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Huishang Bank Corporation Limited*

徽商銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3698)

ANNOUNCEMENT ON TARGETED REDUCTION OF DEPOSIT RESERVE REQUIREMENT RATIO

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors of Huishang Bank Corporation Limited (the “**Bank**”) is pleased to announce that, according to the notice issued to the Bank by Hefei Central Sub-branch of the People’s Bank of China (He Yin Fa [2014] No. 126), as the Bank meets the relevant requirements stipulated in the Article II of the Notice on Targeted Reduction of Deposit Reserve Requirement Ratio of Certain Financial Institutions published by the People’s Bank of China (Yin Fa [2014] No. 164), which provides that such reduction shall apply to banks (i) whose incremental loans in RMB and foreign currency to agricultural sectors, farmers, and rural areas in the previous year, exceed 50% of the overall incremental loans in RMB and foreign currency in the previous year; and the balances of loans in RMB and foreign currency to agricultural sectors, farmers, and rural areas as at the end of the previous year, exceed 30% of total loan balances in RMB and foreign currency as at the end of the previous year; or (ii) whose incremental loans in RMB to small and micro enterprises (including working capital loan) in the previous year, exceed 50% of the overall incremental loans in RMB; and the balances of loans in RMB to small and micro enterprises (including working capital loan) as at the end of the previous year, exceed 30% of the total loan balances loans in RMB as at the end of the previous year, the Bank is eligible to adopt the favorable deposit reserve requirement ratio of 17.5%, effective from June 16, 2014, a reduction of 0.5 percentage point from the previous deposit reserve requirement ratio applied by the Bank.

By order of the Board
Huishang Bank Corporation Limited
Li Hongming
Chairman

Hefei, Anhui, China
June 18, 2014

As at the date of this announcement, the Board of Directors of the Bank comprises Li Hongming, Xu Demei, Wu Xuemin, Zhang Renfu and Ci Yaping, as executive Directors; Zhang Feifei, Qian Zheng, Guo Shigang, Wu Tian and Gao Yang, as non-executive Directors; Au Ngai Daniel, Dai Genyou, Wang Shihao and Zhang Shenghuai, as independent non-executive Directors.

* *Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*