



# 2020 年度業績發佈會

Annual Result Announcement



**Stock code: HK.6138**

**April, 2021, Harbin**

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# 01 | Financial Performance



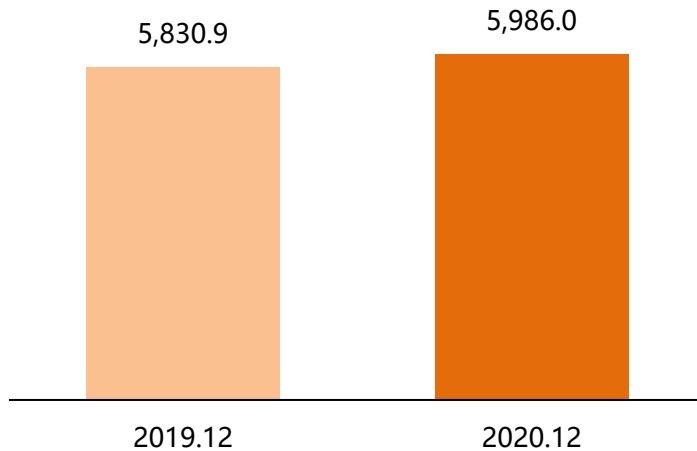
# Key Financial Indicators

Scale indicators (RMB 100 million)	2020.12	2019.12		Change(%)
Total assets	5,986.04	5,830.89	↑	2.66%
Of which: Loans and advances to customers	2,805.67	2,636.04	↑	6.44%
Total liabilities	5,474.95	5,314.48	↑	3.02%
Of which: Due to customers	4,692.80	4,256.84	↑	10.24%
Equity attributable to Shareholders	492.47	498.27	↓	1.16%
Total equity	511.09	516.41	↓	1.03%
Profitability indicators (RMB 100 million)	2020.12	2019.12		Change(%)
Operating income	146.06	151.24	↓	3.43%
Net profit	7.96	36.35	↓	78.11%
NIS	2.18%	2.02%	↑	0.16 percentage point
NIM	2.20%	2.10%	↑	0.10 percentage point
Net asset value per share (RMB)	4.48	4.53	↓	1.10%

# Scale Of Assets Made Steady Progress, Indicators Of Deposits & Loans Maintained Well Growth Trend

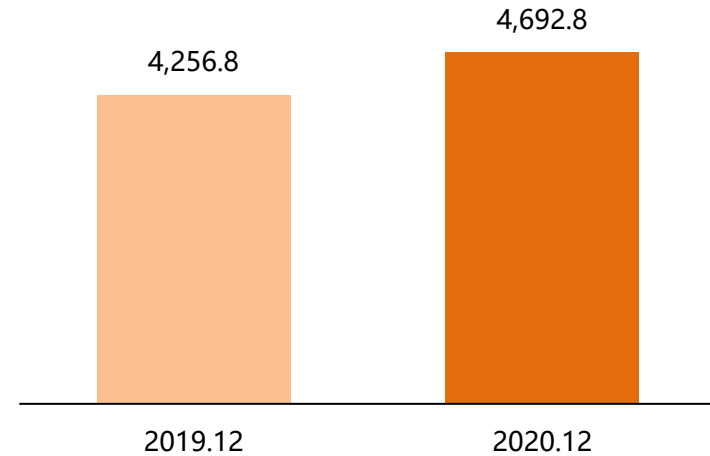
## Total assets

( RMB 100 million )



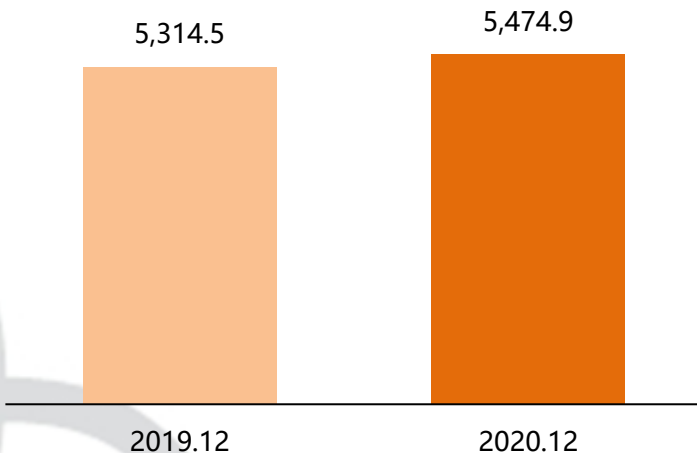
## Due to customers

( RMB 100 million )



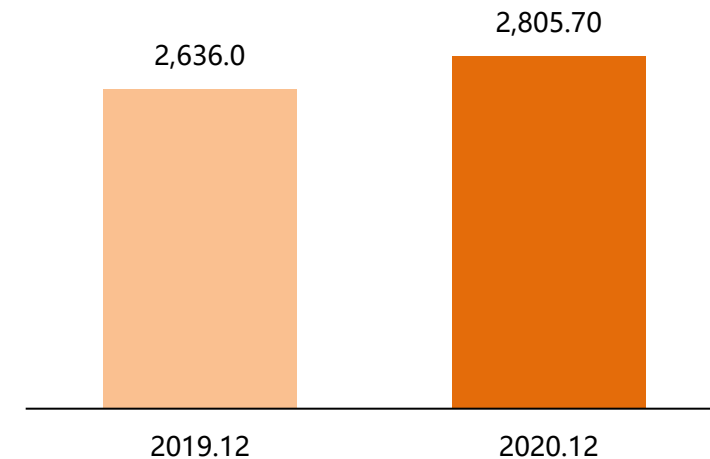
## Total liabilities

( RMB 100 million )



## Loans and advances to customers

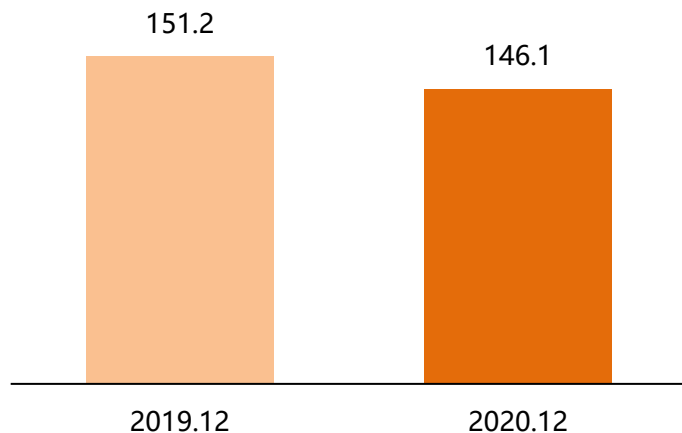
( RMB 100 million )



# The Ability of Generating Income Remained Stable, Cost Management Achieved Notable Effects

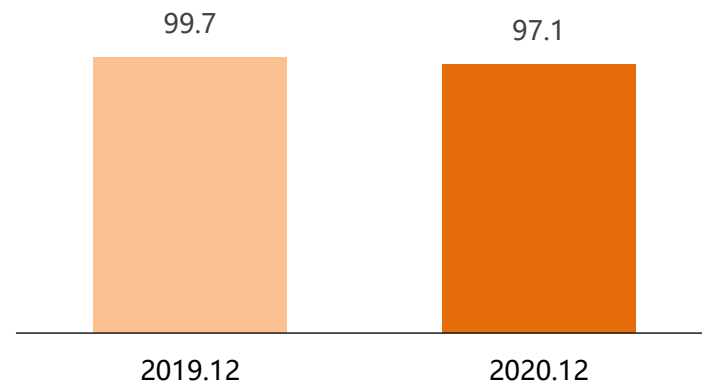
## Operation income

( RMB 100 million )



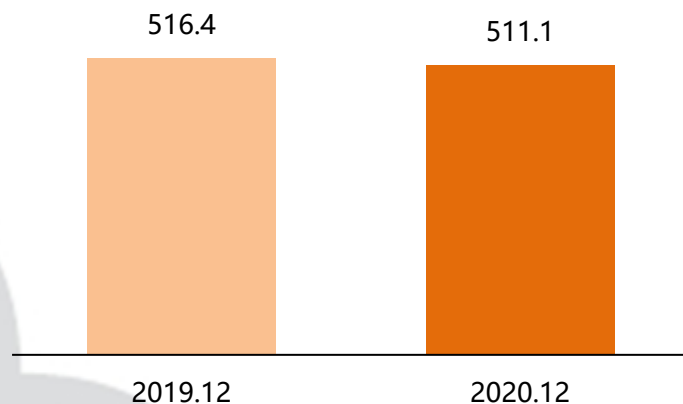
## Earnings before provision

( RMB 100 million )

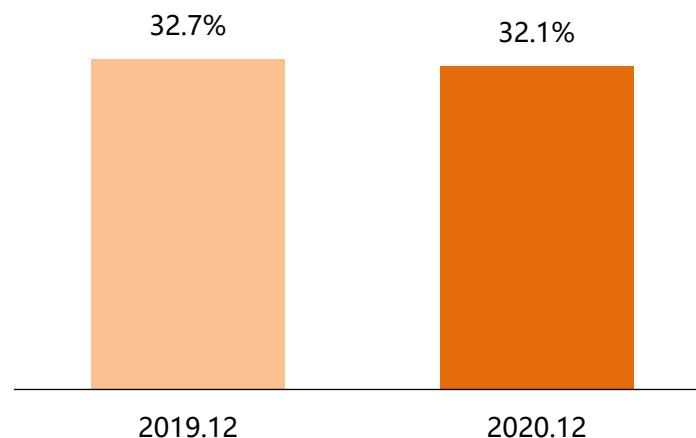


## Total equity

( RMB 100 million )



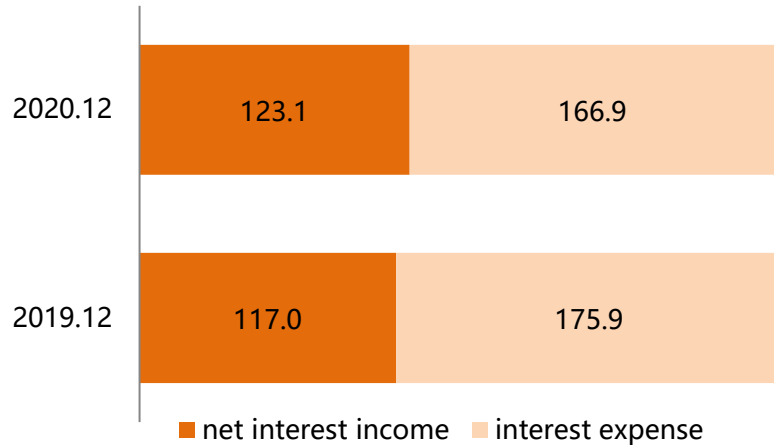
## Cost-to-income ratio



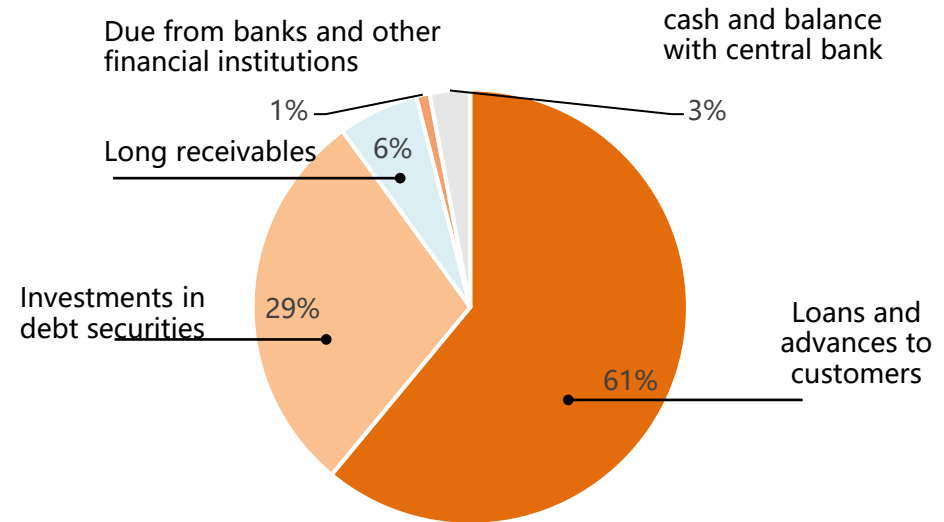
# Interest Income Kept Solid Growth, Interest Rate Margin and Spread Was Gradually Increased

## Interest income

( RMB 100 million )



## Interest income structure



## Profitability indicators

Items	2020.12	2019.12	Change
Yield of interest earning assets	5.18%	5.26%	-8bps
Cost rate of interest-bearing liabilities	2.99%	3.24%	-25bps
NIM	2.20%	2.10%	+10bps
NIS	2.18%	2.02%	+16bps

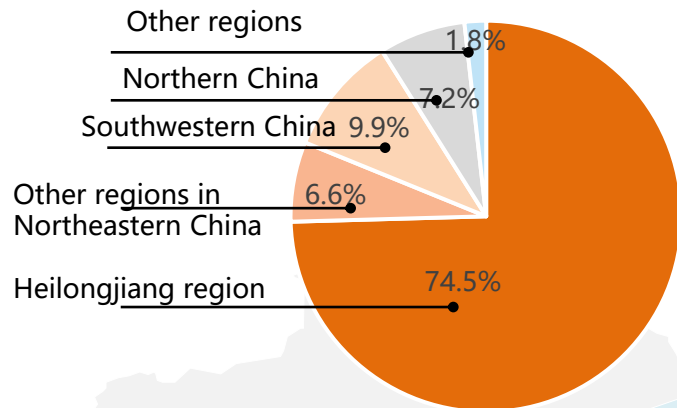


# 02 | Business Operation

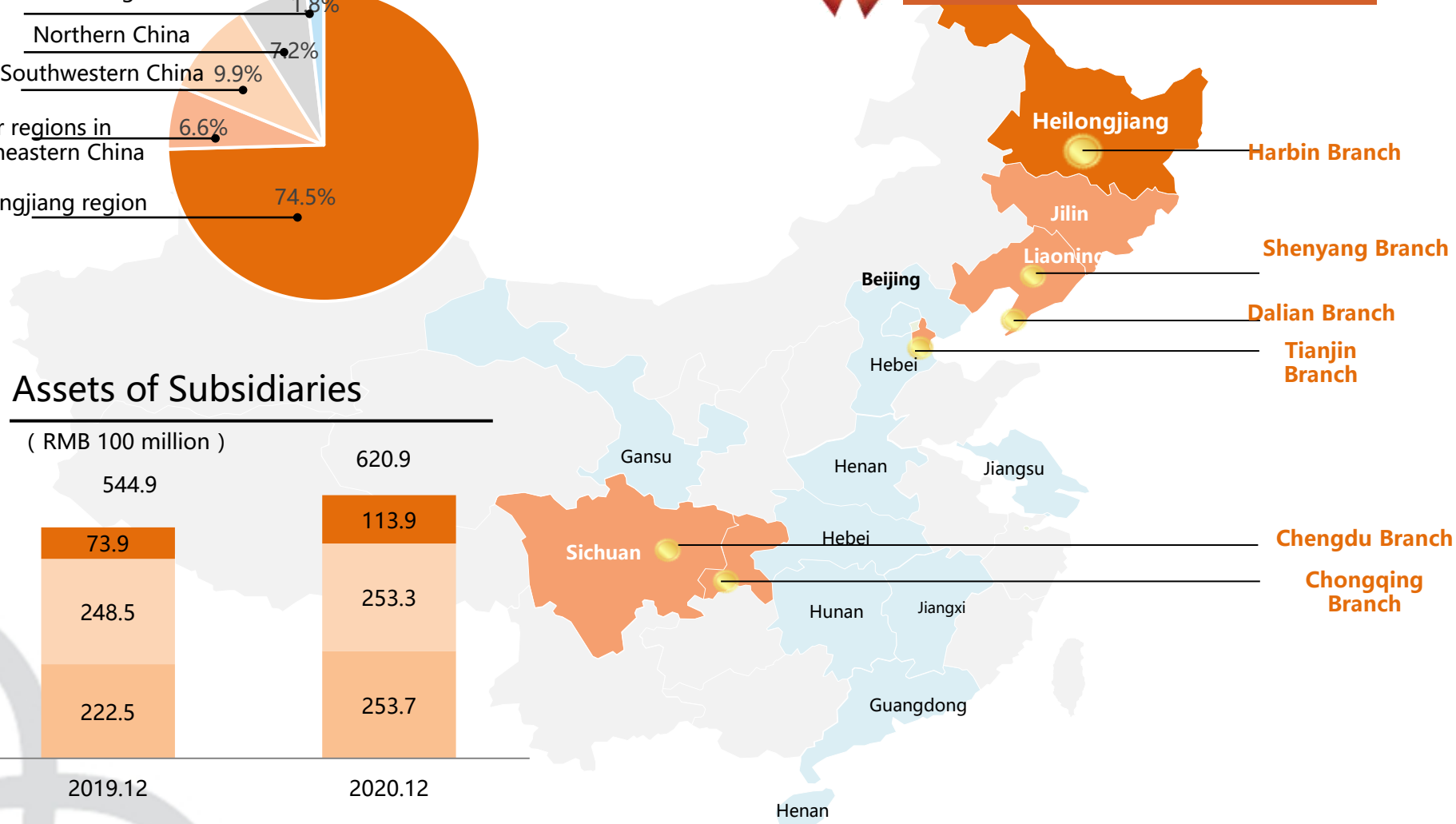


# Branches Operated Steadily ,The Advantages Of Holding Licenses Tend To Emerge

## Proportions of assets in each of the geographical regions

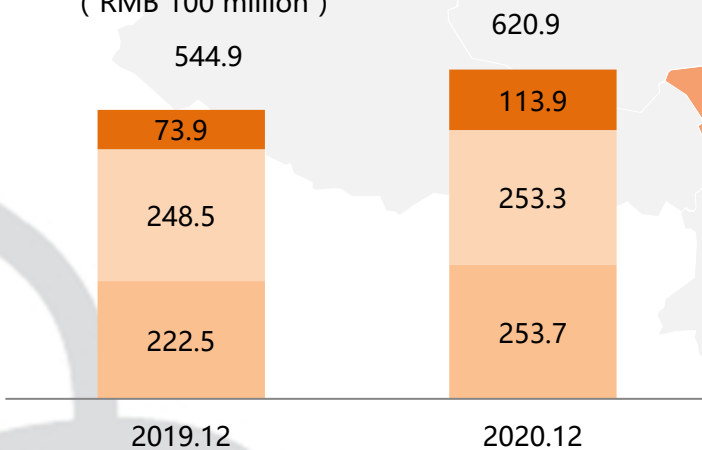


City Commercial Bank with Most Domestic Subsidiaries



## Assets of Subsidiaries

( RMB 100 million )

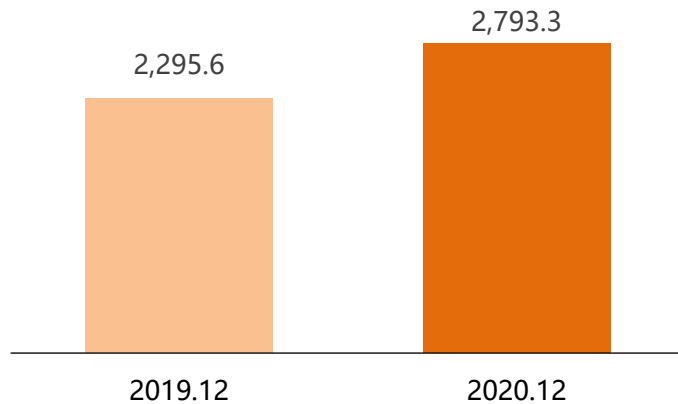


■ HBCF ■ HB Leasing ■ Village and township banks

# Retail Business Transformation Achieved Remarkable Results, With Explicitly Effect Of “Deposit As The Foundation”

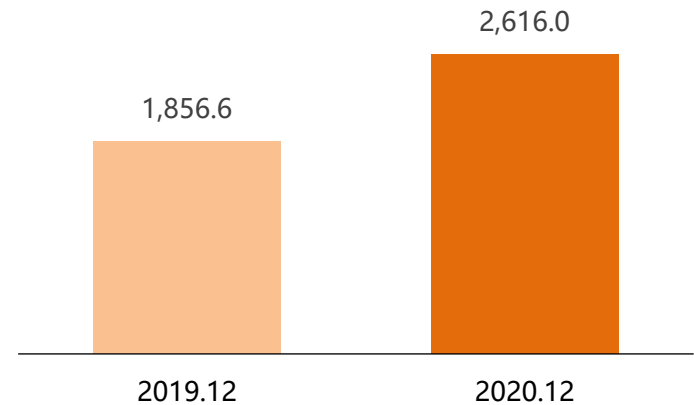
## Total retail deposits

( RMB 100 million )



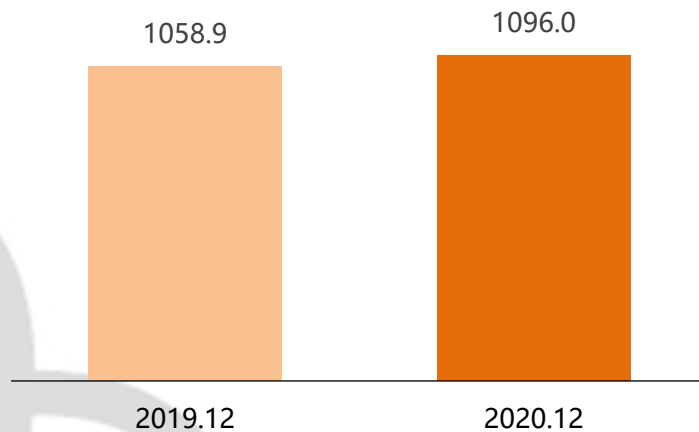
## Average balance of retail deposits

( RMB 100 million )



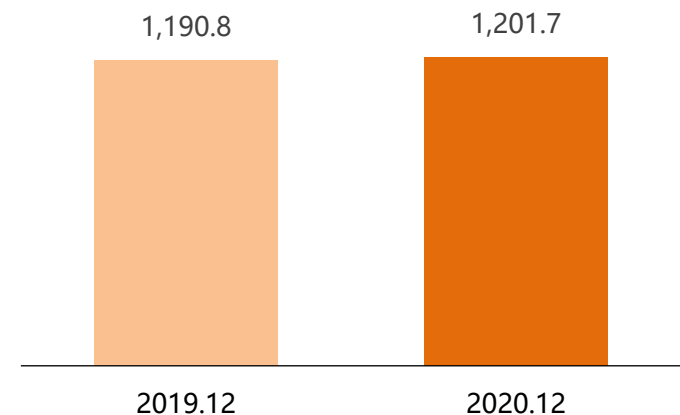
## Sales of personal finance

( RMB 100 million )



## Total retail loans

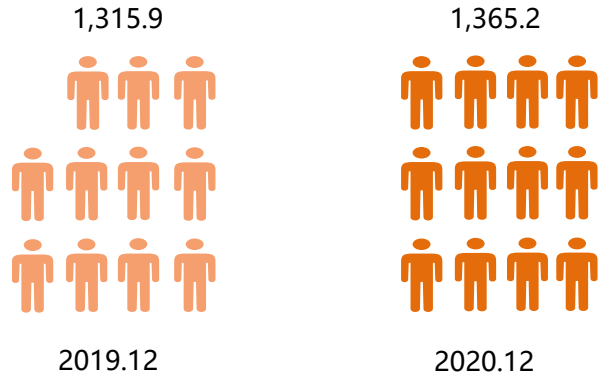
( RMB 100 million )



# Retail Customers Continued to Grow, Credit Cards Business Developed Steadily

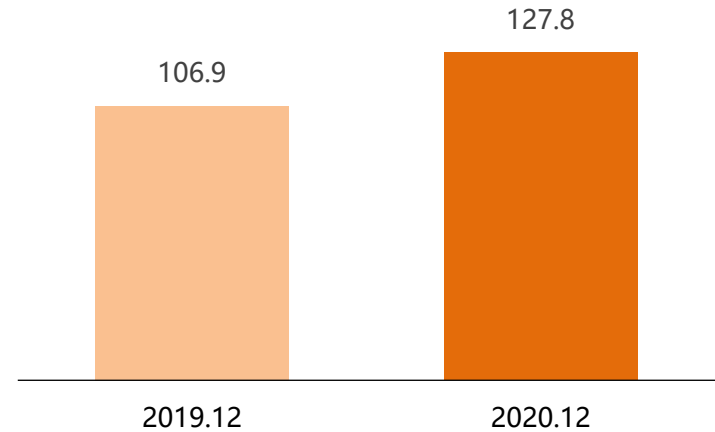
## Number of deposit customers

( Ten thousand )



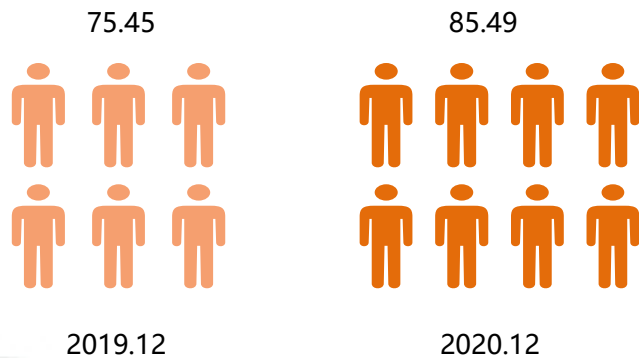
## Number of issued credit cards

( Ten thousand )



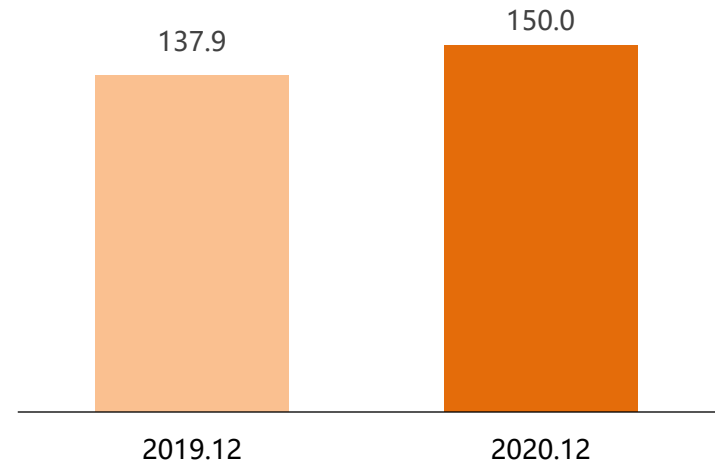
## Number of value customers

( Ten thousand )



## Balance of credit card assets

( RMB 100 million )

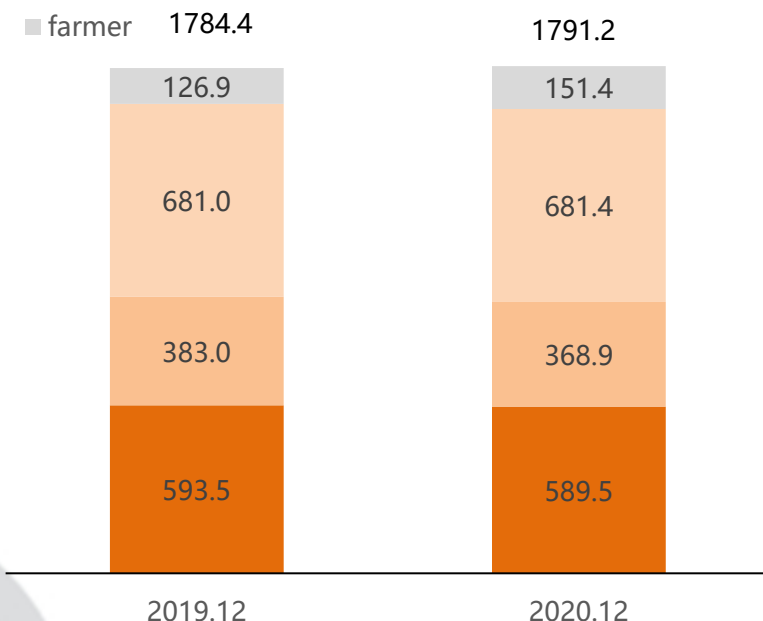


# The Position Of Microcredit Was Consolidated, Sino-Russia Finance Hold Market Leadership

## Total microcredit

( RMB 100 million )

- Small business legal person
- Small business natural person
- personal consumption
- farmer



## Sino-Russia finance

- ✓ Total interbank credit to Russian banks amounted to RMB **8** billion;
- ✓ The total amount of cross-border cash transfer is RMB362 million ;
- ✓ The membership of Sino-Russian Financial Union had grown to **73** ;
- ✓ **24** account banks in Russia;
- ✓ Has successfully obtained the qualification of CIPS (RMB cross border payment system) as a direct participant
- ✓ The first foreign exchange settlement business of NRA account in Heilongjiang Free Trade Zone
- ✓ Launch of special exchange rate hedging products for Russia

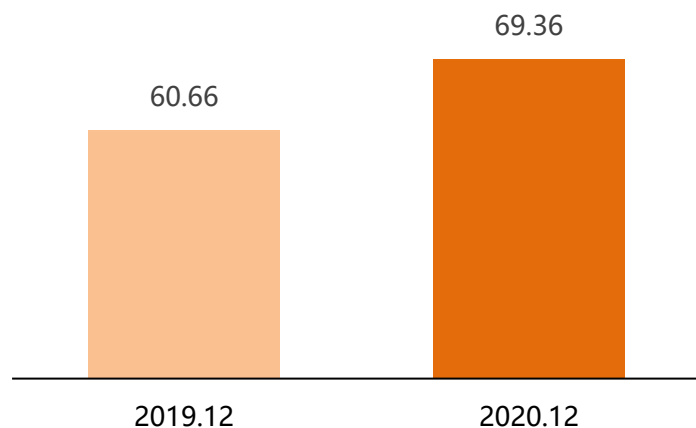
## Cross border e-commerce platform business

- ✓ The total transaction settlement volume is RMB15.3 billion
- ✓ The first commercial bank cooperating with Russia world card in China
- ✓ It supports more than 10 overseas payment instruments such as MasterCard, JCB and YANDEX.

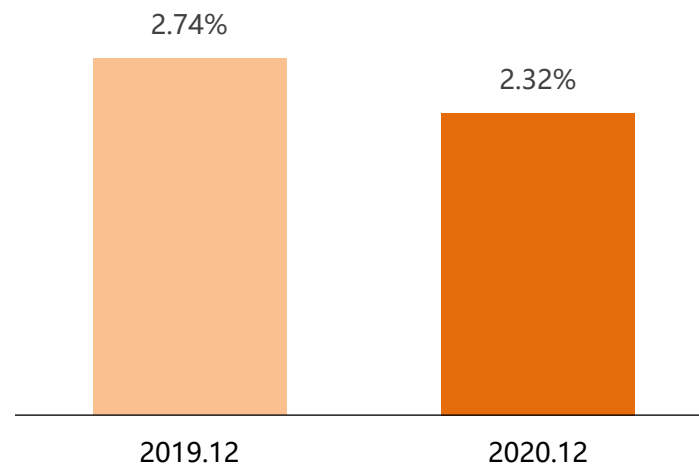
# Corporate Finance Business Stably Developed, Profitability Significantly Improved

## Operating income from corporate finance

( RMB 100 million )

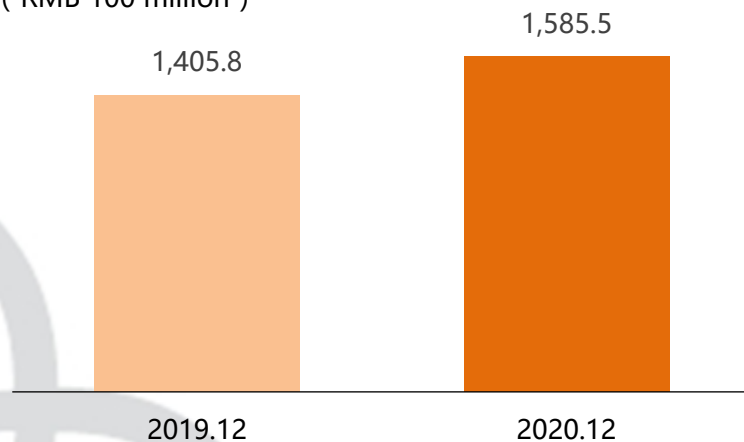


## Company deposit cost



## Total corporate loans

( RMB 100 million )



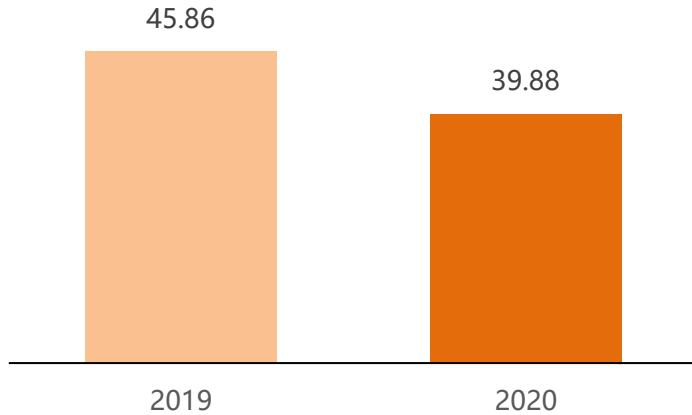
## Corporate finance business

- ✓ **71** professional service teams for corporate customers were established
- ✓ Docking with 50000 customers with stabilizing enterprises and posts
- ✓ Actively marketing "top 100 projects" and "top 100 enterprises" in Heilongjiang Province
- ✓ Online service to fight against epidemic
- ✓ Seven financial measures to fight the epidemic

# Financial Market Business Stably Operated, Advantages of bond investment Emerge

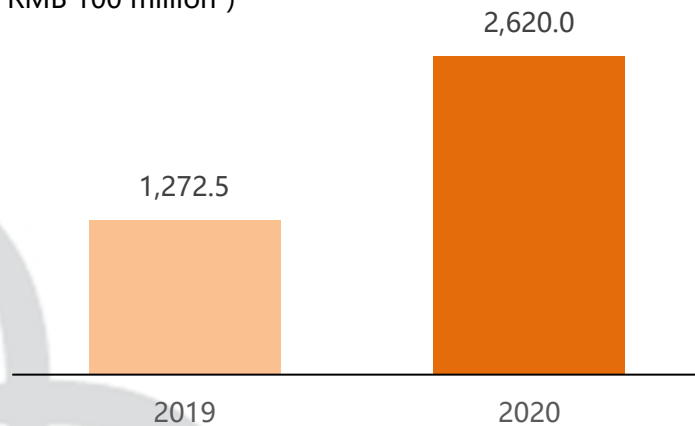
## Interbank financial business income

( RMB 100 million )



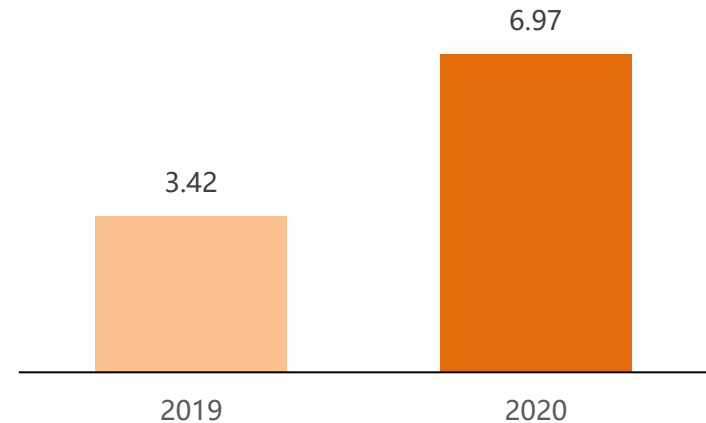
## Bond lending volume

( RMB 100 million )



## Total amount of cash & bond transactions

( ( RMB trillion)



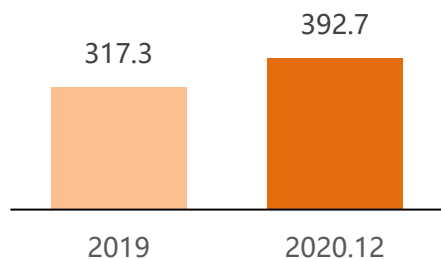
## Financial services

- ✓ The balance of non breakeven financial products was
- ✓ RMB **52.986** billion
- ✓ The remaining balance of net worth products was
- ✓ RMB **22.126** billion.
- ✓ The number of financial customers was **945,800**,
- ✓ an increase of 16.12%.
- ✓ Launch medium and long term "fixed income + "
- ✓ series products
- ✓ **X-Lending** star

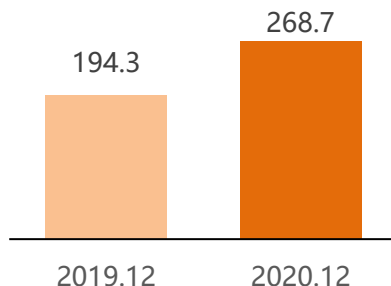
Source: Annual Report

# Made an Accurate Arrangement for Fin-tech, With Better Support Operation

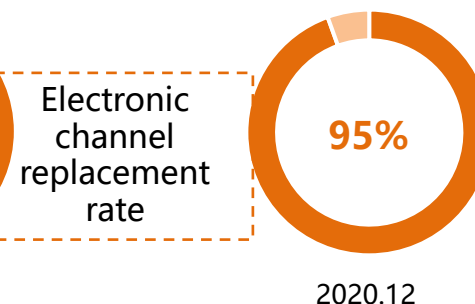
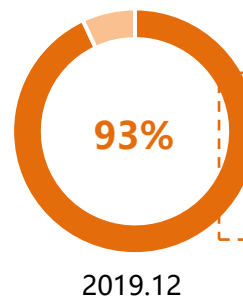
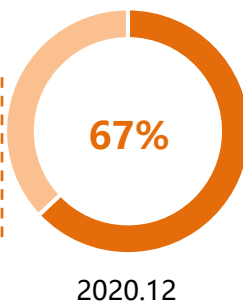
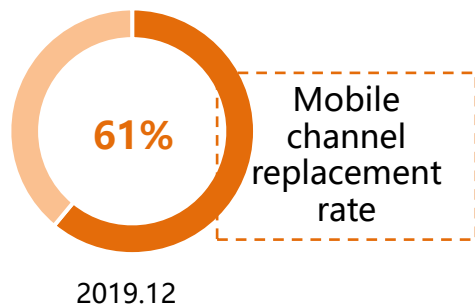
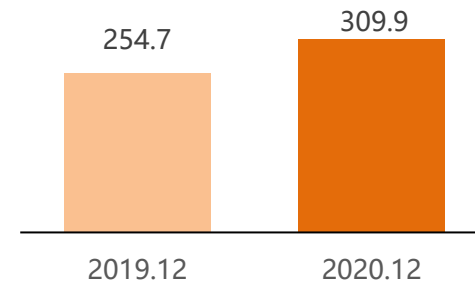
Online banking customers  
(ten thousand)



Mobile banking customers  
(ten thousand)

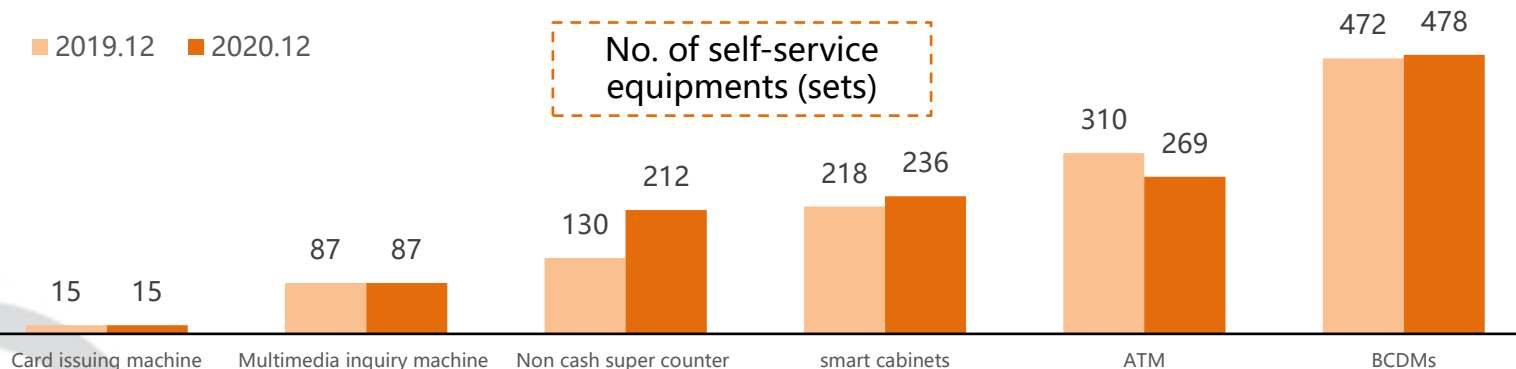


We-chat banking customers  
(ten thousand)



2019.12 2020.12

No. of self-service equipments (sets)





# Practice Social Responsibility , Brand Features Became More Distinctive

Give full play to the advantages of financial science and technology, launch "seven financial measures to fight the epidemic together" by formulating special service measures, integrating resources, enriching online service functions, and strengthening scientific and technological operation guarantee, so as to meet the needs of financial services in special periods and protect the fight against the epidemic and the resumption of work and production.



199th of Brand Finance's "top 500 global banking brand value in 2020"



It will give full play to the leading role of the policy of rediscount of refinancing, and provide accurate financial services for small and medium-sized and micro enterprises affected by the epidemic.

In order to prevent and control the epidemic, focus on ensuring small and micro businesses to issue working capital loans, effectively support enterprises to resume work and production, and reduce the financing cost of enterprises.



《The Banker》 "Top 1000 global banks in 2020 " 199th



31st of Top 100 banking industry in 2019

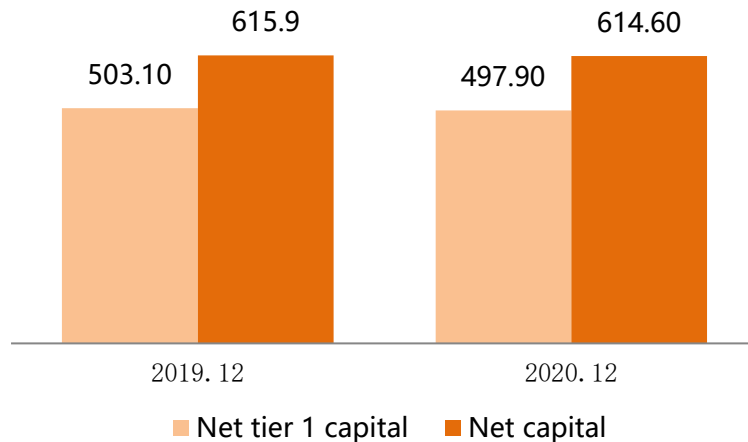
# 03 | Risk Management



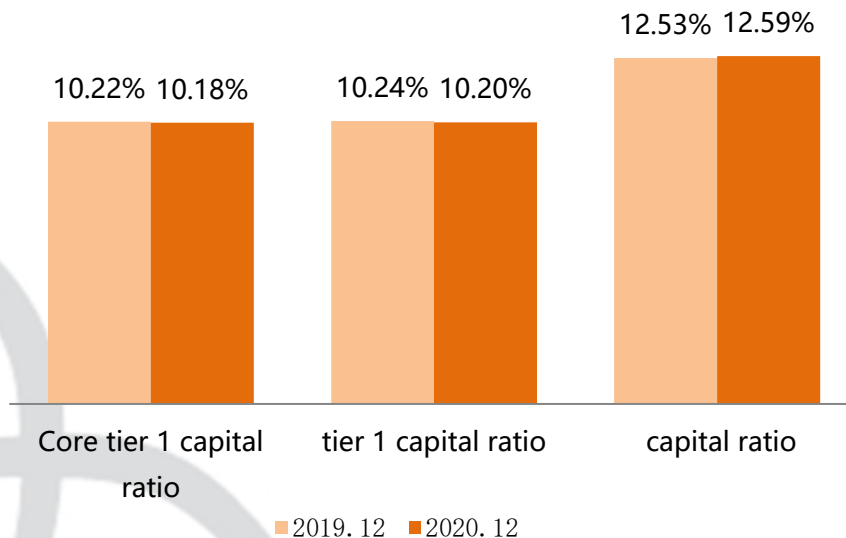
# The Level of Capital Remained Adequate and Managed Capital With More Proactive Approaches

## Net Capital

(RMB 100million)



## Capital Adequacy Ratio



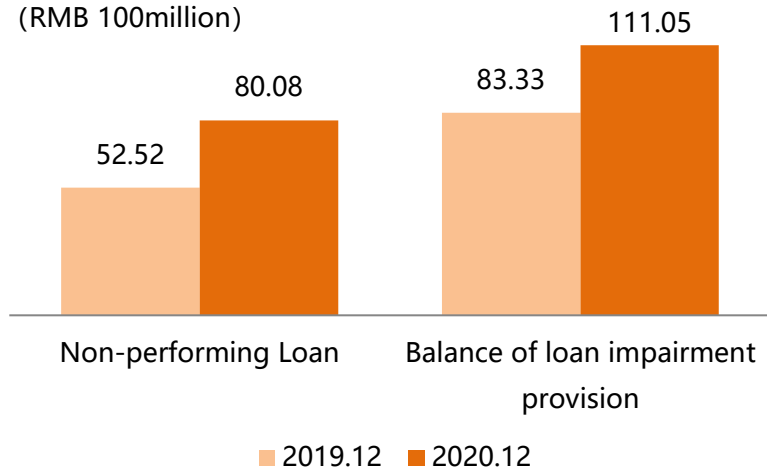
## More Proactive on Capital Managing

- ✓ Further improved the capital management mechanism, effectively conducted regulatory requirements, and while carried out the capital managerial requirements as preplanned, and continued to strengthen the fundamental capacity of capital management. By the end of 2020, the Bank's net capital is 61.46 billion, with capital adequacy ratio of 12.59%, remained relatively stable compare with the previous year.
- ✓ Built a steady internal capital adequacy evaluation procedure. According to the Bank's comprehensive risk management framework, various substantive risk assessments, and results of stress tests, the Bank rationally planned its capital usage, so that the Bank's capital adequacy level, operational planning and financial planning achieved a dynamic balance.
- ✓ Adhere to the capital planning requirements, enhanced fundamental capital management capacity, the guidance and constraints of capital impaction of business development are further enhanced, allocated capital into those businesses which relatively low capital occupation while generating high yield.

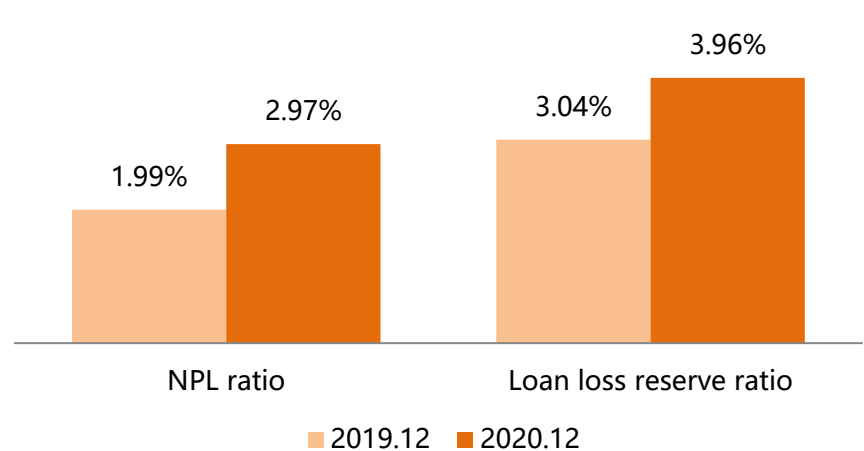
# The Assets Quality Declined Slightly, With Impairment Provision Sufficiently Accrued

## Assets quality & Loan impairment provision

(RMB 100million)

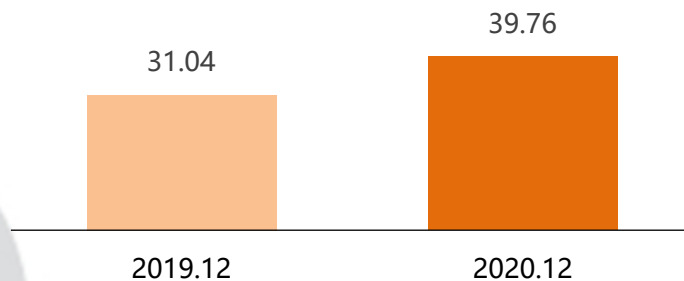


## NPLs ratio & Loan impairment provision ratio



## Write-off & Disposal

(RMB 100million)



## Assets Quality Control Measures

- ✓ The Bank will actively respond to various risks in this post covid-19 pandemic era with the proactive risk management concept.
- ✓ Strengthened the active management of potential risk exposure, prudently adjusted the assets classification, increased the provision accrual, and increased the provision and loan impairment provision ratio largely.
- ✓ Adhere to the loan collecting policy of "implementing approaches by classification and accurately tackling key obstacles", increased the efforts on disposal of NPLs, and increased intensity on litigation and compliance accountability, and utilized market-oriented disposal measures.
- ✓ Rigorous control of new customers' entrance, imposed quota management in term of industrial, regional and highly risky areas. Strengthened risk prevention and control of strategic customers and major projects, and strictly prevent the downward migration of assets quality which has been newly granted.

# Risk Control Kept Strengthening, Risk Management System Increasingly Improved

## Credit Risk

Continuously improve the level of credit risk management, and constantly improve the construction of intelligent risk control system; Set up the strategic-customers service team to strengthen the risk management on those strategic-customers and risk control ability on related major projects; Establish a brand new credit approval mechanism on corporate finance, improve the centralized credit approval mechanism on retail finance, and continuously improve the credit risk management capacity; adhere to the loan collecting policy of "implementing approaches by classification and accurately tackling key obstacles", increase litigation and compliance efforts input, and utilized market-oriented disposal measures through online live auction.

## Liquidity Risk

Take the initiative to adjust the structure of assets and liabilities, broaden and stabilize the sources of funding, strengthened the monitoring of daily cash positions, further ensure the overall liquidity safeness.

## Market Risk

Comprehensively implemented market risk management preferences, optimized market risk management and control procedures, improved market risk quota managerial system, made varied market risk measurement methods.

## Operational Risk

Strengthened the substantive application of the three major management tools of operational risk, namely RCSA, KRI and LDC, to prevent the occurrences on highly operational risky domains effectively.

## Information Technology Risk

Continuously optimize and improve the analysis and methodology on business impact, actively promote the disaster recovery of Bank's important systems city-widely, carry out the information system emergency drill in orderly manner, and escort the Bank to continuously carry out business and daily operations.

## Compliance Risk

Deepened the integrated managerial method of "prevention, control, inspection and revise", prompted the level of internal control and compliance management meticulousness, and improved the business suitable comprehensive internal control and compliance risk management system development and transform.

# 04 | Prospects



## 1 Achieve “Three Major High Quality Development” Tasks



Green Funding



Valuable Customers



NPLs collecting

## 2 Put Efforts into “Five Deepening Transformation” Operation



Retail Finance



Corporate Finance



Russia-related Business



Interbank Business



Regional Business

## 3 Implementation of “Seven Foundation Remolding” Project



Technology Operating



Risk Management



Internal Control & Compliance



Strategic Management



Assets & Liabilities Management



Talent Team Construction



Enterprise Culture Leads

Q & A!



# Appendix: Financial Statements Of 2020

Profit & Loss ( Million RMB )	2019 Jan.-Dec.	2020 Jan.-Dec.	Change
Operating income	15,124.4	14,606.3	↓ 3.43%
Of which: Net interest income	11,695.2	12,309.2	↑ 5.25%
Net fee and commission income	1,366.5	880.0	↓ 35.60%
Net profit	3,635.1	795.8	↓ 78.11%
Net profit attributable to shareholders of the Bank	3,558.4	745.7	↓ 79.04%
Net assets per share attributable to shareholders of the Bank	4.53	4.48	↓ 1.10%
Profitability (%)	2019 Jan.-Dec.	2020 Jan.-Dec.	Change (percentage point)
Return on average total assets	0.61	0.13	↓ 0.48
Return on average equity	7.41	1.51	↓ 5.90
Net interest spread	2.02	2.18	↑ 0.16
Net interest margin	2.10	2.20	↑ 0.10
Net fee & commission income to operating income ratio	9.04	6.02	↓ 3.02
Cost-to-income ratio	32.71	32.06	↓ 0.65

Assets & Liab. ( Million RMB )	2019.12.31	2020.12.31	Change
Total assets	583,089.4	598,603.6	↑ 2.66%
Of which: Loans and advances to customers	263,604.1	280,567.2	↑ 6.44%
Total Liabilities	531,448.2	547,494.5	↑ 3.02%
Of which: Due to customers	425,683.7	469,280.0	↑ 10.24%
Share capital	10,995.6	10,995.6	—
Total equity	51,641.2	51,109.1	↓ 1.03%
Assets quality indicators (%)	2019.12.31	2020.12.31	Change (percentage point)
NPLs ratio	1.99	2.97	↑ 0.98
Impairment losses on loans	3.04	3.96	↑ 0.92
Impairment coverage ratio	152.50	133.26	↓ 19.24
Core tier 1 capital adequacy ratio	10.22	10.18	↓ 0.04
Tier 1 capital adequacy ratio	10.24	10.20	↓ 0.04
Capital adequacy ratio	12.53	12.59	↑ 0.06
Loan-deposit ratio	61.92	59.79	↓ 2.13



# Thank You!

