



哈尔滨银行

HarbinBank

2018 年中期業績發佈會
Interim Results Announcement

Stock code : HK.6138

30th August, 2018, Hong Kong

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01

Financial Performance



Steady Assets Growth with Both Deposit and Loan Indicators Running Smoothly

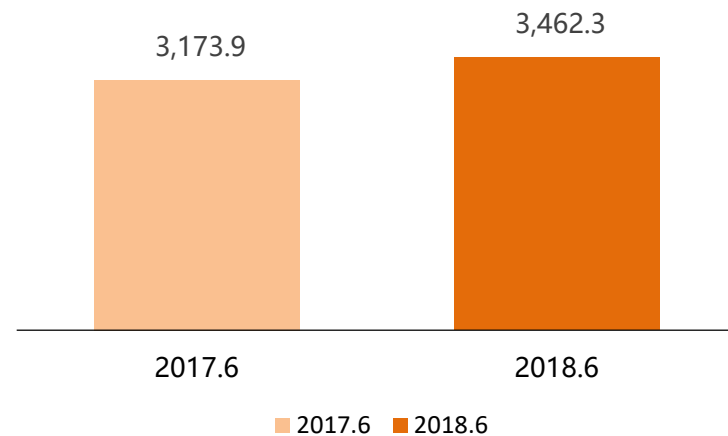
Total assets

(RMB 100 million)



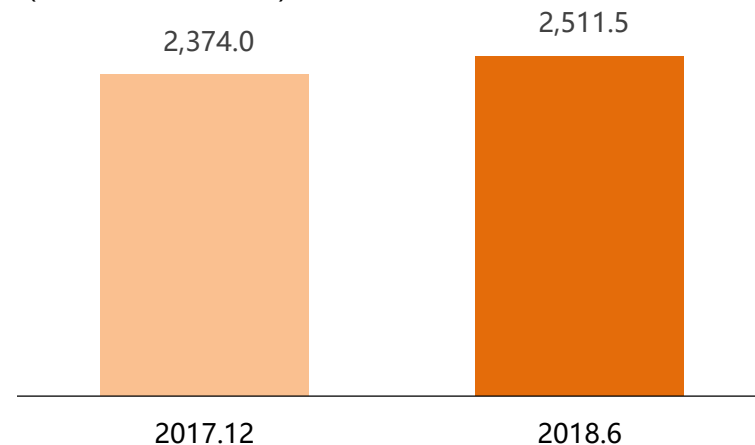
Average daily deposit

(RMB 100 million)



Balance of loans

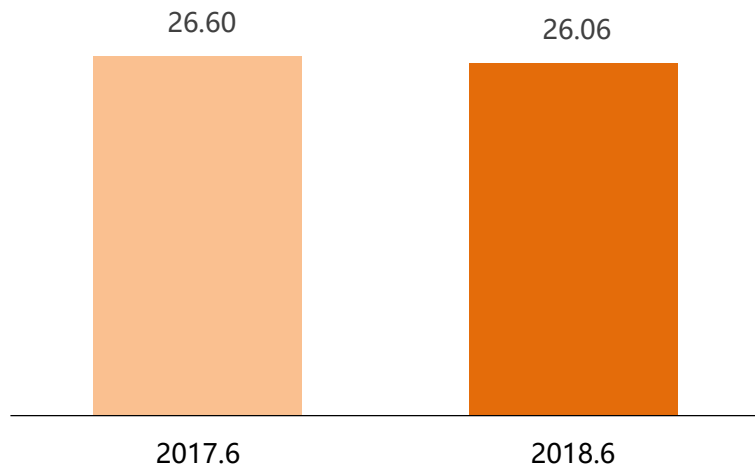
(RMB 100 million)



Stable Profitability with Continuously Increasing Returns Level

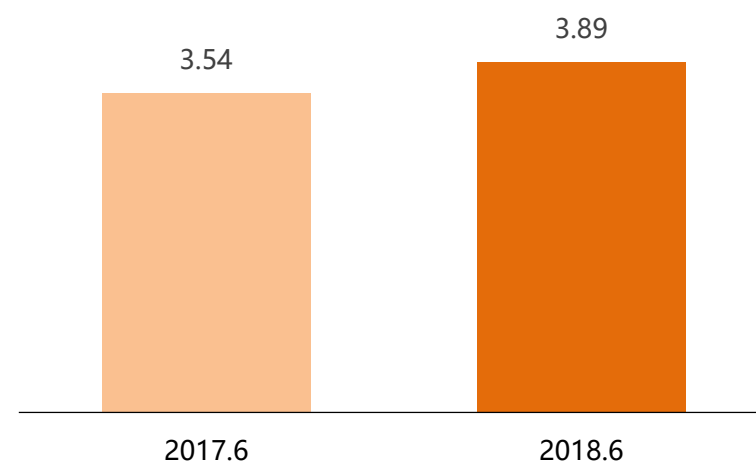
Net profit attributable to shareholders

(RMB 100 million)



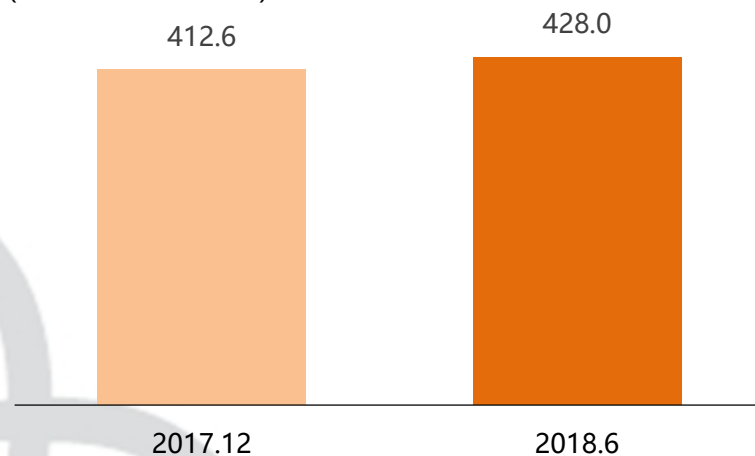
Net asset value per share

(RMB Yuan/ share)



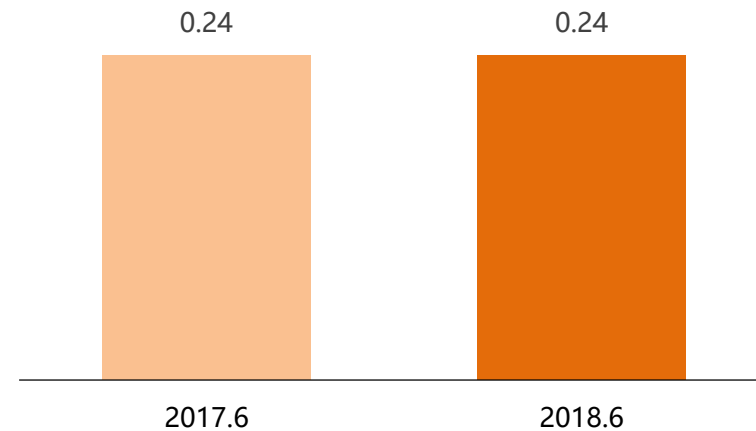
Equity attributable to shareholders

(RMB 100 million)



EPS

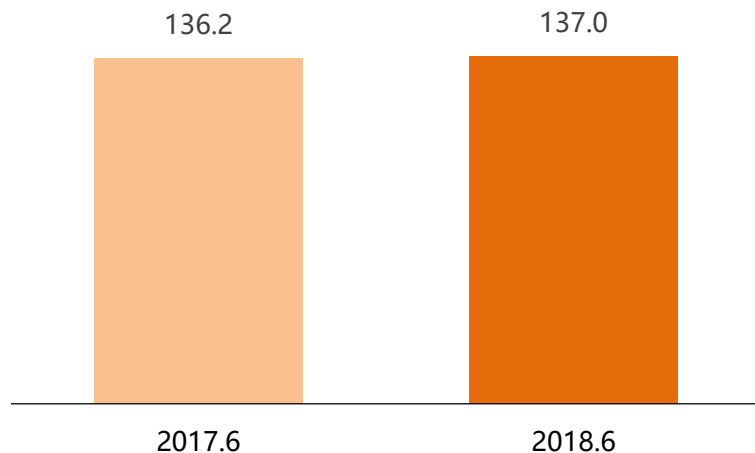
(RMB Yuan/ share)



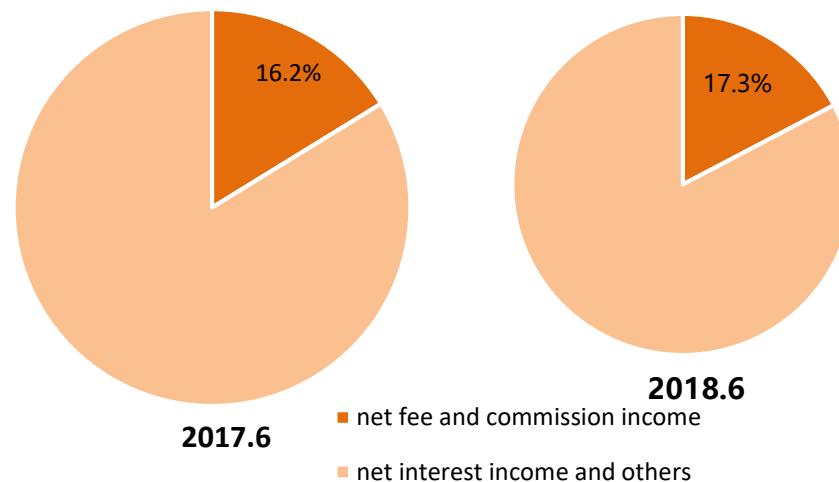
Interest Income Kept Increasing with Faster Growth of Non-interest Income

Interest income

(RMB 100 million)



the proportion of net fee and commission income

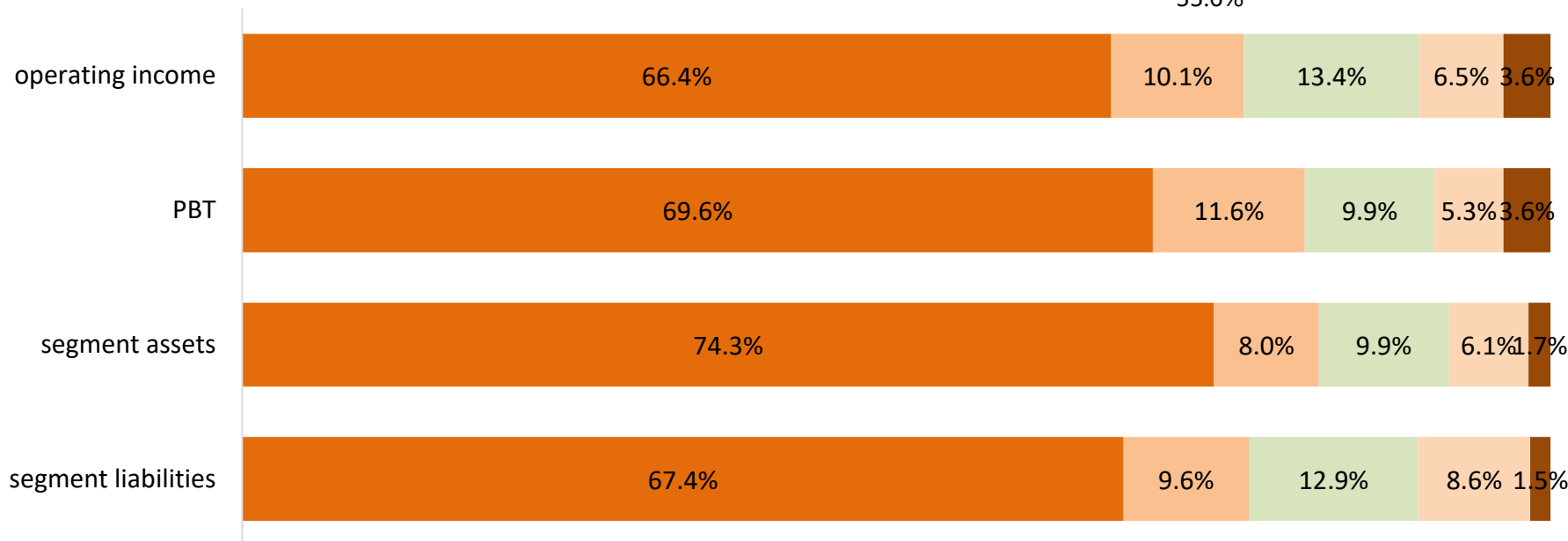


Income level

item (%)	2017.6	2018.6	变化
Yield rate of interest earning assets	5.19%	5.18%	-1 bp
interest rate of interest-bearing liabilities	2.96%	3.52%	+56 bps
NIM	2.42%	1.88%	-54 bps
NIS	2.23%	1.66%	-57 bps

More Balanced Regional Development with Emerging Advantages of Branches Layout

The proportion of operating income outside Heilongjiang province is 33.6%



Heilongjiang region

other regions in Northeast China

Southwest China

Northern China

other regions

Head office, 12 branches and village and township banks operating within Heilongjiang

Branches in Dalian and Shenyang, as well as village and township banks operating in northeastern China excluding the ones in Heilongjiang

Branches in Chengdu and Chongqing, as well as village and township banks located in southwest China

Branches in Tianjin, as well as village and township banks located in northern China

village and township banks operating in regions other than those listed left

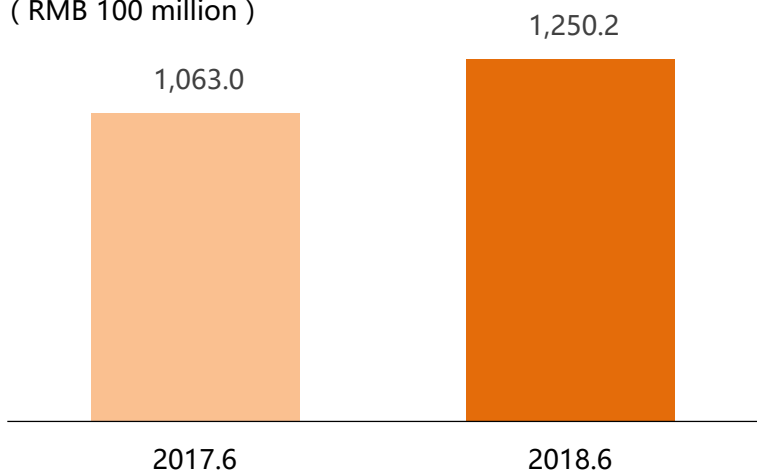
02 | Business Operation



Retail Finance Developed in a Good Situation with Markedly Improved Profit Contribution

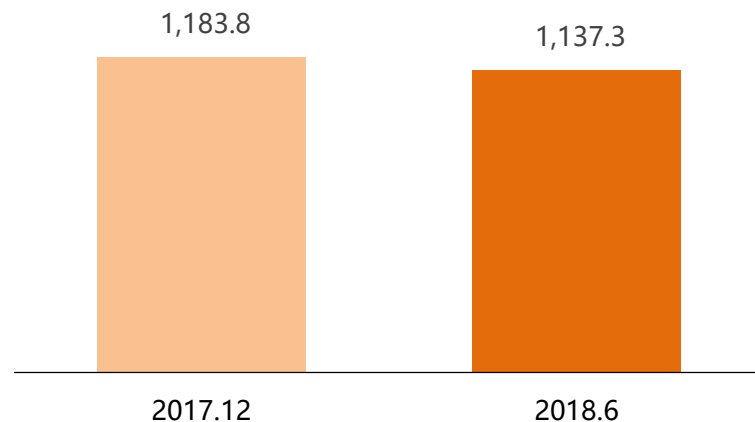
Average daily deposit

(RMB 100 million)



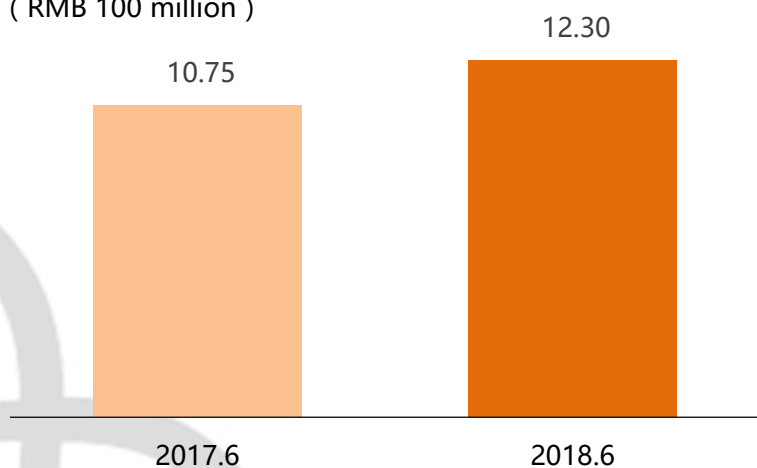
The balance of the retail loan

(RMB 100 million)

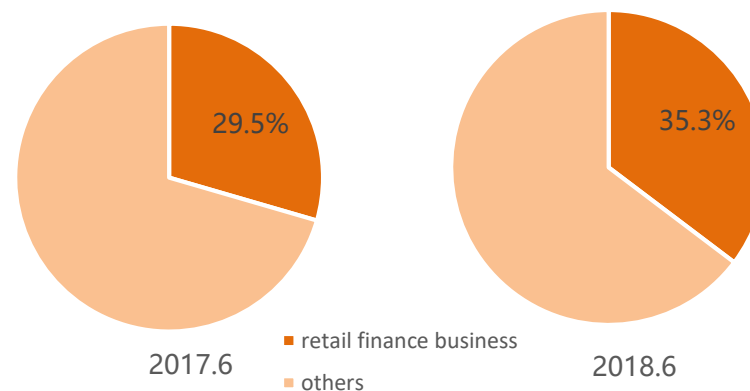


Pretax profit

(RMB 100 million)



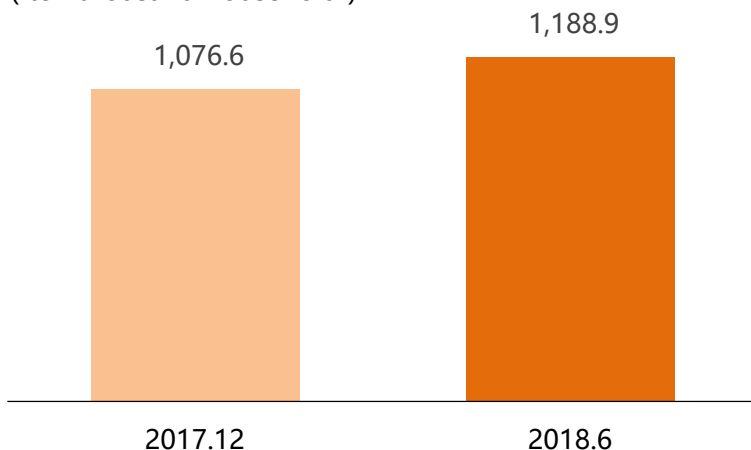
Profit contribution



Customer Number Increased Steadily, the Credit Card Business Operated Well

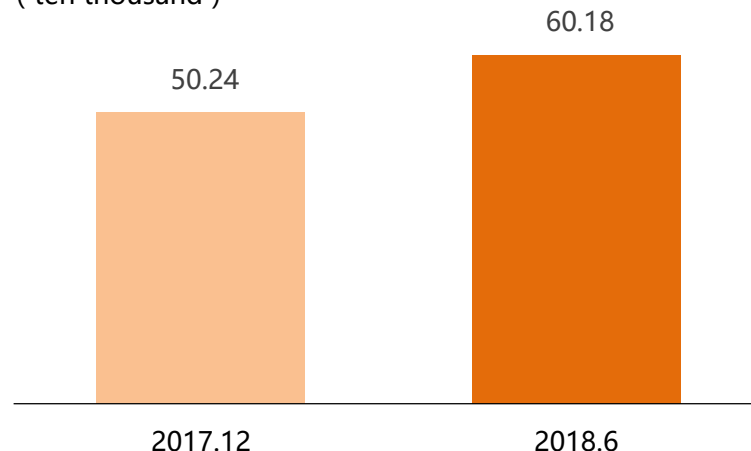
Customer number of deposit

(ten thousand household)



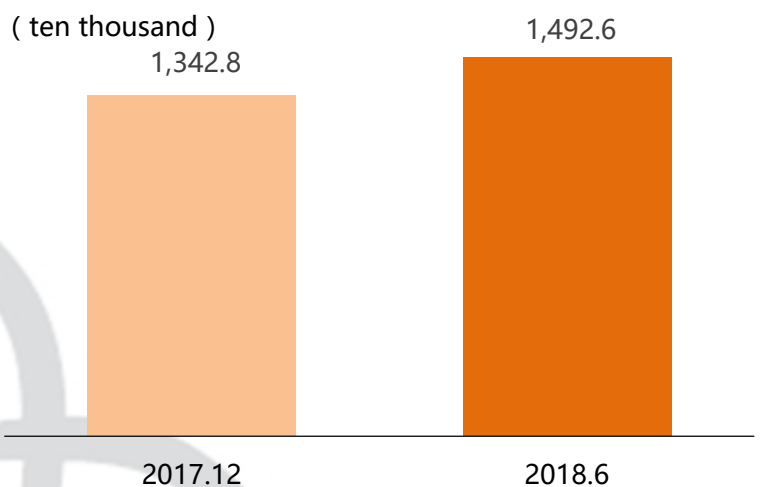
The number of credit cards issued

(ten thousand)



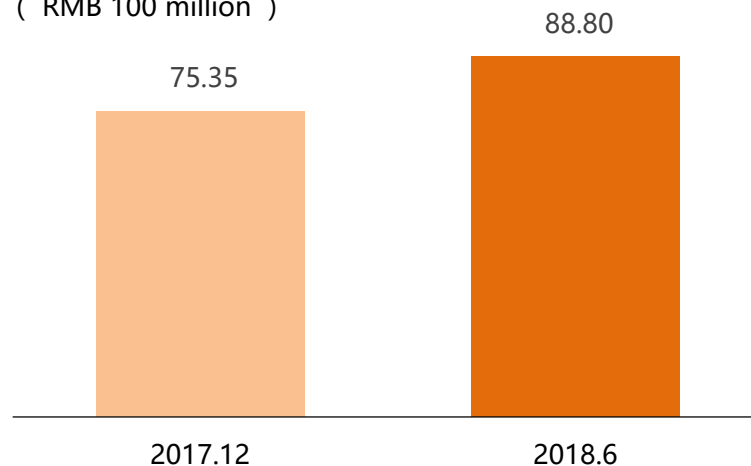
The number of debit cards issued

(ten thousand)

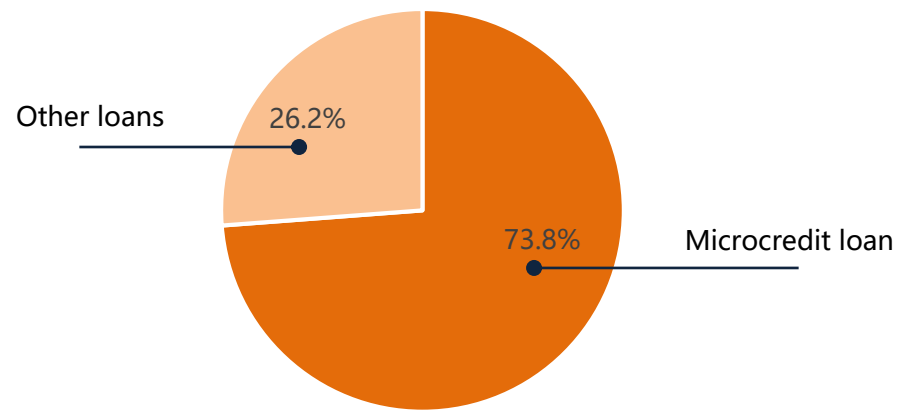


The balance of credit card asset

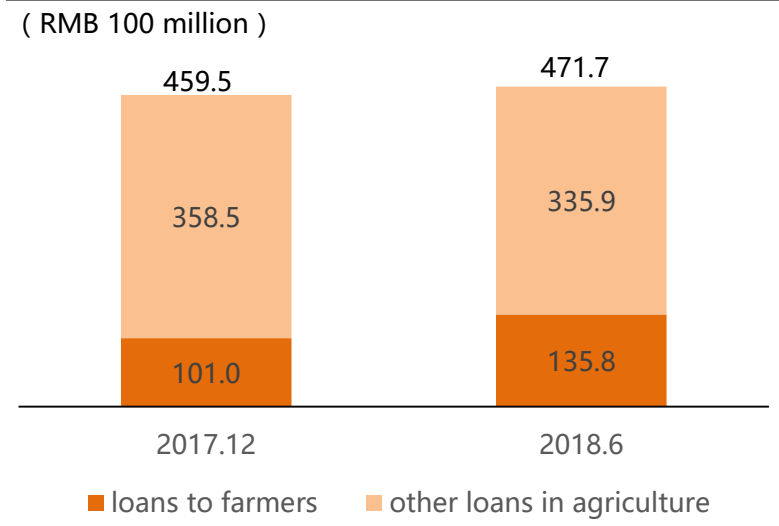
(RMB 100 million)



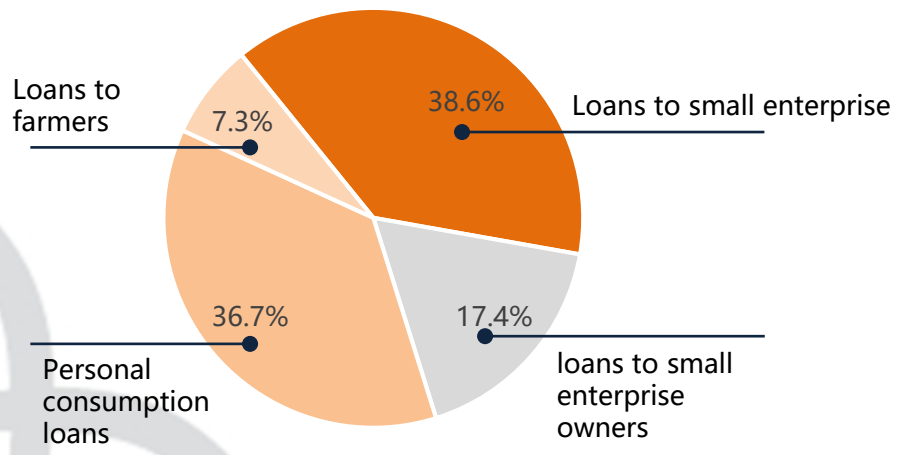
The proportion of microcredit loan



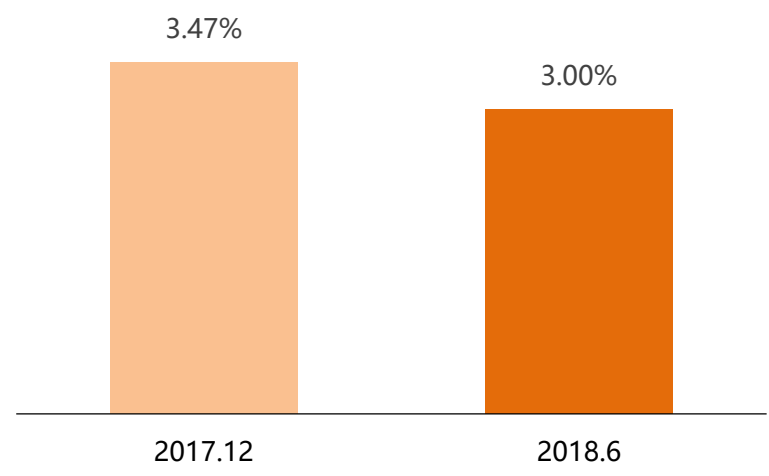
The balance of loans to farmers



The structure of microcredit



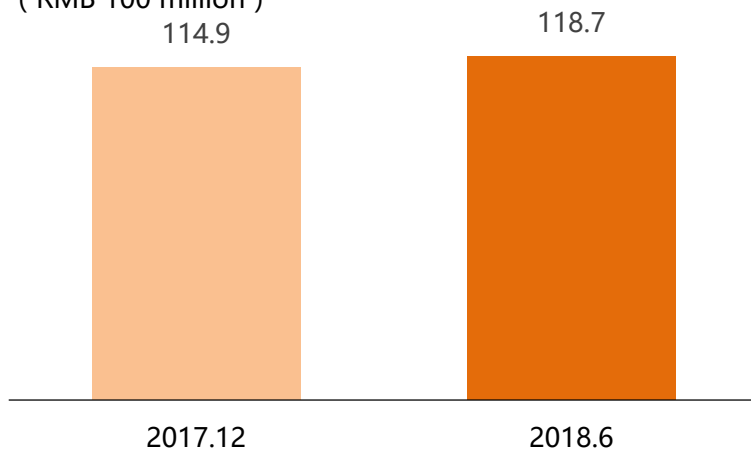
NPL rate of loans to farmers



Sino-Russia Finance Kept Market Leadership, Cross-border E-commerce Developed Well

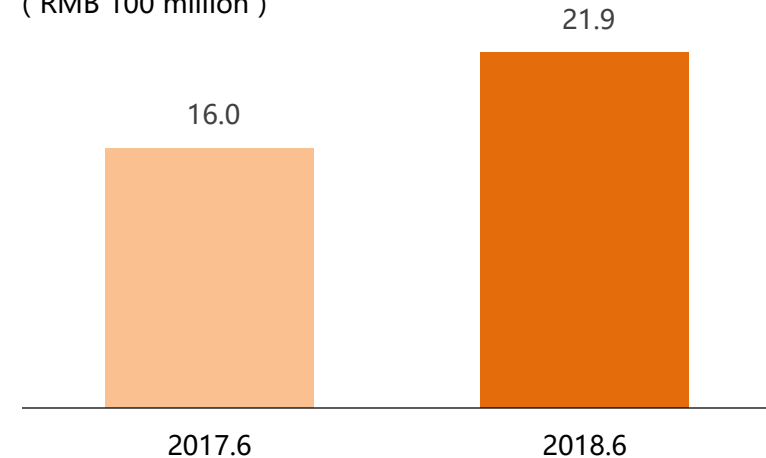
The balance of on-and-off balance sheet on business to Russia

(RMB 100 million)



the transaction amount of E-commerce platform

(RMB 100 million)

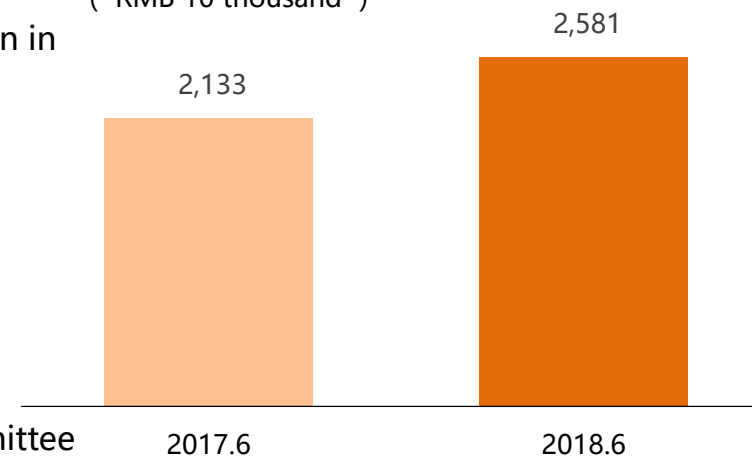


Sino-Russia finance and international business

- ✓ The bank handled Ruble foreign exchange of **11,358** million in the first half of 2018
- ✓ cross-border transactions in Ruble cash of **RUB 60** million
- ✓ cross-border transactions in RMB cash of **RMB20** million
- ✓ **140** Russia agency banks
- ✓ Was firstly granted the " Best Trade and Finance City Commercial Bank " award by the Trade and Finance Committee of China Banking Association

operating income of the platform

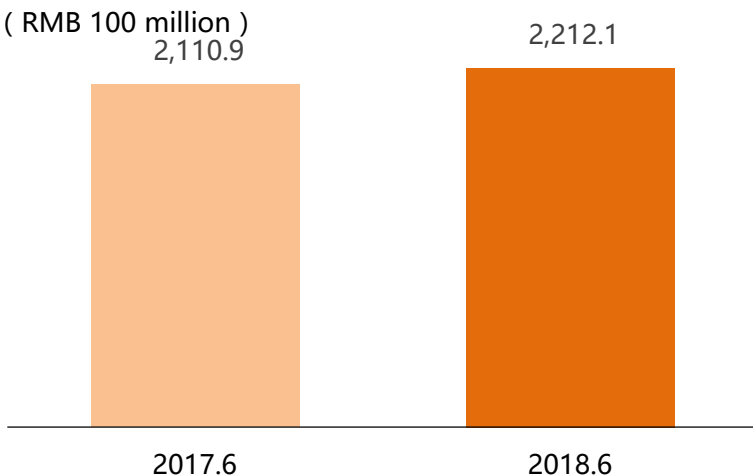
(RMB 10 thousand)



Corporate Finance Developed Steadily with Continuously Optimized Business Structure

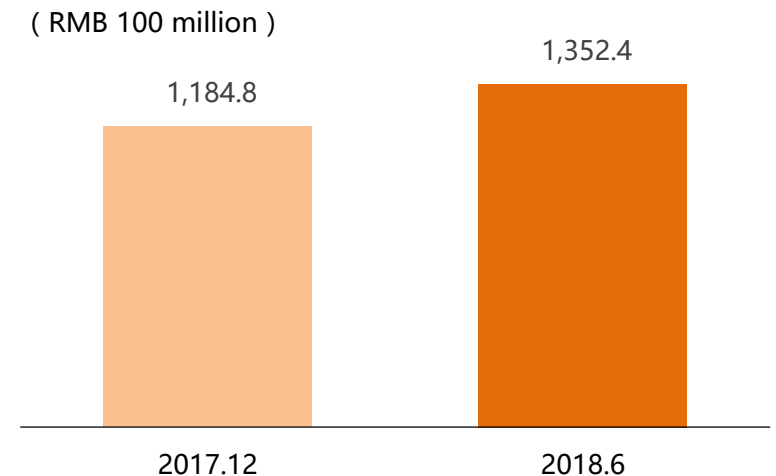
Average daily corporate deposits

(RMB 100 million)

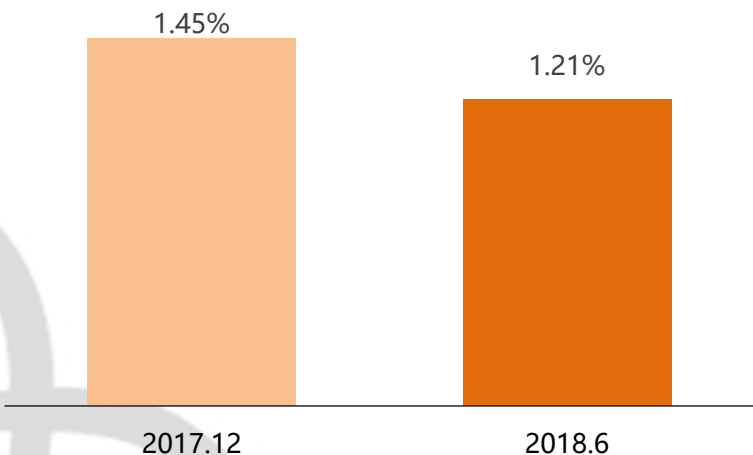


The balance of corporate loan

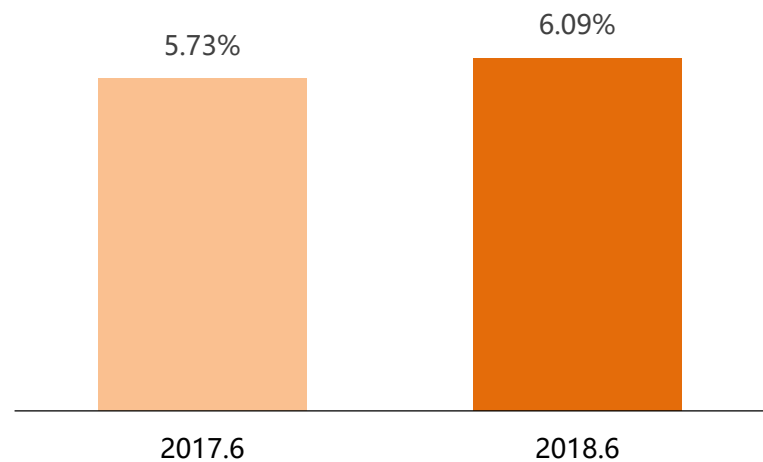
(RMB 100 million)



NPL ratio of corporate loan



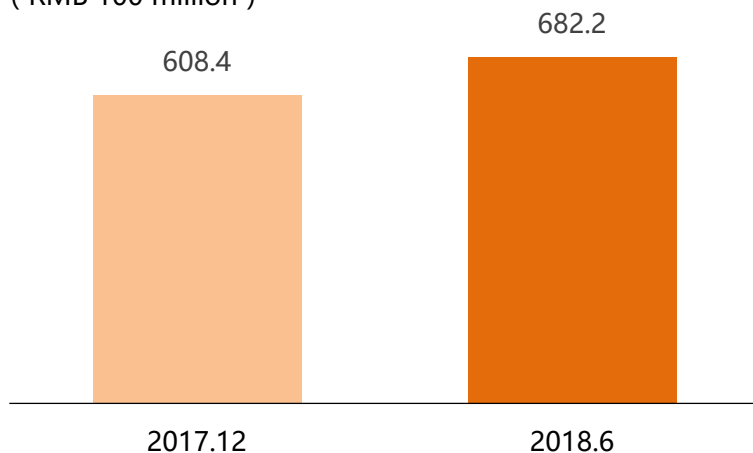
Average yield ratio of corporate loan



Financial Market Business Developed Steadily with Various Business Operated in Compliance

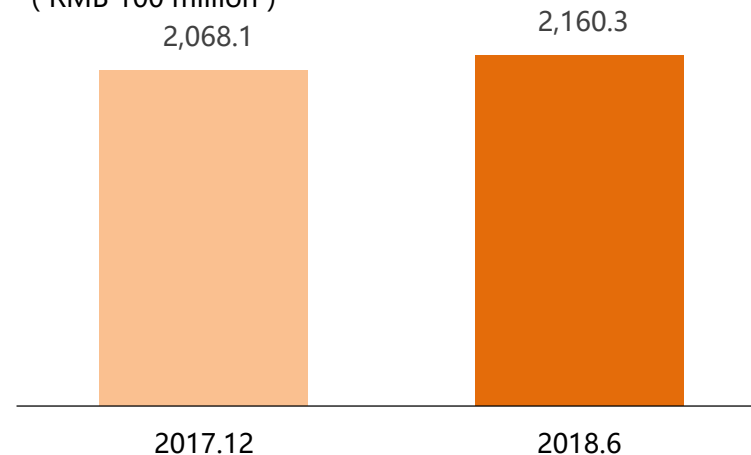
The total amount of bond investments

(RMB 100 million)



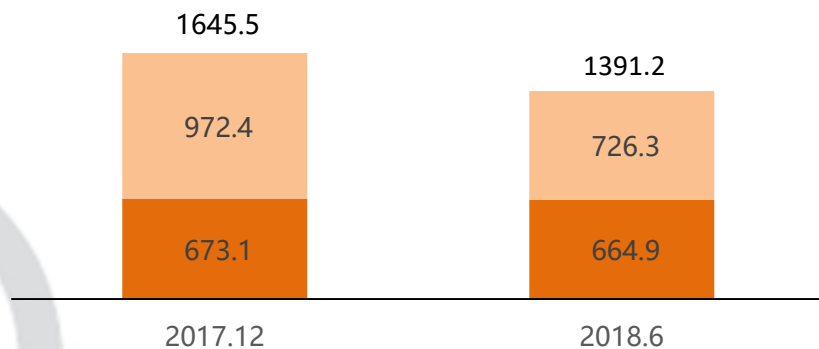
The balance of securities investments and other financial assets

(RMB 100 million)

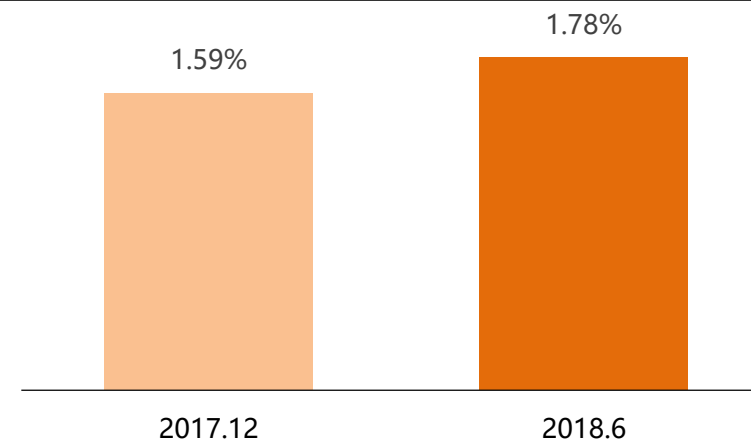


The balance of wealth management products

(RMB 100 million)



Provision for investment

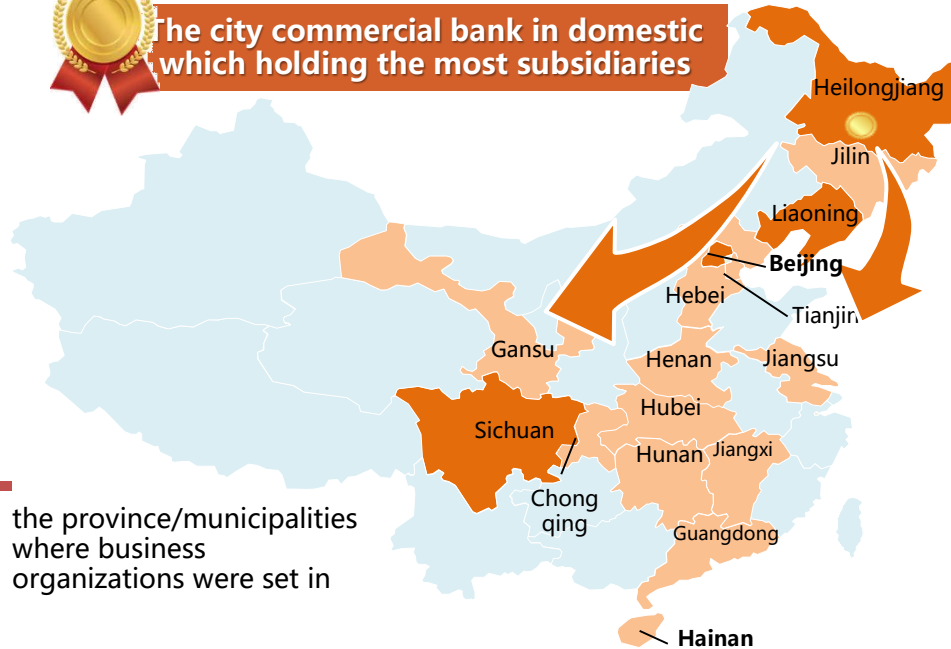


- principal protected wealth management products
- non-principal protected wealth management products

Multi-regionally Distributed Business Organizations Are Forming the Trend of Group Development



The city commercial bank in domestic which holding the most subsidiaries



the province/municipalities where business organizations were set in

Harbin branch , **5** branches in province , **11** branches off **279** sub-branches

32 controlling village and township banks with **35** sub-branches of village and township banks

1 consumer finance company

1 financial leasing company

Village and township banks

Branches and sub-branches in **14** province and municipalities like Beijing, Shenzhen, Chongqing, etc.

Total assets RMB **21,746** million

the balance of loan RMB **13,887** million

the balance of deposit RMB **14,458** million

Net profit RMB **69** million

The financial leasing company

Registered capital RMB **2000** million , holding share **80%**

Total assets RMB **18,376** million

Accumulated investment RMB **4,539** million

1 billion financial bonds with 3-year period

The consumer finance company

Registered capital RMB **500** million, holding share **59%**

Total assets RMB **5,133** million

Net profit RMB **18.80** million

Increased Input in Fintech, Operational Supporting Became More Comprehensive

New Core Operation System and other Infrastructure Construction

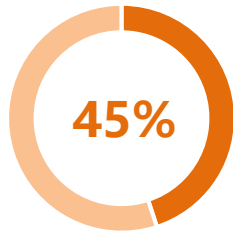
New Data Centre

New Generation of Core Operation System

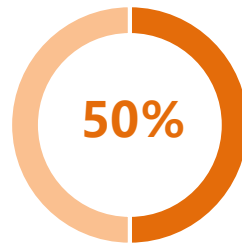
New Disaster Recovery Centre

Cooperated with international well-known technology solutions providers such as Tata, IBM, Huawei, etc. Over the 20 months, more than 700 people have been joined the project, five new systems have been built synchronously, and 76 interfaces have been reconstructed by peripheral cooperation.

Mobile Channel Substitution Rate

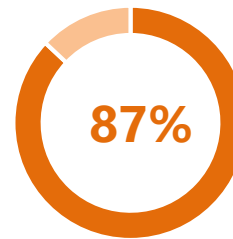


2017.12

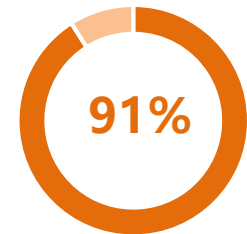


2018.6

Electronic Channel Substitution Rate



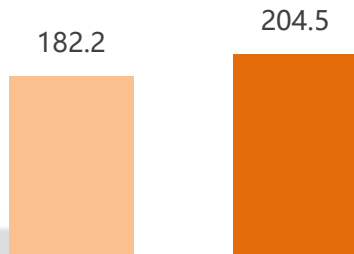
2017.12



2018.6

Net Banking Customer Volume

(ten thousand household)

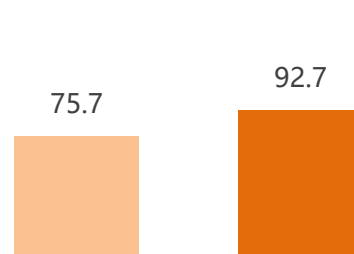


2017.12

2018.6

Mobile Banking Customer Volume

(ten thousand household)

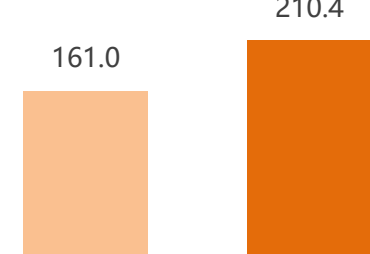


2017.12

2018.6

WeChat Banking Customer Volume

(ten thousand household)

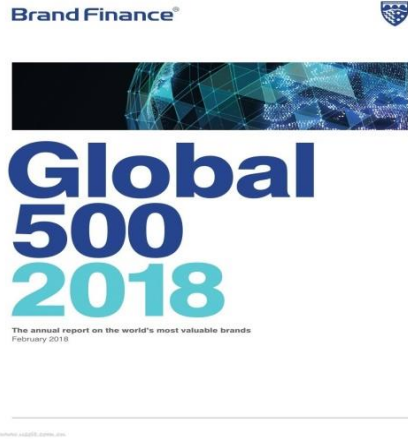


2017.12

2018.6

Data source: semi-annual report

Continuously Improved Market Image and More Distinctive Brand Features




217th in the general list of "Brand Finance China 300 for the Year 2018 and 32nd among the 47 banks in the list published by Brand Finance

489th in "Top 500 Chinese Companies for 2018" published by the FORTUNE (Chinese version) magazine.

The Bank was ranked 207th in "Top 1,000 World Banks 2018" and 34th among China regional banks published by The Banker of United Kingdom



The 2017 Financial Technology(Inclusive Finance) Award of the "Golden Cicada Award" (金蝉奖)



 The Best City Commercial Bank of Trading and Finance




 Top Ten Innovative Financial Technology Products Awards

 "smart medical"  Anju Loan




 The Best Corporate Governance Award



 2017 Most Trustworthy Featured Financial Bank



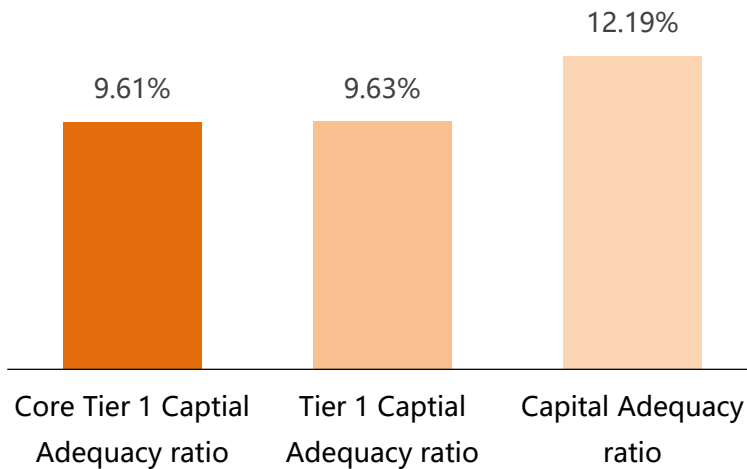
 The "2017 Harbin International Marathon of Harbin Bank" sponsored by the Bank was promoted to a "Gold-level Competition" of the China Athletics Association

03 | Risk Management



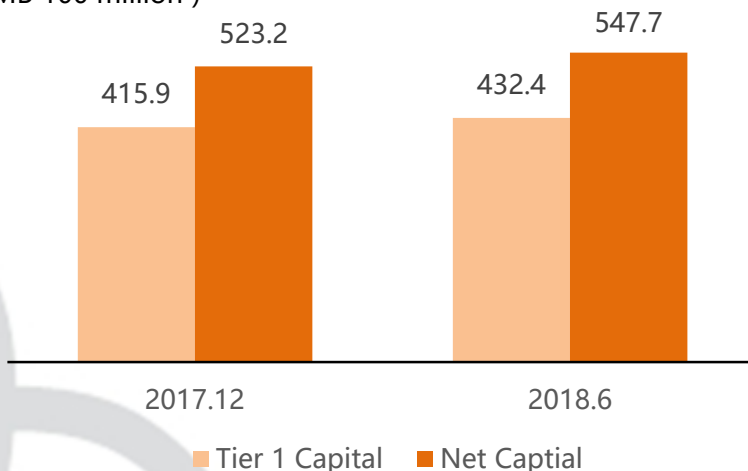
Capital Level Remains Sufficient With More Initiative Capital Management

Capital Adequacy Ratio



Net Capital

(RMB 100 million)



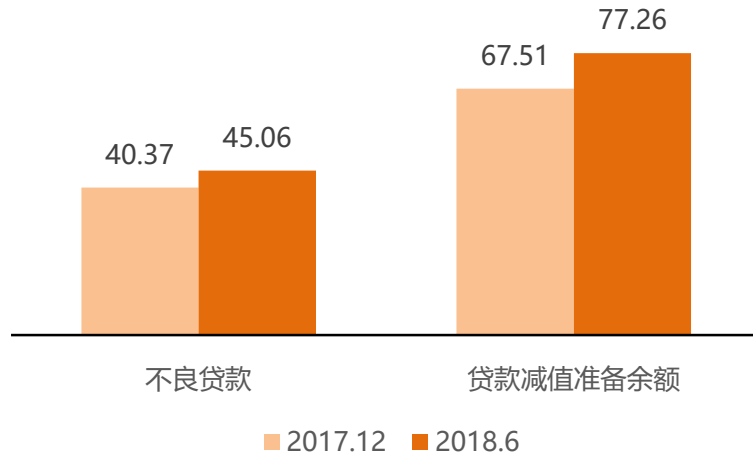
More initiative capital management

- ✓ To further improve capital management mechanism, effectively conduct under regulatory requirements, implement capital management planning requirements, continuously strengthen the fundamental capacity building of capital management, the capital's transmission and restraint effect on business development is further enhanced. As the end of June, the Net Capital has increased 4.7% , Capital adequacy ratio decreased by 6 bps compare with year end of 2017.
- ✓ According to the strategic goal of building microcredit bank and the development phase, giving priority to utilize capital into microcredit loan, IT construction and other business areas.
- ✓ According to the requirements of "The Capital Management of Commercial Banks (for trial implementation)" , to invest capital into business areas where capital occupation is relatively low and returns are relatively high. During the reporting period, the bank fulfilled the minimum capital requirement, reserve capital requirement, and countercyclical capital requirement of the CBRC for transitional period arrangements.

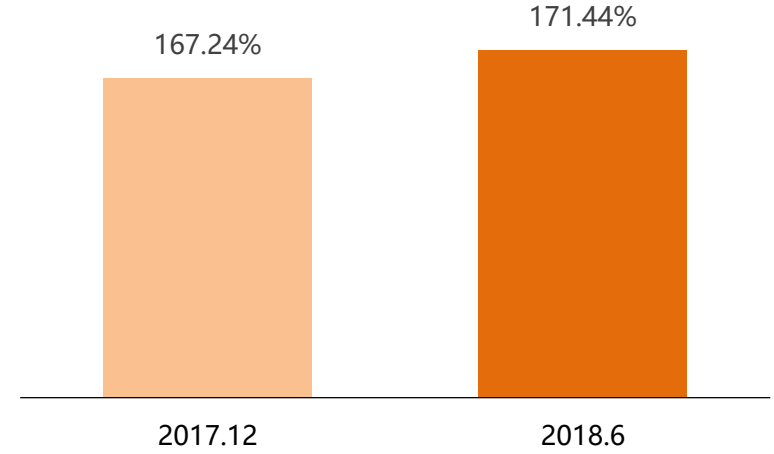
Sufficient Provision For Impairment Of Assets, the Asset Quality Remained Stable and Controllable

Asset Quality

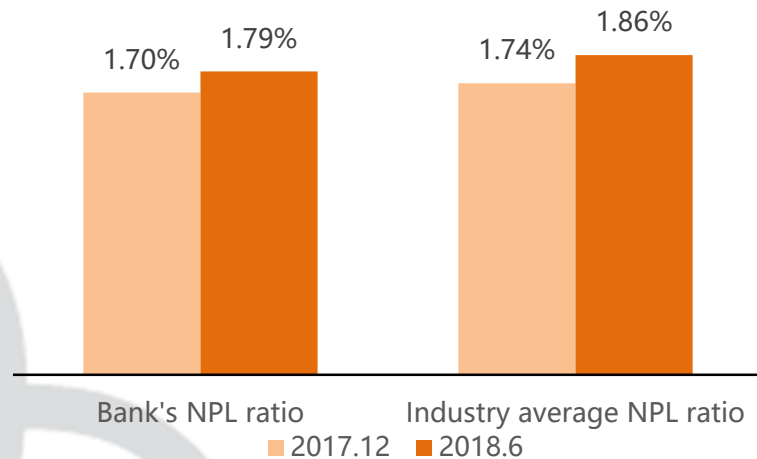
(RMB 100 million)



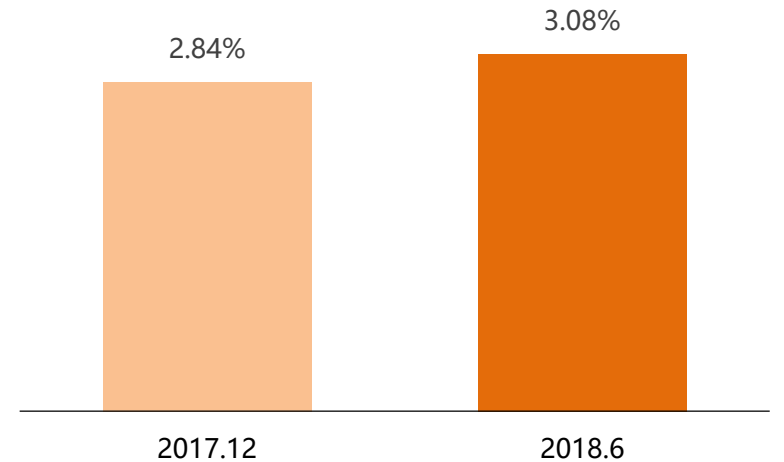
Provision Coverage Ratio



NPL Ratio

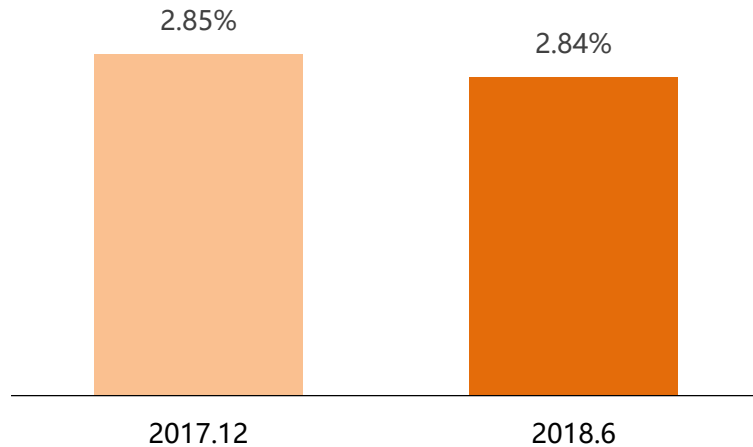


Impairment losses on loan

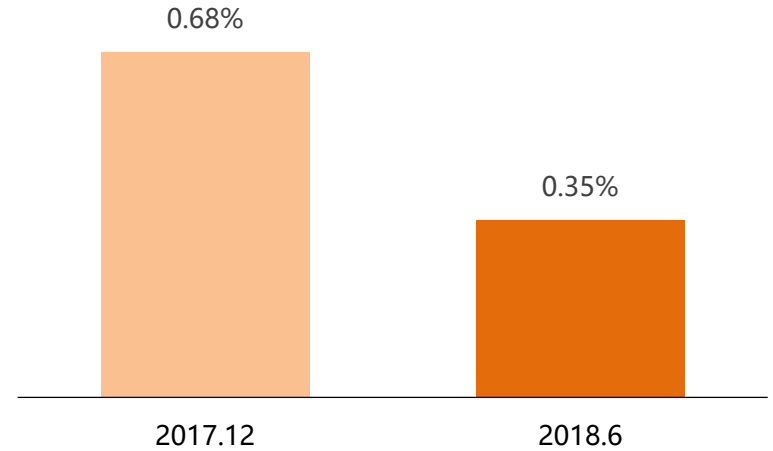


NPLs Pressure Reduced, Accurate Loan Classification Based On The Fact

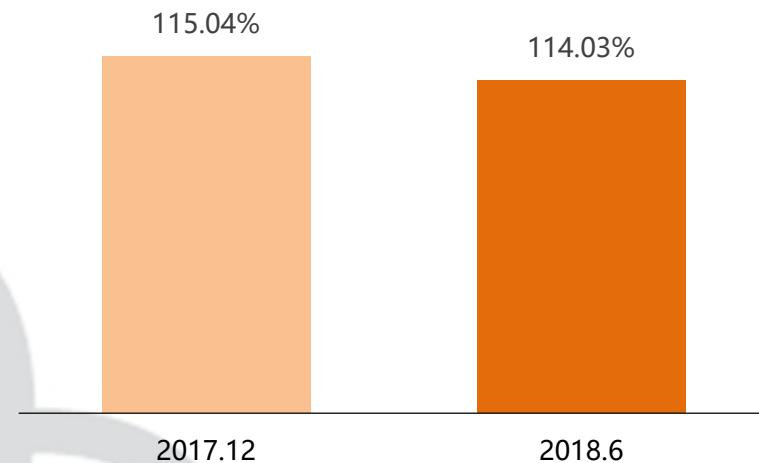
Proportion of "Special Mentioned" Loan



Net Non-performing Generation Ratio



Deviation of Loan Classification



Risk Management Level Improved

- ✓ Profession, independent, check and balance, centralized full process risk management system
- ✓ Credit and risk management policies that effectively transmit risk preferences
- ✓ Optimize portfolio structure, "customer + collateral" risk stratification strategy
- ✓ Led by fintech, systematically rigid control of risk management measures
- ✓ Pay close attention to large-volume customer risk, use of "name list management" as risk warning application
- ✓ Risk pricing mechanism for achieving comprehensive balance of risk, revenue and cost
- ✓ From data management, system governance to consolidate risk management foundation
- ✓ Establish a centralized collection mechanism for non-performing assets and achieve a flexible risk management model.

04 | Outlook





Q & A !

Appendix : First Half Of 2018 Financials

Profit & Loss (RMB million)	2017.6.30	2018.6.30	Change (%)
Operating income	7,472.1	6,537.8	-12.50%
Of which: Net interest income	6,324.2	4,971.1	-21.40%
Net fee and commission income	1,213.0	1,131.5	-6.72%
Net profit	2,689.2	2,608.0	-3.02%
Net profit attributable to shareholders of the Bank	2,659.7	2,605.8	-2.03%
Net assets per share attributable to shareholders of the Bank	3.54	3.89	9.89%
Profitability (%)	2017.6.30	2018.6.30	Change (%)
Return on average total assets	0.99%	0.92%	-0.07
Return on average equity	14.09%	12.40%	-1.69
Net interest spread	2.23%	1.66%	-0.57
Net interest margin	2.42%	1.88%	-0.54
Net fee and commission income to operating income ratio	16.23%	17.31%	1.08
Cost-to-income ratio	24.02%	28.12%	4.10

Assets & Liability (RMB million)	2017.12.31	2018.6.30	Change (%)
Total Assets	564,255.2	571,941.5	1.36%
Of which: Loans and advances to customers	237,397.8	251,149.0	5.79%
Total Liabilities	521,846.2	527,999.2	1.18%
Of which: Due to customers	378,258.4	370,600.3	-2.02%
Share capital	10,995.6	10,995.6	—
Total Equity	42,408.9	43,942.3	3.62%
Assets quality indicators (%)	2017.12.31	2018.6.30	Change (percentage point)
Core tier 1 capital adequacy ratio	9.72%	9.61%	-0.11
Tier 1 capital adequacy ratio	9.74%	9.63%	-0.11
Capital adequacy ratio	12.25%	12.19%	-0.06
NPL ratio	1.70%	1.79%	0.09
Impairment losses on loans	2.84%	3.08%	0.24
Impairment coverage ratio	167.24%	171.44%	4.20
others (%)	2017.12.31	2018.6.30	Change (percentage point)
Loan-deposit ratio	62.76%	67.77%	5.01



Thanks !

