	<b>2021</b>		<b>Change</b>
Net interest income	28,705	26,856		6.88%
Net fee and commission income	4,180	4,431		5.66%
Operating income	36,230	35,514		2.02%
Profit before tax	17,315	13,537		27.91%
Net profit	13,683	11,785		16.11%
Earnings per share (RMB Yuan)	0.93	0.76		22.37%
Net interest margin (NIM)	2.11%	2.20%		0.09PPT
Cost-to-income ratio	26.15%	24.45%		1.70PPT
Return on average assets	0.92%	0.89%		0.03PPT
Return on average net asset	12.77%	12.33%		0.44PPT



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**Thank you!**

