



2019 中期業績發佈會

Interim Results Announcement

Stock code: HK.6138

30 August 2019, Hong Kong

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01 | Financial Performance



Key Financial Indicators

Scale indicators (RMB 100 million)	2018.12	2019.6		Rate of change
Total assets	6,155.88	6,234.35	↑	1.27%
Of which: Loans and advances to customers	2,537.63	2,608.37	↑	2.79%
Total liabilities	5,680.97	5,733.43	↑	0.92%
Of which: Due to customers	3,955.17	4,146.43	↑	4.84%
Equity attributable to shareholders	462.75	483.18	↑	4.42%
Total equity	474.92	500.91	↑	5.47%

Profitability indicators (RMB 100 million)	2018.6	2019.6		Rate of change
Operating income	65.38	74.25	↑	13.56%
Of which : Net interest income	49.71	51.76	↑	4.12%
Net profit	26.08	22.09	↓	15.30%
Net asset value per share (RMB)	3.89	4.39	↑	12.85%
Net fee and commission income to operating income ratio	17.31%	19.69%	↑	2.38percentage points
Cost-to-income ratio	28.12%	25.01%	↓	3.11percentage points

Scale Of Assets Grew Solidly, Indicators Of Deposits & Loans Maintained Well Growth Trend

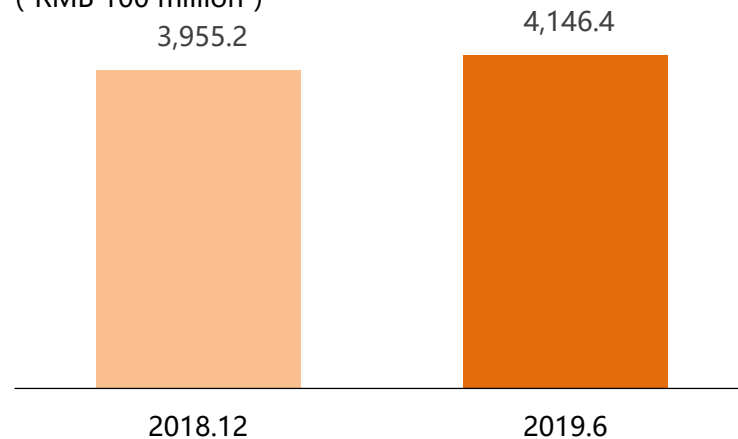
Total assets

(RMB 100 million)



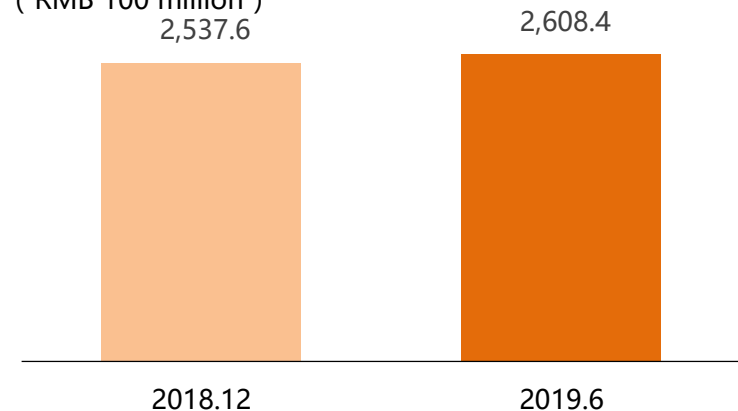
Due to customers

(RMB 100 million)



Total loans to customers

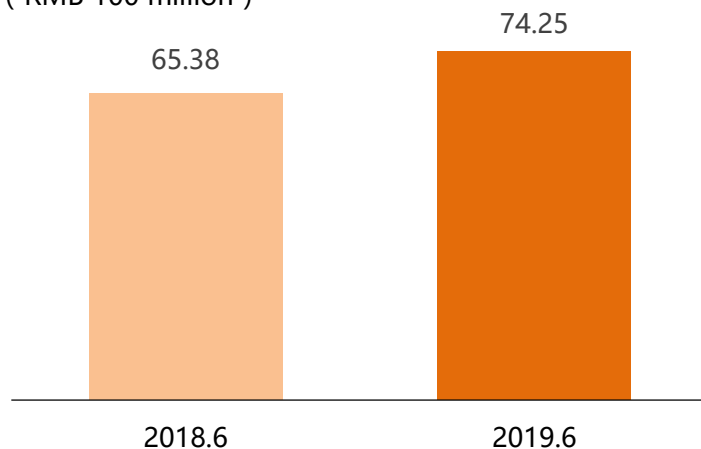
(RMB 100 million)



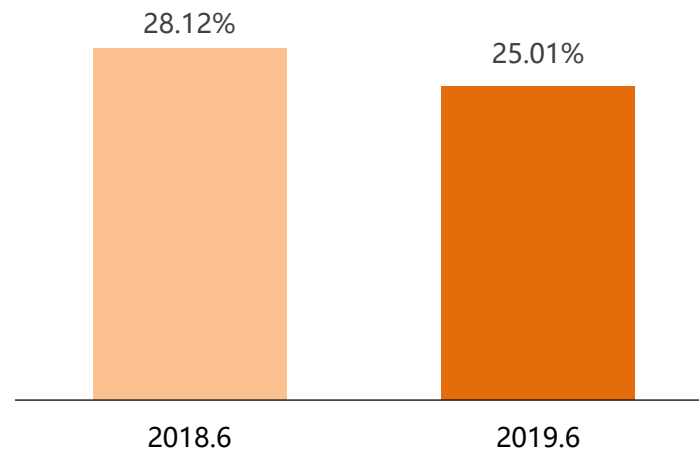
Income-Generating Capacity Was Steadily Improved , Cost Management Achieved Remarkable Results

Operating income

(RMB 100 million)

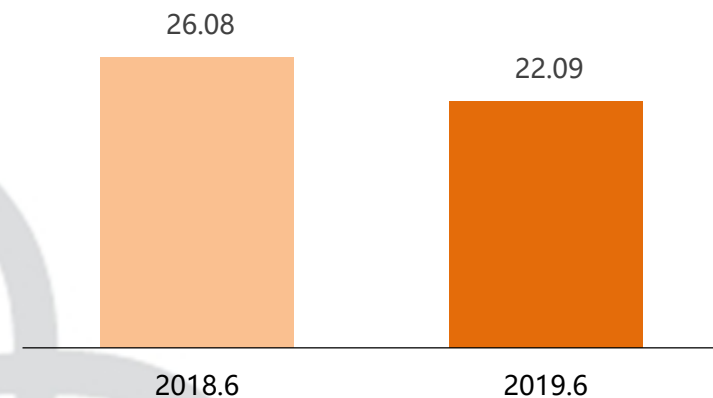


Cost-to-income ratio



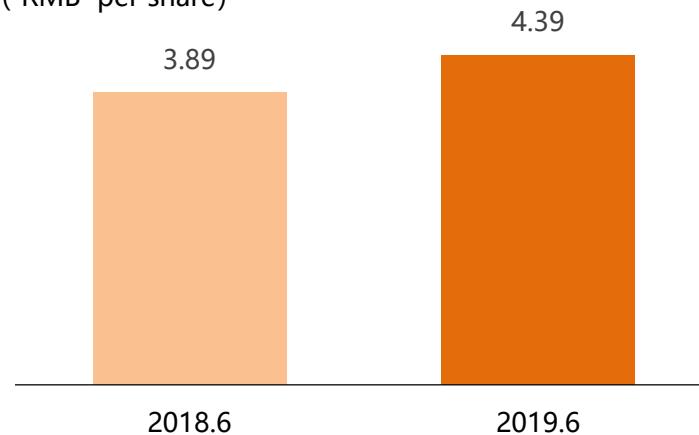
Net profit

(RMB 100 million)



Net assets value per share

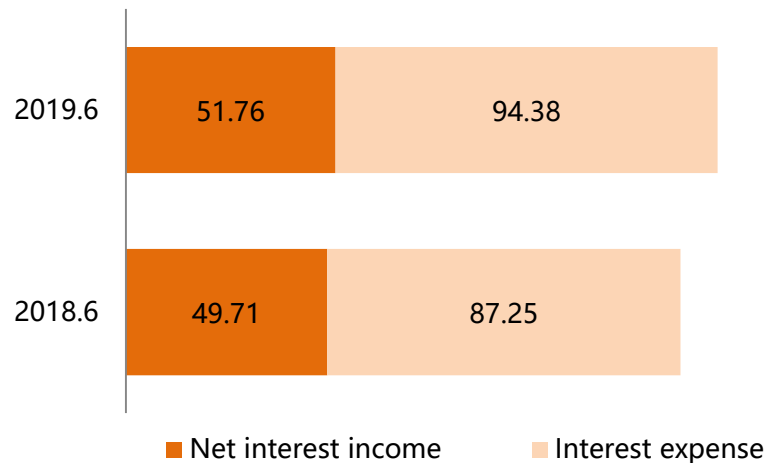
(RMB per share)



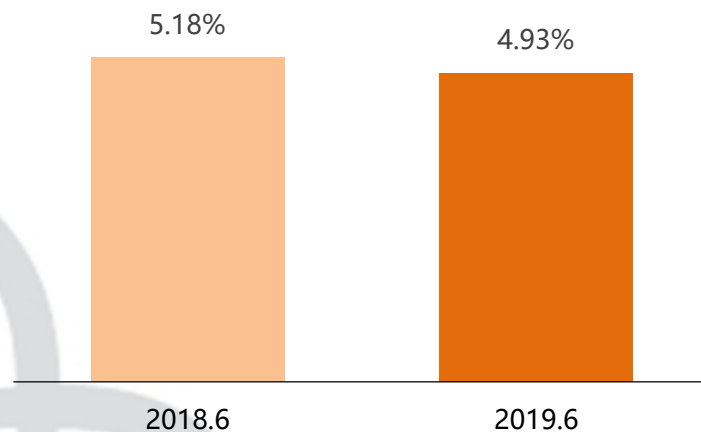
Interest Income Continuously Increased, Profitability Remained Stable

Interest income

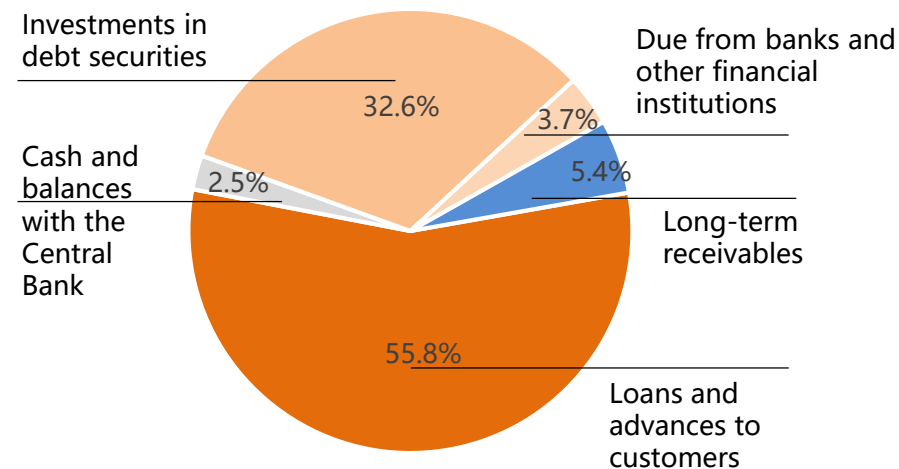
(RMB 100 million)



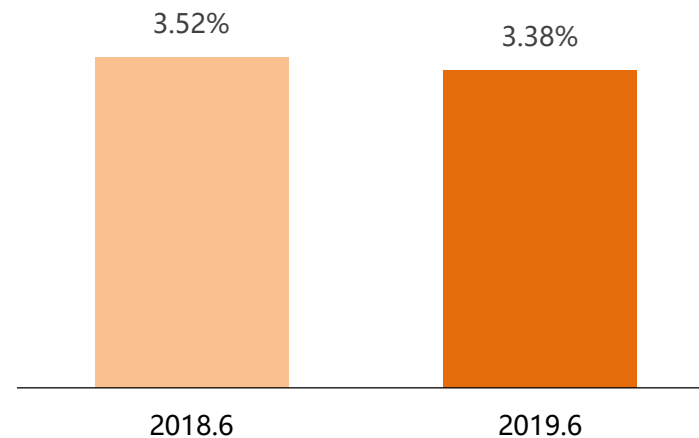
Yield of interest earning assets



Interest income structure



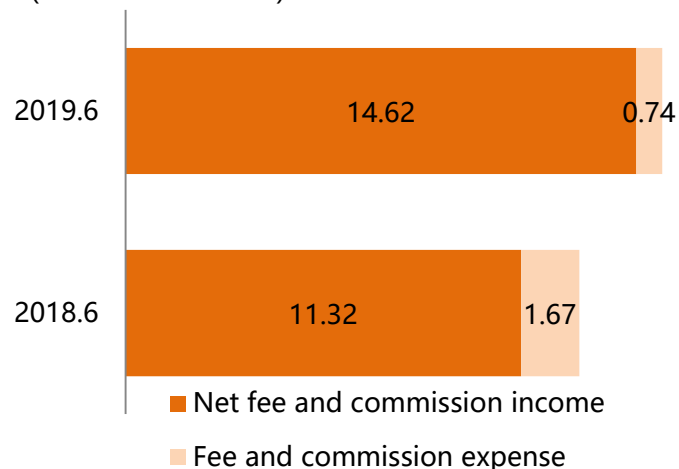
Cost rate of interest-bearing liabilities



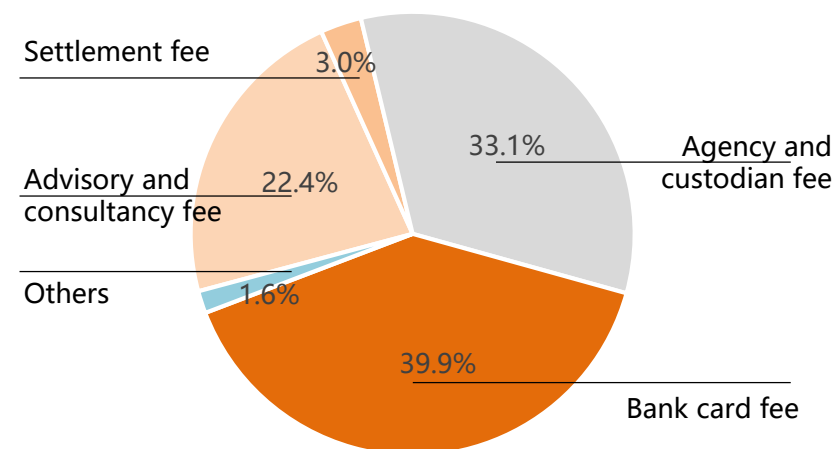
Growth of Non-interest income Accelerated, Business Structure Was Continuously Optimized

Fee and commission income

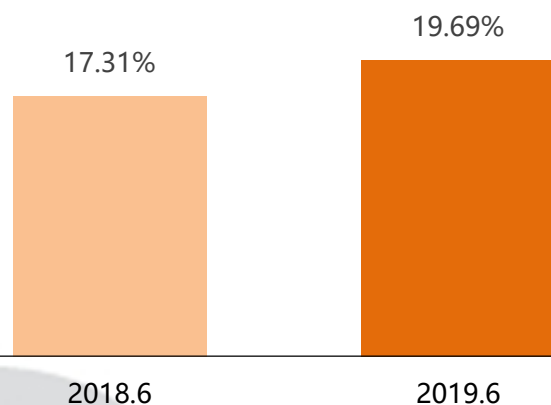
(RMB 100 million)



Fee and commission income structure

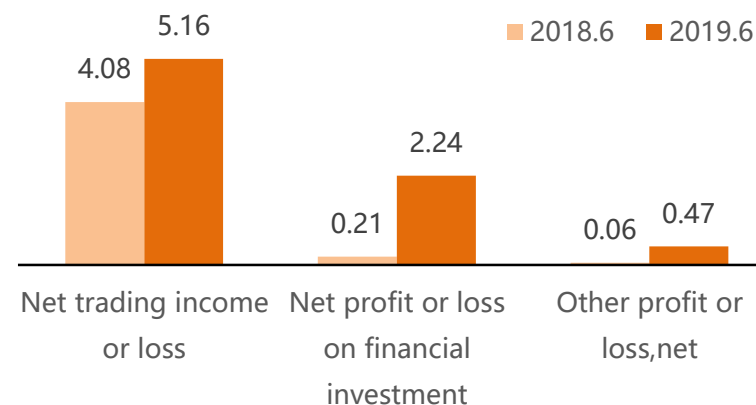


Net fee and commission income to operating income ratio



Other non-interest income

(RMB 100 million)



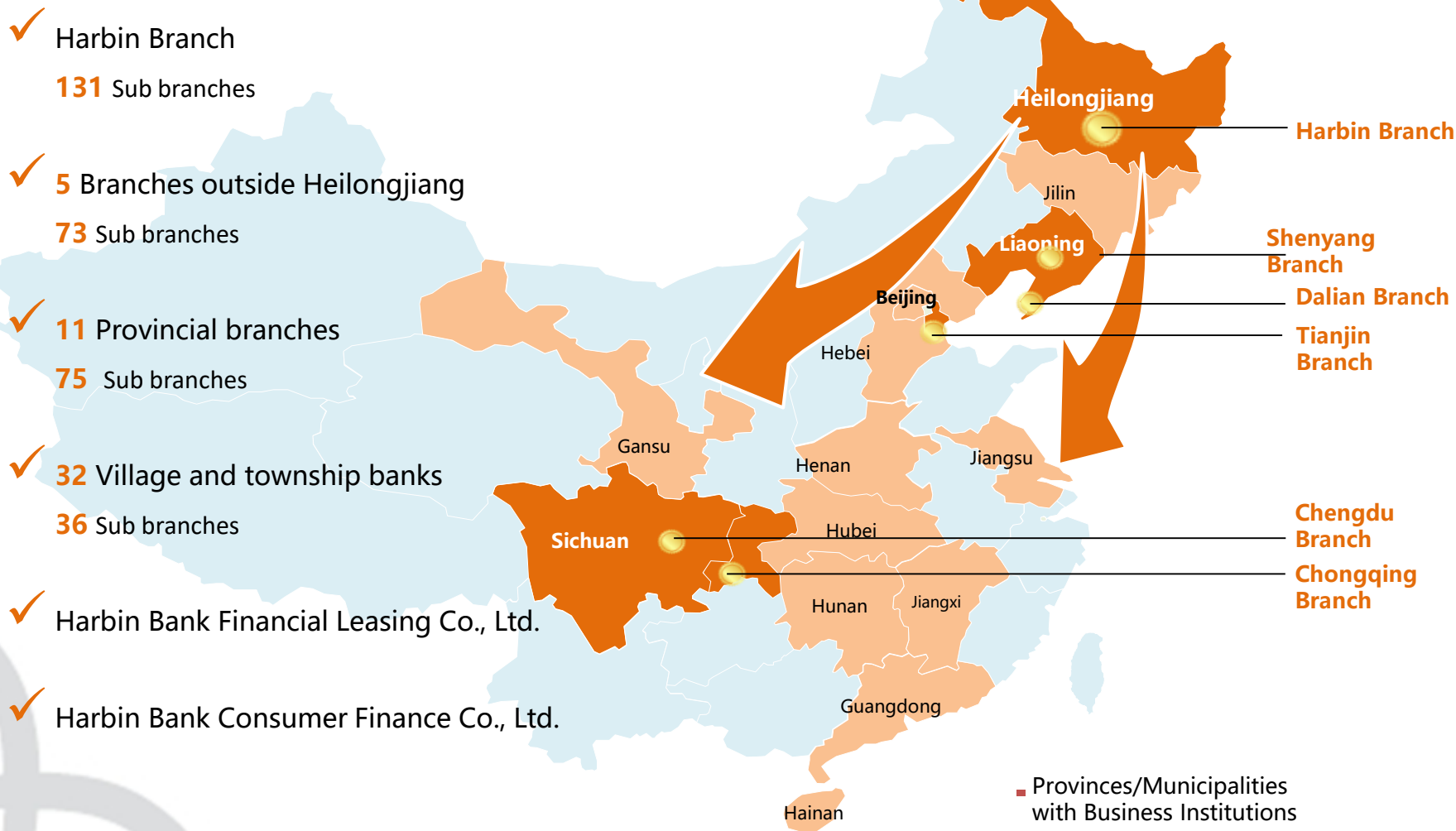
02 | Business Operation



Regional Development Was Increasingly Balanced , And Branches Operated Steadily



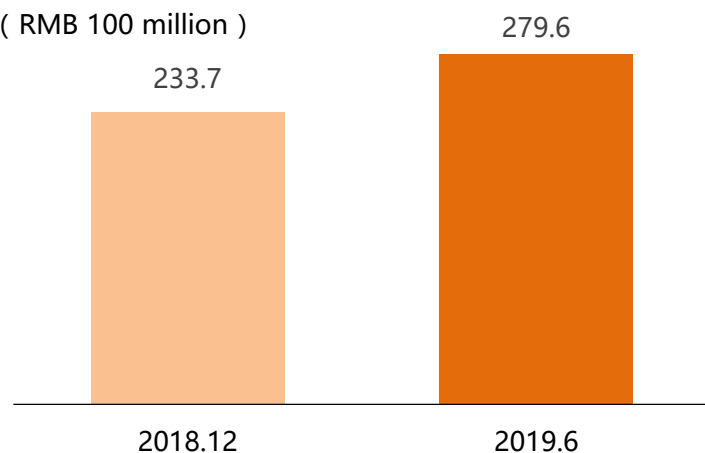
City Commercial Bank with Most Domestic Subsidiaries



The Advantages Of Holding Licenses Tended To Emerge, With Well Developing Tendency At Group Level

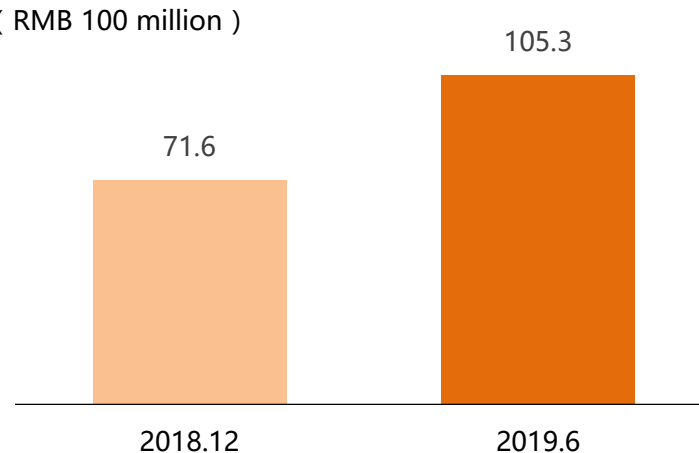
Total assets of HB Leasing

(RMB 100 million)



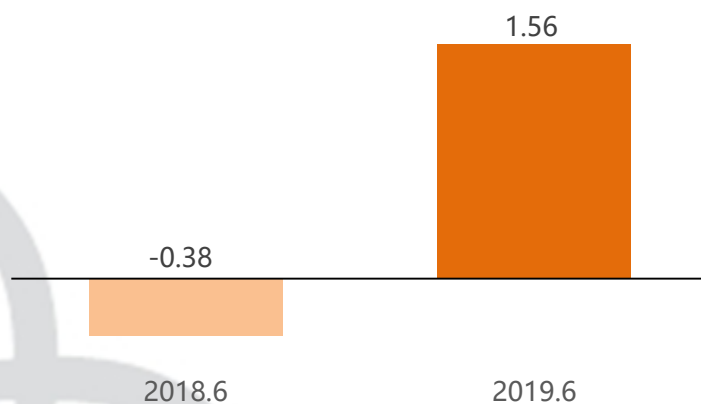
Total assets of HBCF

(RMB 100 million)



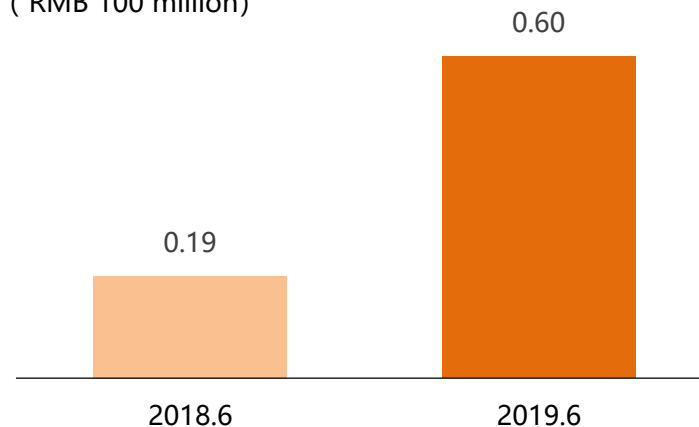
Net profit of HB Leasing

(RMB 100 million)



Net profit of HBCF

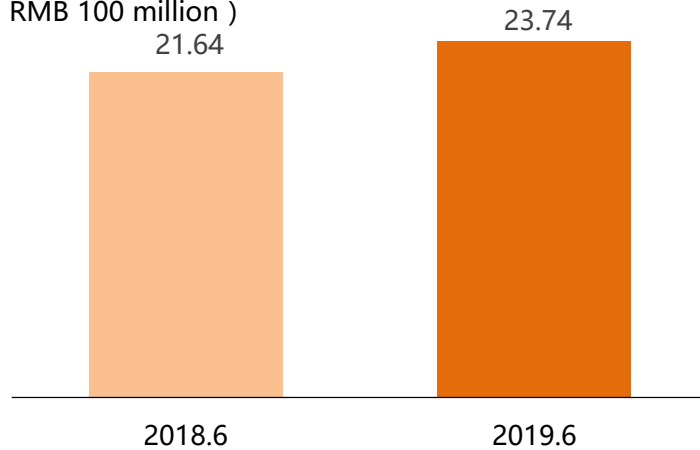
(RMB 100 million)



Retail Finance Developed in a Good Momentum, Deposits And Loans Indicators Was Steadily Improved

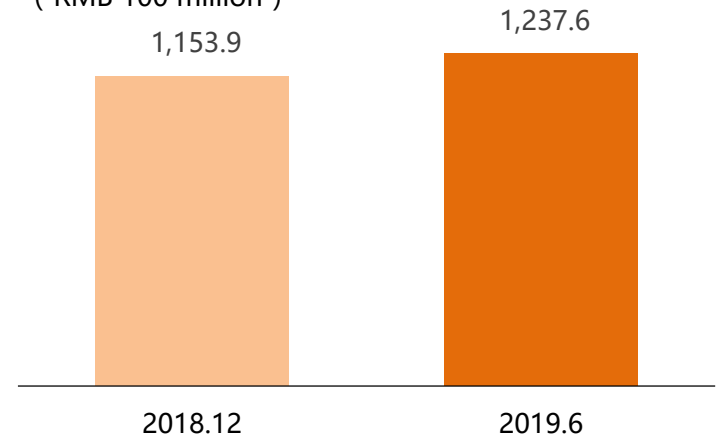
Operating income of retail finance

(RMB 100 million)



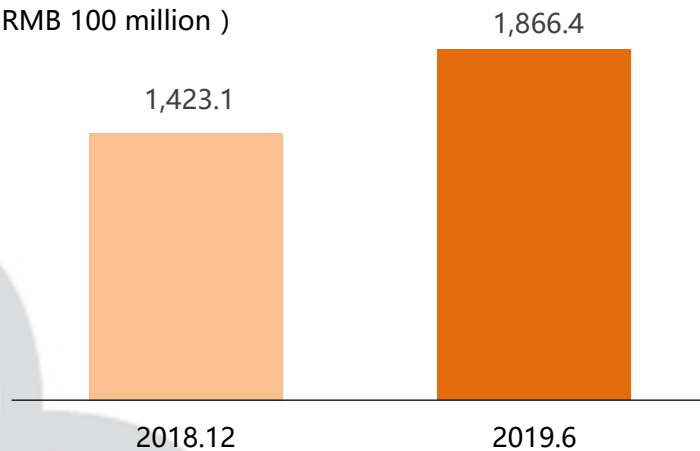
Total retail loans

(RMB 100 million)

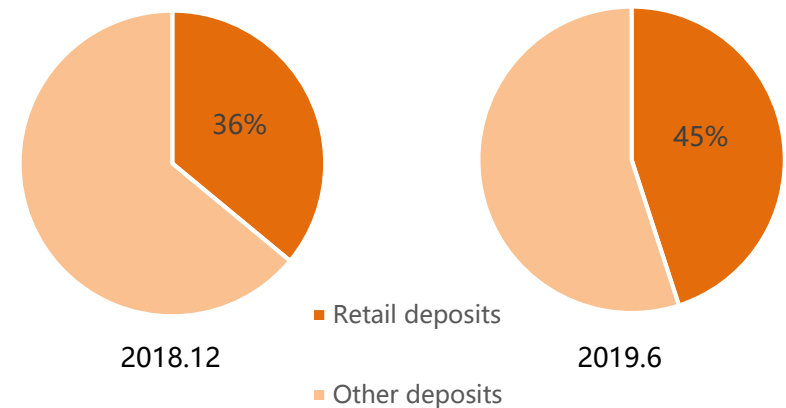


Total deposits from retail customers

(RMB 100 million)



The proportion of retail deposit



Customer Base Grew Steadily, And The Credit Card Business Developed Solidly

Customer number of deposit

(ten thousand accounts)

1,225.3

1,283.8

2018.12

2019.6

The number of debit cards issued

(ten thousand)

1,540.1

1,613.5

2018.12

2019.6

The number of retail customers with personal financial assets (in RMB and other foreign currencies) over RMB 50,000

(ten thousand accounts)

56.85

65.87

2018.12

2019.6

The number of credit cards issued

(ten thousand)

74.76

90.80

2018.12

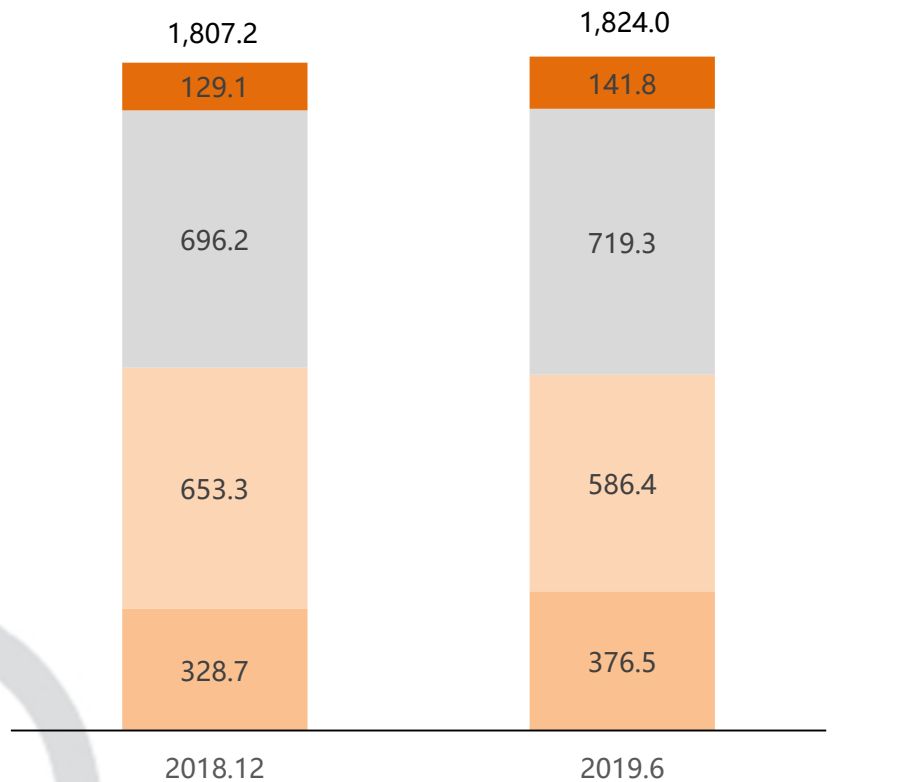
2019.6

The Status Of Microcredit Finance Was Consolidated And Featured Business Operated Well

Total microcredit

(RMB 100 million)

- loans to farmers
- loans to small enterprise
- personal consumption loans
- loans to small enterprise owners



Microfinance business

- ✓ Complete on-line operation system, a combination of standardization and customization
- ✓ Life cycle mechanism and dynamic adjustment of credit score
- ✓ Establishing a long-term risk monitoring mechanism through the application of internal evaluation in the whole process

Consumer finance

- ✓ Expanding high quality business platform and broadening financial scene
- ✓ Combining Big Data with finance to expand inclusive finance
- ✓ Optimizing risk control model to control business risk

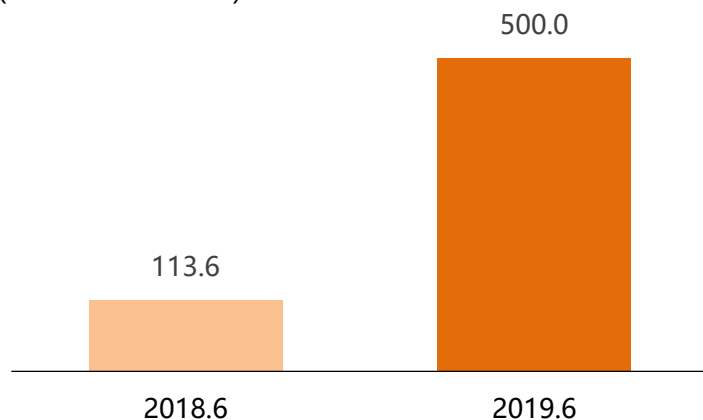
Agriculture finance

- ✓ Breaking seasonal restrictions and establishing a year-round marketing model
- ✓ Breaking regional restrictions and establishing national marketing program
- ✓ Science and technology & characteristic service, achieving complete on-line mode step by step

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

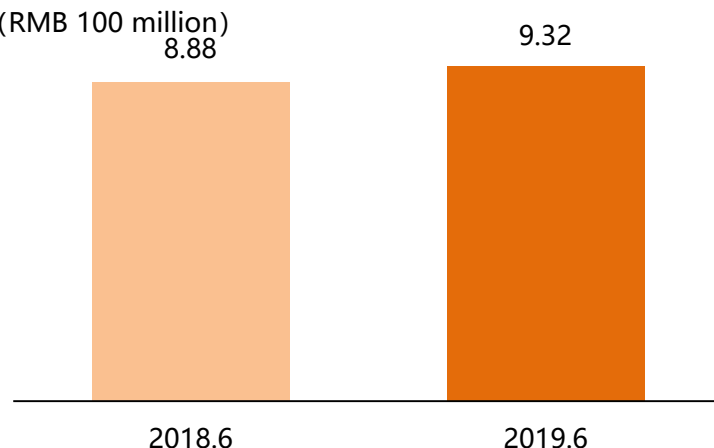
Ruble spot exchange trading volume

(Ruble 100 million)



The transaction amount of E-commerce platform

(RMB 100 million)



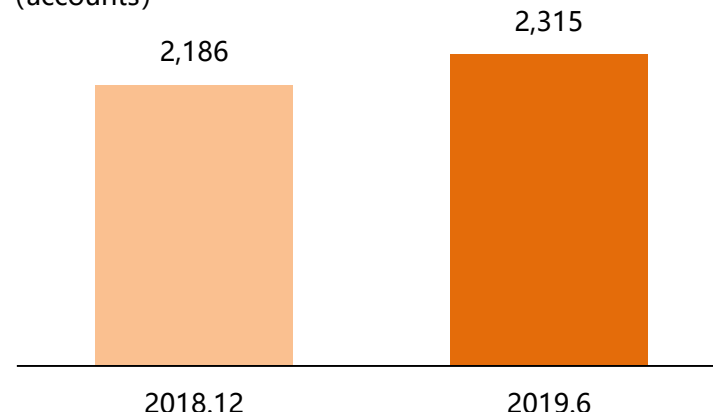
note: no VISA channel is included in the transaction amount of 2018.

Sino-Russia finance and international business

- ✓ The profit of sino-Russia finance is **57.13** million RMB;
- ✓ Cross-border Cash Transfer of RMB accumulated to **155** million;
- ✓ **22** account banks in Russia;
- ✓ The membership of Sino-Russian Financial Union has grown to **72** ;
- ✓ Credit to Russian counterparts is about RMB **7** billion.

Number of platform merchants

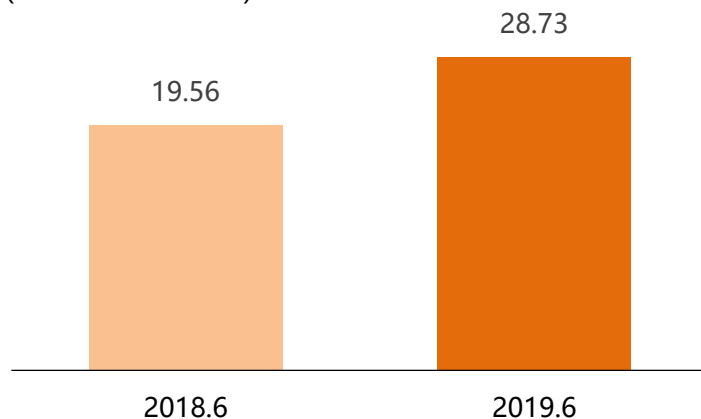
(accounts)



Corporate Finance Developed Steadily With Continuously Optimized Business Structure

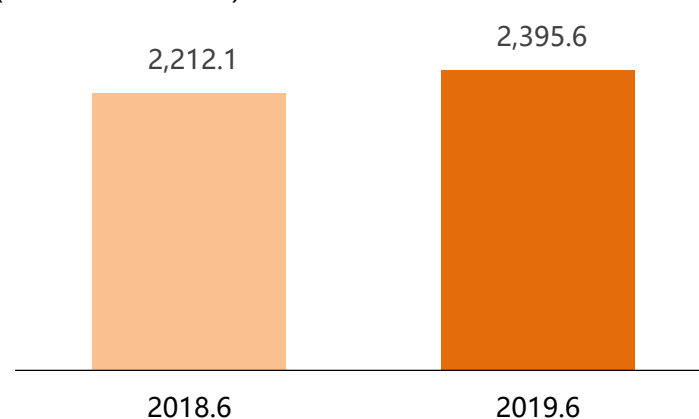
Operating income of corporate finance

(RMB 100 million)

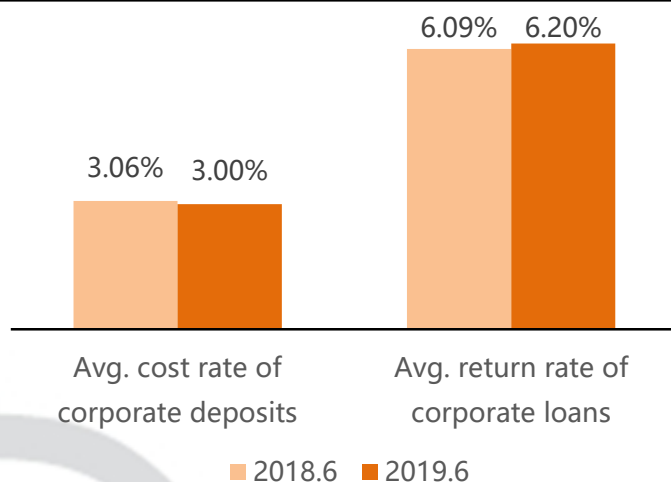


Average daily corporate deposits

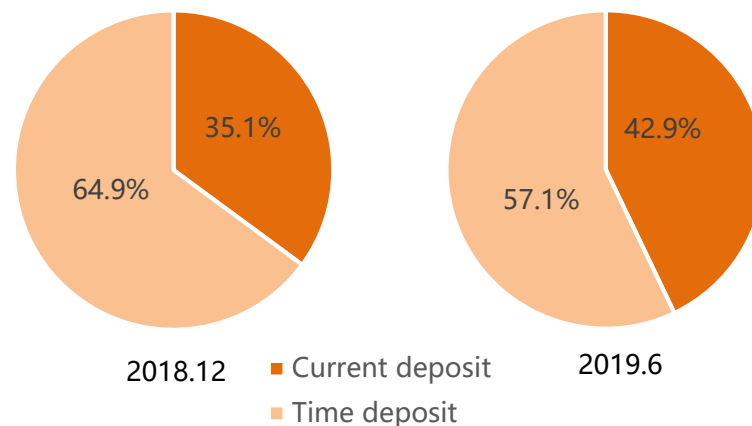
(RMB 100 million)



Interest rate of corporate deposits and loans



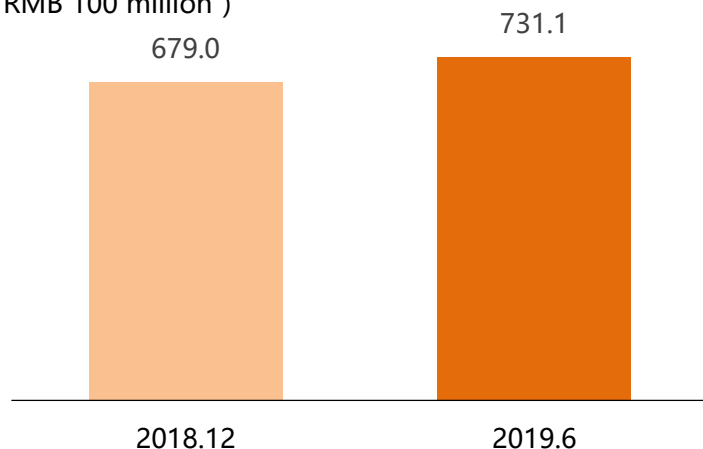
Deposit structure of corporate finance



Financial Market Business Developed Steadily With Well Yielding Bond Investments

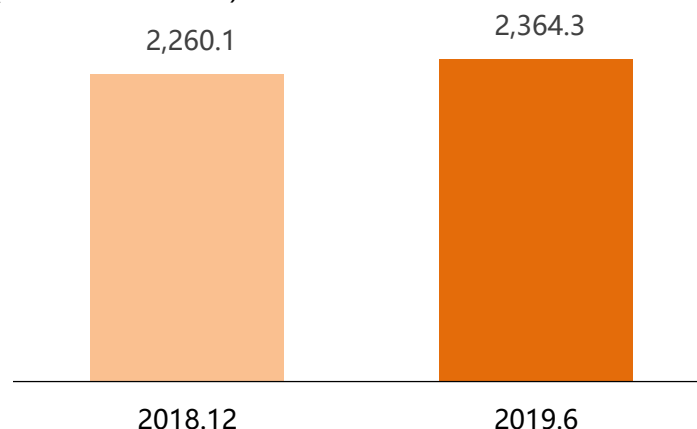
Total bond investment

(RMB 100 million)



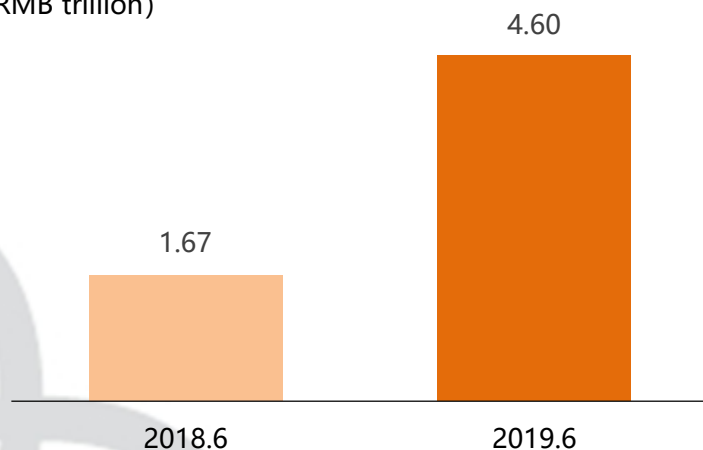
The balance of securities investments and other financial assets

(RMB 100 million)

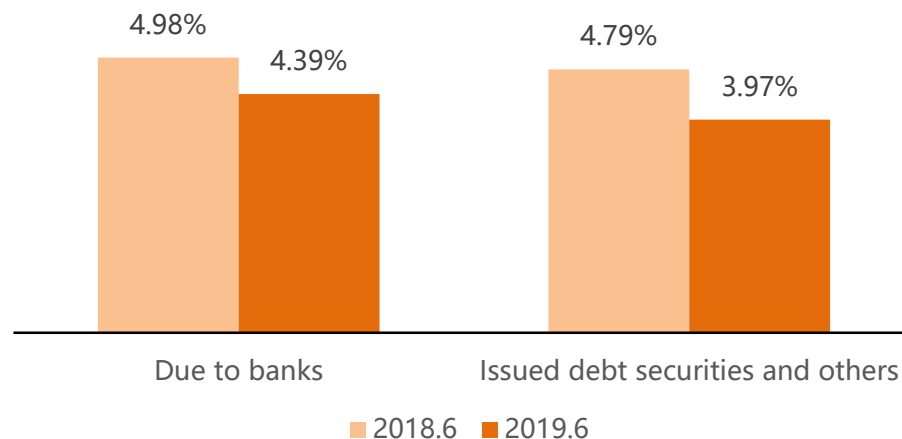


Bond trading volume

(RMB trillion)

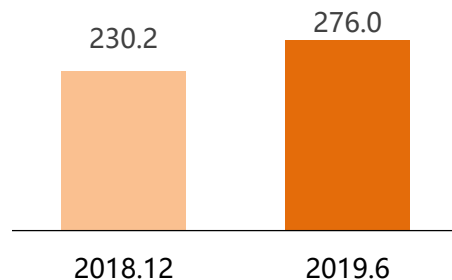


Cost of due to banks

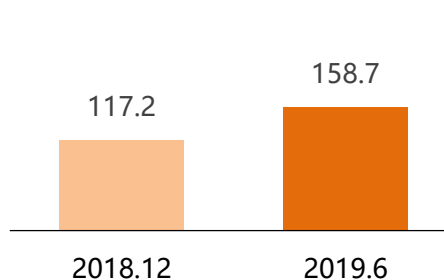


Allocated More Resource Into Fin-Tech, Ensured And Improved Daily Operations

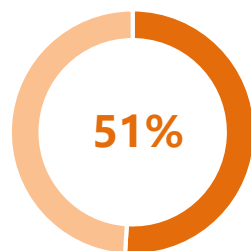
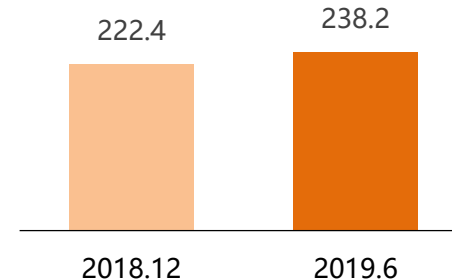
Internet banking customer
number (ten thousand)



Mobile banking customer
(ten thousand)

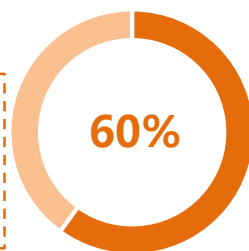


We-chat banking customer
(ten thousand)

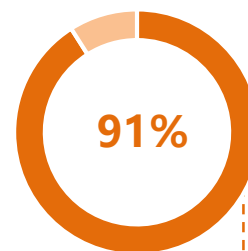


2018.12

Mobile
Channel
Replacement
Rate

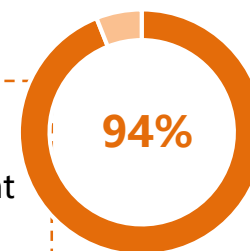


2019.6



2018.12

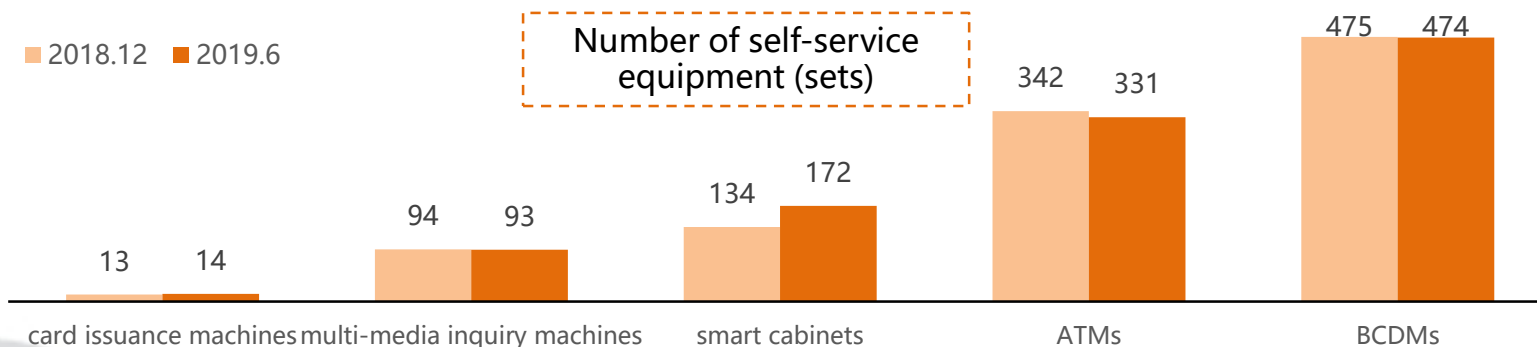
Electronic
Channel
Replacement
Rate



2019.6

2018.12 2019.6

Number of self-service
equipment (sets)



Continuous Improvement Of Market Image, And Brand Features Became More Distinctive

Brand Finance®



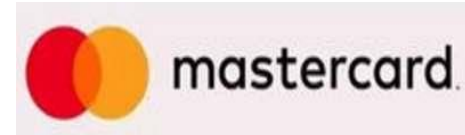
**Banking
500
2019**

The annual report on the most valuable and strongest banking brands
February 2019

217th in "Top 1000 World
Banks 2018 " according to
The Banker of UK



Ranked **34th** in China's Top
100 Bank of 2018 by China
Banking Association



Best Compliance Performance
(Asia-Pacific Region)



China Financial Innovation
Award 2019—
Top 10 of Private Enterprises
Financial Service Innovation
Awards

中央国债登记结算有限责任公司
CHINA CENTRAL DEPOSITORY & CLEARING CO., LTD.

Top 100 of Clearing -
Excellent self-operated institution
award



《Forbes》
"Top 2000 Global Listed
Companies"
Ranked **1117th**

Holding the 70th Anniversary of
Sino-Russian Diplomacy
The 5th meeting of Sino-Russia
Financial Council



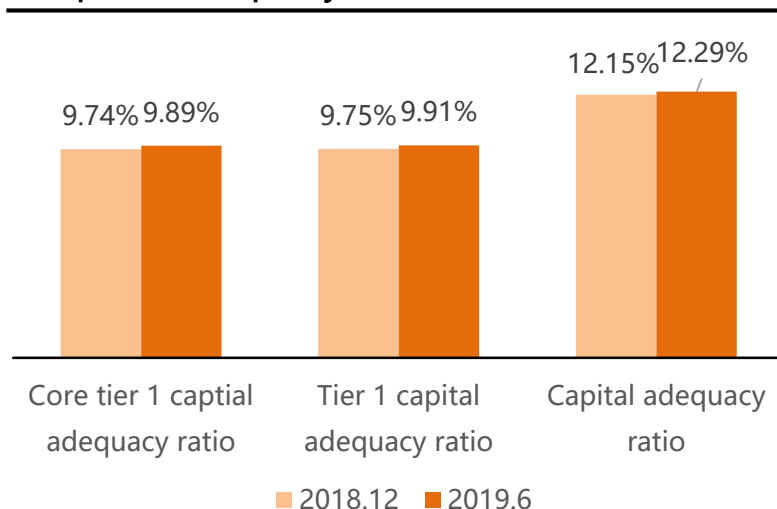
Sponsored the Harbin
International Marathon which has
been awarded "Gold Medal Event"
by China Athletics Federation

03 | Risk Management



Steadily Improved Capital Adequacy Level, With More Proactive Capital Managerial Approaches Utilized

Capital Adequacy Ratio



Capital management – more proactive

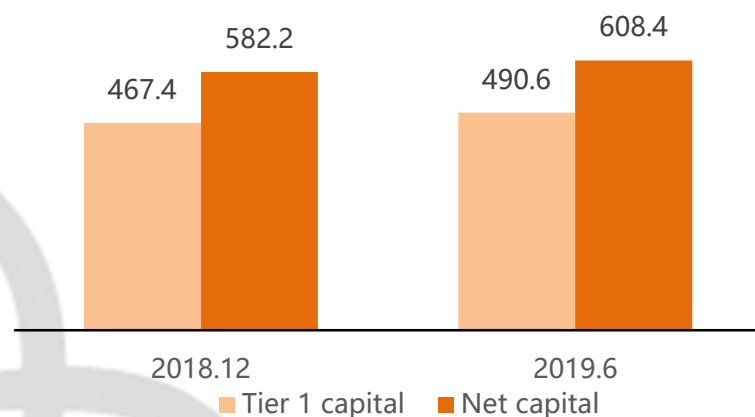
✓ Further improved the capital management mechanism, effectively conducted regulatory requirements, carried out the requirements of capital management as preplanned, and continued to strengthen the fundamental capital management capacity construction, to further enhance the capital affection on transmitting and restraint to business development. At the end of June 2019, net capital increased by 4.5% compared to the end of 2018, capital adequacy ratio increased by 14 bps from the end of 2018.

✓ According to the strategic objectives and development of establishing a specialized micro-finance bank, capital was prioritized to allocate into micro-finance business stream.

✓ According to the relevant requirements of the 《Measures for Capital Management of Commercial Banks (trial implementation)》, investing capital into business areas with relatively low capital occupancy and relatively high returns. The Bank meets the minimum capital requirements, capital reserve requirements and counter-cyclical capital requirements of the CBIRC's transitional period arrangements.

Net Capital

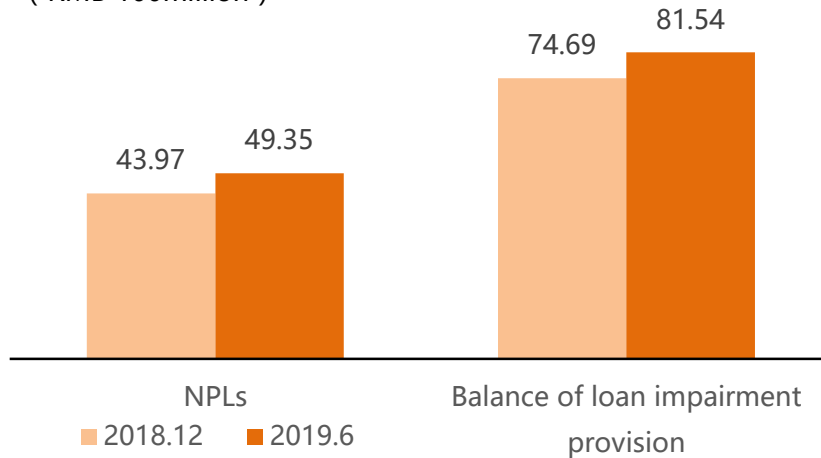
(RMB 100million)



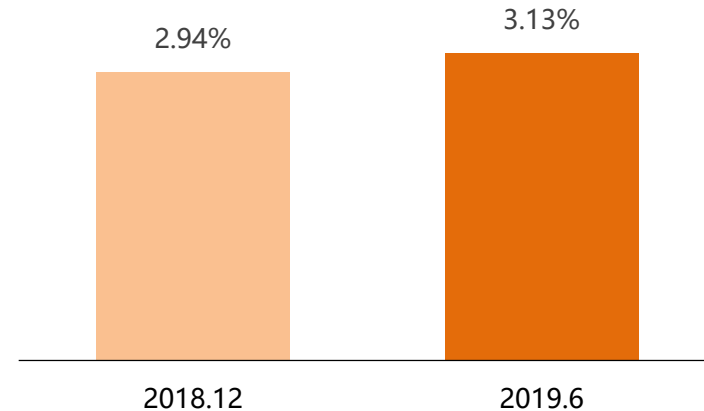
Assets Quality Remained Stable And Controllable, While Risk Resistance Ability Enhanced

Assets quality

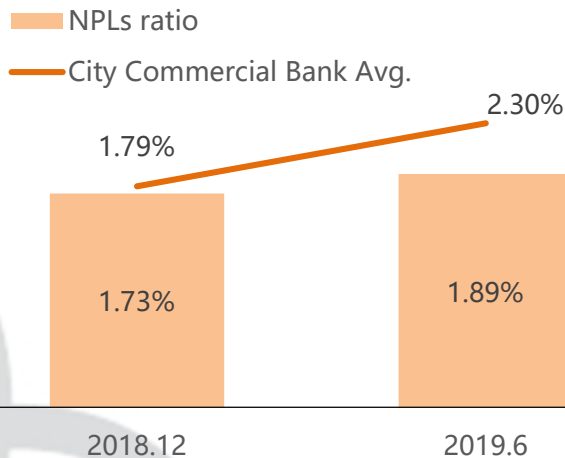
(RMB 100million)



Loan impairment loss reserve ratio



Non-performing Loan ratio



Assets quality control measures

- ✓ Fully promoting the assets quality control throughout whole process.
- ✓ Proactively adjusted credit loans structure, increased the proportion of retail.
- ✓ An improved, centralized and vertical credit approval managerial mode.
- ✓ Constructed and improved an intelligent risk control system.
- ✓ Increased strength on assets disposal and write-off.

Risk Control System Increasingly Improved, Which Lifted The Supporting Competency

Credit Risk

Focused on the precise management of risk and strengthened the rigid control of the system. Established the concept of proactive risk management and conducted differentiated managerial standards. Continued to deepen the restructuring of the customer structure, strictly controlled the risk of new customers, to achieve the optimal allocation of assets for the Bank, stabilized and controlled the quality of assets.

Liquidity Risk

Actively adjusted the structure of assets and liabilities, strictly controlled the dependency of due to other banks, strengthened maturity mismatch management, reasonably set liquidity gap indicators, tamped the basis of liquidity risk management.

Market Risk

Comprehensively promoted the reliability measurement of market risks, strengthened the seriousness of quota management, continuously improved the market risk management system.

Operational Risk

Strengthened the practical application of the three management tools,, namely RCSA, KRI, and LDC, in order to effectively prevent operational risk in high risky areas.

Information Technology Risk

Further refined the information technology management procedures, strengthened the drill of information system, set up the information technology outsourcing management team, and improved the level of outsourcing risk management.

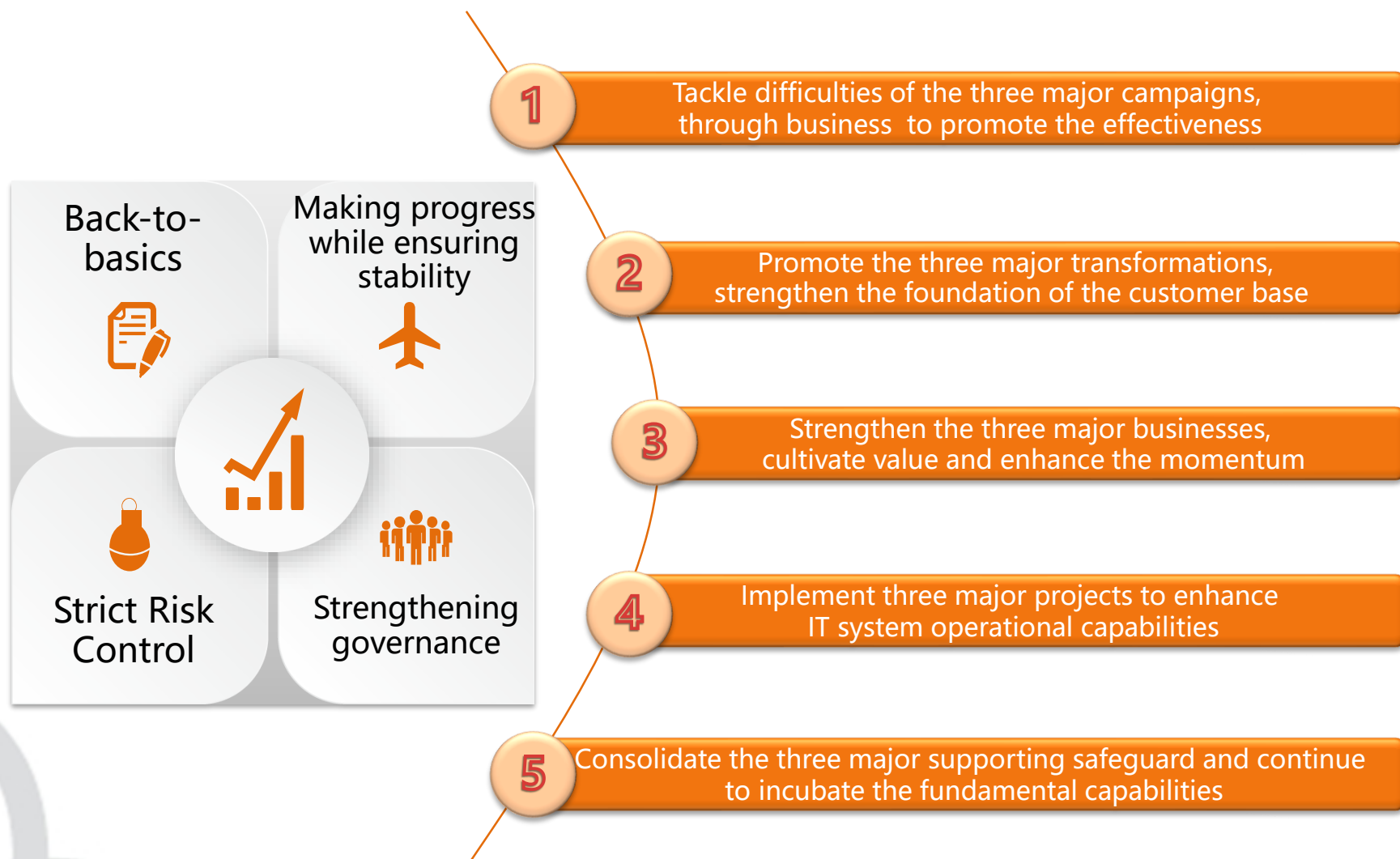
Compliance Risk

A comprehensive and effective compliance risk management system has been established, and three lines of defense for compliance risk management have been improved. Through continuous improvement of compliance risk management functions and improvement of risk management level, in order to effectively identification and management of compliance risk.

04 | Prospect



Main Strategic Plan For Second Half Of The Year



Q & A !

Appendix: Financial Statements Of 2019 H1

Profit & Loss (Million RMB)	2018 Jan-Jun	2019 Jan-Jun	Change
Operating income	6,537.8	7,424.6	13.56%
Of which: Net interest income	4,971.1	5,175.8	4.12%
Net fee and commission income	1,131.5	1,462.2	29.23%
Net profit	2,608.0	2,208.9	-15.30%
Net profit attributable to shareholders of the Bank	2,605.8	2,175.7	-16.51%
Net assets per share attributable to shareholders of the Bank	3.89	4.39	12.85%
Profitability (%)	2018 Jan-Jun	2019 Jan-Jun	Change % points
Return on average total assets	0.92%	0.71%	-0.21
Return on average equity	12.40%	9.20%	-3.20
Net interest spread	1.66%	1.55%	-0.11
Net interest margin	1.88%	1.75%	-0.13
Net fee and commission income to operating income ratio	17.31%	19.69%	2.38
Cost-to-income ratio	28.12%	25.01%	-3.11

Assets & Liab. (Million RMB)	2018.12.31	2019.6.30	Change
Total assets	615,588.5	623,434.7	1.27%
Of which: Loans and advances to customers	253,762.7	260,836.8	2.79%
Total Liabilities	568,097.0	573,343.3	0.92%
Of which: Due to customers	395,516.8	414,642.6	4.84%
Share capital	10,995.6	10,995.6	—
Total equity	47,491.5	50,091.4	5.47%
Assets quality indicators (%)	2018.12.31	2019.6.30	Change % points
Core tier 1 capital adequacy ratio	9.74%	9.89%	0.15
Tier 1 capital adequacy ratio	9.75%	9.91%	0.16
Capital adequacy ratio	12.15%	12.29%	0.14
NPL ratio	1.73%	1.89%	0.16
Impairment losses on loans	2.94%	3.13%	0.19
Impairment coverage ratio	169.88%	165.25%	-4.63
Other indicator (%)	2018.12.31	2019.6.30	Change % points
Loan-deposit ratio	64.16%	62.91%	-1.25

Thank you!

