

Happy Work, Healthy Life



HARBIN BANK CO., LTD. 2016

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Explanation on Report Compilation

(1) Scope of the report

Organisation coverage: The report mainly covers Harbin Bank Co., Ltd., including the Bank's headquarters, domestic branches and sub-branches and subsidiaries.

Report timeframe: 1 January 2016 to 31 December 2016 (with some contents exceeding the above timeframe)

Report issue cycle: Annual report

(2) Report compilation principle

This report is compiled in accordance with the requirements of the "Environmental, Social and Governance Reporting Guidelines" of the Hong Kong Stock Exchange, and with reference to "G4.0 Sustainability Reporting Guidelines" and "Financial Services Sector Supplement" of the Global Reporting Initiative (GRI), and in accordance with "Opinion on Strengthening Social Responsibility of Banking Financial Institutions" of the China Banking Regulatory Commission, and "Guidelines on Corporate Social Responsibility of Banking Institutions" of the China Banking Association and other standards, thereby ensuring that the report is in compliance with the general practice in the banking industry and the international prevailing practice.

(3) Report data explanation

The financial data in this Report is all taken from the 2016 Annual Financial Report, which was audited by Ernst & Young (the Hong Kong auditors) and Ernst & Young Hua Ming LLP (special partnership). The reporting data is mainly based on the year 2016. For the data related to previous years and shown in this Report, its year is explicitly specified in accordance with the disclosure requirements. Money amounts shown in this Report refer to the currency RMB, with exceptions specially noted.

(4) Report assurance method

To ensure accuracy, authenticity and reliability, this Report has been submitted to Ernst & Young Hua Ming LLP (special partnership) in accordance with the requirements of the International Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE3000") for a third party independent assurance on key performance indicators of corporate social responsibility with an independent assurance report provided.

(5) Report release method

This Report is released in print version, with an electronic version for download. The electronic version can be downloaded from the website of the Hong Kong Stock Exchange (URL: http://www.hkex.com.hk) and the Bank's official website (URL: http://www.hkex.com.cn).

The cover page coating of the report comes from potato extract

All the graphics used in this report are for the Bank's work purposes.

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Meaning of Bank Logo

The shape of the logo is a square, meaning that Harbin Bank is financially stable and also a strong support for customer groups. The interwoven curves in the logo are interpreted from the shape of lilac's petals in the original logo, meaning hand in hand and heart to heart. The logo subtly conveys Harbin Bank's core philosophy of timely assistance, showing that the Bank always connects closely with its clients, no matter at present or in future. The four petals in the new logo respectively represent the deep meaning of "TRUST, WARMTH, CONNECTED and COMMITMENT". The colour theme of the new logo is orange and red. The use of warm colour tones and gentle curves reflects Harbin Bank's image of being motivated and friendly as well as unlimited development possibilities in future.



Chairman's Statement



In 2016, the diversification, complexity and collaboration of the global economic and social development further deepened. The domestic economy still craved momentum for organic growth. Both the transformation and market competition of the banking industry speeded up simultaneously. In 2016, we were surprised to see the first implementation strategy of inclusive finance at the state level – the Plan for Promoting the Development of Inclusive Finance (2016-2020) (《推进普惠金融发展规划 (2016-2020 年)》).

Against such backdrop, Harbin Bank initiated and implemented the "2016-2020 Development and Strategic Plan of Harbin Bank" under the guidance of regulatory authorities at various levels and the leadership of the board of Directors (the "Board") and with the support of the shareholders and the society, so as to stride ahead for our new strategic objective – becoming a "first class international microcredit bank providing quality and distinctive services".

Being mindful of our mission with new direction. In 2016, we formed a full set of strategic planning system with the new five-year strategic plan as the core part, the strategy for the four major financial sectors as the support and featured internationalised development and comprehensive operating strategy. Strategic speeches were given by the senior management in branches in various regions to enhance the understanding and knowledge of the new five-year strategy at all levels in the Bank.

We are proud that we are always mindful of our mission and have been steadfastly upholding the business philosophy of "Inclusive Finance, Harmonious Co-Enrichment" in support of the development of the real economy to further motivate the development of inclusive finance in China. As at the end of 2016, microcredit loans of the Bank amounted to RMB167.7 billion, which accounted for 83% of total loans of the Bank, a record high again after microcredit loans accounting for more than 70% of the total loans for the first time in 2015. This further highlighted the leading position of the microcredit strategy of Harbin Bank and the mission and determination of developing inclusive finance.

Stepping forward against challenges on the new journey. In 2016, we set up a work theme of "Year of Products" and incorporated ideas for innovation, products and compliance into product development, technology upgrading, employee training and corporate governance, and we delivered excellent results in practice. 24 innovation salon activities at the headquarters, over 70 products competing for the position of featured products, more than 500 posts on "Harbin Bank Express", a running group with a thousand members in "Harbin Marathon", over 2,500 employees being selected to participate in the "Leadership Training Program" and taking lead in the syndicated loan agreement of RMB10,000 million... All these figures are not only the derivatives of our annual work theme, but also the proof of the common efforts in building an ideal, passionate, energetic and creative bank with support from all levels in the Bank.

We are so glad to see that Harbin Bank maintained good momentum for development in the starting year for the new five-year plan. Not only did the business performance reach the expected targets, but the Bank also had a good start with the successful achievement of some of its objectives: the management standard of the Bank stepped up to a new level; team building embraced with new power; the development of the headquarters created new opportunities for growth; new momentum was gathered for the development of the Group; there was a new trend regarding cooperation with Russia; and brand building created new image.

Accomplishing mission with new starting point. In 2016, driven by products, transformation, employees and brand, we delivered the beautiful message of "TRUST, WARMTH, CONNECTED and COMMITMENT" contained in the new brand logo to the Bank's employees and their families, as well as the public.

We strive to fulfil our responsibility as a corporate citizen with actual action to repay the society. In 2016, we commenced a charity strategy plan research, determined the direction of supporting charity affairs including "Happy Community Program", Sino-Russian cultural exchange and Harbin International Marathon, and set up the United Charity Foundation. We successfully organised the first "Meet in Sun Island" Charity Marathon Relay of Harbin Bank and sponsored the first "Harbin International Marathon" competition. We organised a series of cultural events, including the Russia Sculpture Exhibition and the Masterpiece Exhibition for Chinese Modern Painting and Calligraphy Artists. We also initiated the "Happy Community Program". All these activities manifested the corporate culture of "Happy Work, Healthy Life" of Harbin Bank and allowed us to move towards our target – becoming a bank with profound culture, renowned charity brand and respectable reputation.

2017 is the 20th anniversary of the Bank. By looking back to the glorious 20 years, we become more aware of our mission:

We are promoters of microcredit. We are practitioners for people's livelihood. We are public welfare volunteers. We are green banking builders.

To this end, we will keep stepping forward without slacking off.

Guo Zhiwen, Chairman of Harbin Bank Co., Ltd.

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President's Statement



2016 was an extraordinary year for the reform and development process of Harbin Bank. Facing the complex and ever-changing domestic and overseas economic environment, as well as the continuous exposure to market risks, we focused on the new five-year strategic objectives and laid a new foundation for becoming a "first class international microcredit bank providing quality and distinctive services".

2016 was also a year for the advancement of Harbin Bank participating in the "Leadership Program" for urban commercial banks in China. Adhering to the business philosophy of "Inclusive Finance, Harmonious Co-Enrichment", our performance achieved historical breakthrough in operating indicators with our full efforts into maintaining economic efficiency and social efficiency. Our brand value also increased rapidly, allowing social efficiency to increase as well.

Major indicators improved in leaps and bounds. As at the end of 2016, the total assets and total customer loans of Harbin Bank were RMB539.0 billion and RMB201.6 billion, representing a year-on-year increase of 21.2% and 35.6% respectively. The total number of customers reached over 18.82 million, representing a year-on-year increase of 86.3%. Net profit and tax paid for the year amounted to RMB4.96 billion and RMB3.81 billion, representing a year-on-year increase of 10.0% and 36.6% respectively.

Such performance is our present for the 20th anniversary (1997-2017) of Harbin Bank. The capital and total assets of Harbin Bank were 48 times and 85 times respectively as much as they were twenty years ago, and both the balances of deposits and loans were 66 times. NPL ratio was reduced to 1.53% from 65% in the first year upon establishment. Net profit increased to nearly RMB5 billion of net profit for the year from RMB70 million of loss for the year in the beginning. The Bank paid tax more than RMB3.8 billion for the year and provided services for more than 18 million accounts. The Bank ranked first in terms of market share in Harbin over the years.

"Year of Products" motivated supply side innovation. In 2016, focusing on the theme of "Year of Products", we fully optimised the product management mechanism, established the experimental and functional platform for product innovation and optimised the evaluation and appraisal mechanism for research and development, so as to upgrade the structure of customer-oriented supply-side management of products.

It is also worth mentioning that there were 62 members including 27 new members in the Sino-Russia Financial Council set up by Harbin Bank as the promoter in 2016. There were four cooperative projects for Russian cross-border financing with an amount of RMB12.6 billion, and 29 business cooperation agreements were signed, which became a new power for banks engaging in Sino-Russia financial business and international financing, and greatly enhanced the international influence of Harbin Bank. Transaction volume of the cross-border E-commerce platform exceeded RMB3.3 billion. Such platform was classified as a key project under the "One Belt, One Road" initiative and the pilot city for modernised logistics.

"Leadership Training Program" facilitated employee training. In 2016, we accelerated our progress in management transformation, significantly increasing our business support capabilities. The training system which focused on the "Leadership Training Program" was improving. Over 2,500 employees from the whole bank were selected to participate in the "Leadership Training Program", of whom 673 were selected to be added into the talent list for comprehensive management and professional management. Some talented young management members served key management positions.

In 2016, we put the philosophy of "Happy Work, Healthy Life" in practice by successfully sponsoring the first Harbin International Marathon competition. About 1,400 members of the "Ha Run e Generation Club" from the Bank joined the competition. 104 employees became volunteers of the international competition. Nearly 700 people became cheering teams and participated in the performance.

Strategic focus attracted much attention and was well-received. In 2016, Harbin Bank ranked 207th in the Top 1,000 World Banks published by the Banker of United Kingdom. According to the "Top 500 Bank in Asia-Pacific Region" published by The Asian Banker, the Bank ranked 99th in comprehensive ranking. Our efforts were much well-received worldwide. The Bank entered the shortlist for "Top 500 in China" by the Fortune of United States for the first time, and ranked 416th. The Bank again won the "Best Regional Trade Finance Bank of China" award of The Asian Banker. The Bank also won the Best Employee Management award. The Bank won the "Stars of China: Best City Commercial Bank for the Year" award for three consecutive times and received the "Best Credit Bank for Small Enterprises" award from Global Finance, a US-based magazine.

In 2017, inheriting the fine tradition of standing in solidarity, working diligently in defiance of difficulties, daring to innovate and keeping moving, we will take off for new journey from our new starting point by heading towards our new direction in order to create better future.

Zhang Qiguang, President of Harbin Bank Co., Ltd.

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Key Performance Table

Type of indicators	Specific indicators	Unit	2016	2015	2014
Economic performance indicators	Total assets	RMB million	539,016.2	444,851.3	343,641.6
	Operating income	RMB million	14,172.0	11,945.4	10,252.8
	Profit before tax	RMB million	6,445.6	5,919.0	5,127.5
	Net profit	RMB million	4,962.2	4,509.6	3,840.8
	Total tax	RMB million	3,811.1	2,788.8	2,281.4
	Earnings per share	RMB Yuan	0.44	0.41	0.37
	Average return on total assets	%	1.01	1.14	1.15
	Average return on equity	%	14.01	14.23	15.46
	NPL ratio	%	1.53	1.40	1.13
	Capital adequacy ratio	%	11.97	11.64	14.64
	Provision coverage ratio	%	166.77	173.83	208.33
	Microcredit	RMB million	167,700.5	111,894.1	80,836.9
	Client of village and township banking services	Account	322,463	267,758	219,379
Social performance indicators	Total staff	Person	6,969	7,131	7,408
	Proportion of female staff	%	55.75	56.38	56.45
	Proportion of female management staff	%	45.67	45.71	46.85
	Total charity donation	RMB'0,000	2,319.70	595	612
Environmental performance indicators	Green credit balance	RMB million	1,587	752.0	569.0

Note: 1. The total staff, the proportion of female staff and proportion of female management staff exclude those in village and township banks, Harbin Bank Financial Leasing Co., Ltd. and Harbin Bank Consumer Finance Co., Ltd.

2. The statistical caliber of the clients of village and township banking services was the total number of clients making deposits and borrowing loans in village and township banks as at the end of the reporting period, and the data for 2015 and 2014 were adjusted accordingly, in order to ensure the consistency of the statistical scope of such indicator for different years.

| Featured Topic | Our Focus in 2016

- Targeted Poverty Alleviation
- Entrepreneurship and Innovation by All
- Happy Work, Healthy Life

One of the oil painting collections of Harbin Bank

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Name of artwork: Headquarters of Harbin Bank Artist: Burtov Nikolay Vladimirovich (Bussian meritorious artist)

Targeted Poverty Alleviation

In 2016, in full compliance with the requirements under the Decision of the CPC Central Committee and the State Council on Winning the Tough Battle against Poverty (《中共中央国务院关于打赢脱贫攻坚战的决定》) and the Guidance Opinion of the China Banking Regulatory Commission on Financial Institutions in the Banking Industry Participating in the Tough Battle against Poverty (《中国银监会关于银行业金融机构积极投入脱贫攻坚战的指导意见》) and under the guidance of Heilongjiang Provincial Government, Heilongjiang Regulatory Bureau of CBRC and other authorities, we introduced the Work Plan for Financial Poverty Alleviation for the "Thirteenth Five-year Plan" Period of Harbin Bank (《"十三五"时期哈尔滨银行金融扶贫工作规划》) and the guidance opinion on poverty alleviation to optimise financial resources allocation, provide policy support to the performance evaluation and provisions of poverty alleviation loans, be more lenient to major indicators and encourage our branches to carry out targeted poverty alleviation.



Ranked among the best of financial institutions in Heilongjiang in terms of work effectiveness

Service innovation to enhance the feasibility of targeted poverty alleviation with financial aid. We relaxed the restriction on credit extension and use of credit for people in poverty, raised the line of credit of credit loans and enlarged the coverage of poverty alleviation loans to make sure all registered people in poverty being supported by poverty alleviation credit. Besides, focusing on new agricultural business entities including large-scale planting and breeding entities, family farms, farmer specialised cooperatives and agriculture-related leading enterprises in the agricultural financial sector, we gave priority to develop advantage dominant industries and supported the cluster effect of farmers becoming rich. We made use of models such as "enterprises+farmers", "companies+farmers" or "specialised cooperatives+farmers" to further facilitate poverty alleviation and boost income of low-income groups.

Product orientation to strengthen the conformity of financial services for poverty alleviation. With reference to its geographical advantages, Harbin Bank carried out an in-depth research and study on the impoverished families in Heilongjiang and relevant industries and developed targeted products in 2016 so as to better meet the financial needs of its clients to get rid of poverty and become rich.



On 5 February 2016, we paid visits to the impoverished farmers in poverty in Fuxing Village, Anshan Township, Yanshou County

We introduced entrepreneurship secured loans for rural women, returned migrant workers and the unemployed to meet their needs to start a business. We developed credit products including loans for planting and breeding business, Chu Bao Tong (畜保通) loans and "Two Rights" secured loans for impoverished farmers. We introduced "Harvest E-loan" (丰收 e 贷), loans of professional large-scale agriculture entities (family farms) and loans or farmer specialised cooperatives for new agricultural business entities. At the same time, we kept on expanding the collateral methods including pledging grain direct subsidy accounts, agricultural implements, contractual rights of land as well as interests such as warehouse receipts, inventories and personal property, so as to motivate the impoverished households to get rid of poverty and become rich in batches with the use of agricultural industry chain and financial service model.

Eliminating dead zones to improve the rural financial services network. With respect to the environmental construction of rural financial services, we adopted the "San Dao (\equiv 到)" model (i.e. to towns, to villages and to households) and, without reducing the number of branches at county level, pushed forward the optimisation of network layout. By consistently introducing "farmer-assistance e-stations" services and set up basic service facilities such as ATM and POS machines, we satisfied the needs for basic services such as the distribution of various agriculture subsidies, small withdrawals and bank transfers in remote rural areas and eliminated dead zones of financial services so as to provide comprehensive financial services for impoverished clients via various channels.

CASE

As at the end of 2016, Harbin Bank set up over 1,600 farmer-assistance e-stations in Heilongjiang, covering 8 prefecture-level cities including Harbin, Shuangyashan, Jixi, Hegang, Suihua, Jiamusi, Mudanjiang and Qitaihe, as well as 422 villages and towns.



We set up farmerassistance e-stations in Heilongjiang over



Entrepreneurship and Innovation by All

Responding to the call of the "Entrepreneurship and Innovation by All" policy, Harbin Bank gave full play to its advantages in microcredit business and took the theme "Year of Products" as an opportunity to accelerate product innovation and further support "double innovation (双创)" in 2016. The Bank invested and distributed entrepreneurship secured loans in an accumulated amount of RMB2.3 billion in Heilongjiang with business coverage of more than 10 prefecture-level cities in the province, which encouraged over 20,000 clients to start a business and achieved excellent social efficiency.

"Entrepreneurship Loan Guarantees (创贷保)" to support business start-ups of college graduates. In order to help solving the financial difficulties faced by college students in Heilongjiang when starting a business, Harbin Bank worked with Heilongjiang College Students Entrepreneurship Guarantee Company (黑龙江省大学生创业担保公司) ("Guarantee Company") and introduced an entrepreneurship secured loan product for college students called "Entrepreneurship Loan Guarantees (创贷保)" in August 2015. As at the end of 2016, the Bank distributed 521 loans amounting to RMB37.19 million in total, accounting for more than a half of the total investment in entrepreneurship loans for college students in Heilongjiang, with business converge including Harbin, Daqing, Yichun, Mudanjiang, Jiamusi and other regions in Heilongjiang.

Recently, college student entrepreneurs only have to provide proof of identity and proof of business to apply for entrepreneurship loans conveniently and quickly with the integrated use of various online and offline channels including WeChat Banking of Harbin Bank, online banking, the Bank's branches and the website of Heilongjiang College Students Entrepreneurship Loans.

Expanding the scope of loans to encourage the unemployed in Heilongjiang to start a business. As a bank having 16 years of experience in small amount secured loans in Heilongjiang, Harbin Bank speeded up its product innovation, introduced new entrepreneurship secured loans and expanded the scope of loans in 2016.

In 2016, the scope of prospective borrowers of the entrepreneurship secured loans was extended to: the unemployed registered in cities and towns, the people with difficulties in finding jobs (including the disabled), demobilized servicemen, the people released upon completion of a sentence, college graduates, employees and personnel in overcapacity enterprises, returned migrant workers to start a business, online merchants, registered people in poverty, etc. Such measure further strengthened the financial support for improving employment, encouraging business start-up and improving people's livelihood in Heilongjiang.

Adhering to the customer-oriented principle, we optimised our business handling procedures and simplified application materials to improve efficiency and customer experience. In 2016, Harbin Bank also developed various unsecured products such as Taxation E-Loans and "Qi Bu Dai (起步贷)" to customise personal financial service plans for entrepreneurs. The types of entrepreneur loans and methods of repayment were diversified by mixing and matching different loan products, which strengthened entrepreneurs' risk tolerance for business operation.

CASE

The Harbin Youth Entrepreneurship Innovation Competition sponsored by Harbin Bank over the years attracted over 300 teams of entrepreneurs to sign up for participation in 2016. The competition served as a platform for the young entrepreneurs to showcase and provided financing services for them. We also carried out a series of entrepreneurship advertising campaigns and product promoting meetings for college students in colleges in the province. We convened meetings of exchange in business incubators and pioneer parks for college students, look for potential quality entrepreneurs and motivate the enthusiasm of young entrepreneurs.



Happy Work, Healthy Life

In 2016, we called for the idea of "Happy Work, Healthy Life" and created an atmosphere full of positivity and self-challenging attitude with a variety of cultural and sports activities, striving to become a bank with strong cultural foundation, outstanding charity brand and good reputation.



The Russia Sculpture Exhibition and the Masterpiece Exhibition for Chinese Modern Painting and Calligraphy Artists. After the large-scale oil painting exhibition called "Golden Memories: Harbin under Strokes of Russian Artists" in October 2015, we organised two feasts of culture for our employees, customers and Harbin people in the headquarters of Harbin Bank in Qunli New District, Harbin in 2016.

In January 2016, we organised the Russia Sculpture Exhibition. 142 pieces of artwork were all from the collections of the artists themselves or their families. The artists of these artworks included famous sculptors, people's artists and meritorious artists from former Soviet Union and Russia, such as Anikushin Mikhail Konstantinovitch. Artwork covered memorial sculptures, garden sculptures, funerary sculptures, ornamental sculptures, medal sculptures as well as records of historical figures, animals and historical events. In the one-month-long exhibition period, the exhibition became a venue for employees to hang around and be exposed to art.

The Masterpiece Exhibition for Chinese Modern Painting and Calligraphy Artists held in September was a featured event of the "Painting and Calligraphy Channel for Families – Walking up to Harbin Bank (书画频道进万家 走近哈尔滨银行)" series activities, which was co-organised by Harbin Bank, United Charity Foundation and Central Digital TV Chinese Art Channel. The event invited 28 famous Chinese modern painting and calligraphy masters to pay a visit to Heilongjiang and walk up to Harbin together in order to feel, promote and carry forward the culture and art in Heilongjiang and establish an exchange platform for the painting and calligraphy lovers in Heilongjiang.

After the 2016 "Meet in Sun Island" Marathon Relay of Harbin Bank on 28 May, we donated RMB10,800, which was converted from the accumulated number of steps of all contestants, volunteers and staff members, to Harbin No.36 High School (哈尔滨市第三十六中学) for supporting the school to improve its sports facilities, further enhance its teaching quality in sports and strengthen physical exercise of students in pursuit of all-round development of morality, intelligence and physique.



"Meet in Sun Island" Marathon Relay. On 28 May, we successfully held the "Harbin Bank 2016 Meet in Sun Island Marathon Relay". Nearly a thousand of employees participated in the relay with our business partners and clients from all over the country, having a taste of the charming corporate culture of "Happy Work, Healthy Life" of Harbin Bank.

In May 2016, we launched the official website for Harbin Bank's marathon (http://mls.hrbb.com.cn) to promote the culture of marathon.



Sponsor of "Harbin International Marathon". In order to further facilitate the development of marathon and the extensive mass fitness campaign in Harbin and build up a healthy, happy and harmonious urban culture, Harbin Bank decided to sponsor the "Harbin International Marathon" competition for 10 consecutive years since 2016 and had full participation in the organisation of the first session of the "Harbin Marathon".

On 28 August, the "2016 Harbin International Marathon" of Harbin Bank commenced on schedule. Thanks to the unique track design, organised races, warm and thoughtful volunteer services and beautiful medals, the first session of the "Harbin Marathon" was highly praised by the 30,000 contestants from all over the world as well as the society. About 1,400 members of the "Ha Run e Generation Club" of Harbin Bank firstly appeared in the event as a "thousand people running group" and became an icon on the track of "Harbin Marathon". Besides, 104 employees served as volunteers for the Harbin International Marathon (including 28 qualified medical



volunteers), and about 700 employees became cheering teams and participated in the event's performance. The competition was rated as the "2016 Competition with the Most Beautiful Track Features in China (2016 中国马拉松最美赛道特色赛事)" and the "2016 Bronze Competition of Chinese Athletic Association (2016 中国田径协会铜牌赛事)" by the Chinese Athletic Association.

CASE

In order to provide a comfortable and safe place for Harbin people to play sports, we donated to build the first outdoor charity plastic track along the road beside the river in the famous Qunli Music Park in Harbin in July 2016. The charity track donated by Harbin Bank was welcomed by Harbin people.



About Harbin Bank

In 2016, Harbin Bank strived to achieve the new strategic goal of becoming a "first class international microcredit bank providing excellent services with unique characteristics" and upheld "Inclusive Finance, Harmonious Co-Enrichment" as its operational philosophy. Adhering to the microcredit core strategy, the Bank aimed to achieve "characteristic, collectivised, international" development and the co-development of mobile finance and traditional finance. With the theme of "Year of Products", the Bank supported the development of the real economy and performed corporate social responsibility.

14,172.0 Operating income of RMB14,172.0 million

539,016.2



One of the oil painting collections of Harbin Bank

Name of artwork: Central Street after Rains Artist: Sidorenko Maksim Viktorovich (Russian meritorious artist)

Overview

Harbin Bank was founded on February 1997. Headquartered in Harbin, Heilongjiang Province, the Bank is an emerging joint stock city commercial bank in Northeast China in recent years. Listed on the Main Board of the Stock Exchange of Hong Kong (stock code: 6138. HK) on 31 March 2014, the Bank is China's third city commercial bank entering the Hong Kong capital market, and also the first listed commercial bank in Northeast China. In August 2015, the Bank made an application to the CSRC for the IPO of A shares.



In 2016, Harbin Bank strived to achieve the new strategic goal of becoming a "first class international microcredit bank providing excellent services with unique characteristics" and upheld "Inclusive Finance, Harmonious Co-Enrichment" as its operational philosophy. Adhering to the microcredit core strategy, the Bank aimed to achieve "characteristic, collectivised, international" development and the co-development of mobile finance and traditional finance. With the theme of "Year of Products", the Bank supported the development of the real economy and performed corporate social responsibility.

Harbin Bank has established 17 branches in Tianjin, Chongqing, Dalian, Shenyang, Chengdu, Harbin, Daqing, etc. and 32 village and township banks (including 8 village and township banks in preparation) in 14 provinces and municipalities, including Beijing, Guangdong, Jiangsu, Jilin and Heilongjiang. The Bank, as a controlling shareholder, has promoted the establishment of Harbin Bank Financial Leasing Co., Ltd., the first financial leasing company in Northeastern China, and Harbin Bank Consumer Finance Co., Ltd. (approved for establishment), the first consumer finance company in Heilongjiang Province, respectively. As at 31 December 2016, the Group had 355 business outlets with branches and sub-branches across seven administrative regions across China.



Harbin Bank is ranked 207th in the "Top 1,000 World Banks" published by the Banker of United Kingdom in 2016, thus rising 2 places from the previous ranking. According to the "Top 500 Banks in Asia-Pacific Region" published by The Asian Banker, the Bank is ranked 99th, thus rising 16 places as compared to the ranking in the previous year, and was awarded the "Best Employee Management in China" and "Best Regional Trade Finance Bank of China" for the year. The Bank entered the shortlist for "Top 500 in China" by the Fortune of United States for the first time, and ranked 416th. The Bank won the "Stars of China: Best City Commercial Bank" award for the third consecutive year and received the "Best Credit Bank for Small Enterprises" award for the year in the Stars of China Awards 2016 published by Global Finance, a US-based magazine.

The Banker

"Top 1,000 World Banks" from the Banker of United Kingdom



Global Finance

"Stars of China" from Global Finance of the United States



The Asian Banker

"Top 500 Banks in Asia-Pacific Region" from The Asian Banker



Fortune China

"Top 500 in China" from the Fortune



Corporate Governance

The Bank has constantly improved the level of corporate governance, and directors and supervisors have performed duties actively and diligently. Sound corporate governance is the responsibility of the Board and the cornerstone for healthy development of the enterprise. In 2016, the Bank strived to improve its corporate governance mechanism, and enhance and improve its corporate governance. The Bank has adopted the Corporate Governance Code in Appendix 14 to the Hong Kong Listing Rules, has met the relevant requirements of the PRC commercial bank administrative measures and corporate governance requirements, and has established a sound corporate governance system, ensuring the efficient operation of the overall corporate governance of the Bank.

In 2016, the Bank organised and held 47 important meetings in total of all kinds (such as general meetings and class meetings of shareholders, meetings of the Board and its special committees, and meetings of the board of supervisors and its special committees). At the meetings, the Bank considered and approved 273 major proposals and reports, including: the Work Report of the Board of Directors, the Work Report of the Board of Supervisors, the Work Report of the President, the Financial Budget Report, the Financial Statements, the Profit Distribution Plan, the performance evaluation indicators of senior management, the Comprehensive Operation Plan, the Report on the Implementation of Connected Transactions, the Risk Control Report, the amendments to the Articles of Association and the institutional development plan.

The Bank continues to deepen the development of its internal control system by establishing, optimising and implementing various rules and regulations of internal control. A good internal control culture is developed and the business management and control mode of all business lines and business of various regions is refined through systematic publicity and education. Various internal control targets are achieved through various effective measures such as division of responsibilities, lines of reporting, incentive and restraint, etc.





Harbin Bank interim results announcement in Hong Kong on 16 August 2016

Information disclosure mechanism is getting more regulated, and investor relations management is getting more active. The Bank has strictly complied with regulations including the Measures for the Information Disclosure of Commercial Banks, the Listing Rules of the Stock Exchange, the Harbin Bank Co., Ltd. Information Disclosure Management System and its implementation rules to perform the various works related to information disclosure and practically safeguard the interests of investors. The Bank discloses information mainly by the means of the website of The Stock Exchange of Hong Kong Limited, the official website of the Company, designated newspapers, results meetings, press conferences, results roadshows, investor hotline and others. No significant error occurred on information disclosure for 2016.

In 2016, the Company issued 54 non-scheduled announcements in both Chinese and English and 30 regular reports in both Chinese and English.



In 2016, the Bank convened two results meetings and two press conferences in Hong Kong respectively. More than 80 individuals including domestic and foreign fund managers, analysts and media reporters were invited to attend the meetings. The Company organised three results roadshows in Hong Kong, the United States and others and met over 30 foreign institutional investors. The Company received visits of domestic and foreign institutional investors including InvestHK from Hong Kong, and Wellington Management and TIAA from the United States, as well as analysts of brokers. The Bank seized the opportunities arising from the visits of investors and analysts and introduced to them the Bank's strategic direction and position of first-class international microcredit bank and its ideas and progress in business transformation.

In 2016, the Bank replied the questions and suggestions made by investors through various channels in a timely manner, including answering over 60 telephone inquiries from investors, replying numerous email inquiries from investors and analysts.

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Organization Chart of Corporate Governance



Internal Control

In 2016, the Bank implemented a series of works on improving and optimising internal control The Bank strictly complied with the requirements of various laws and regulations on internal control normative system for enterprises. The Bank formulated a scientific internal control system while establishing a business environment which was under proper control and took into account risk conditions by fully borrowing advanced ideas from foreign countries. The Bank had a clear internal management framework.

Risk Management The Bank upholds the core concept of "creating value through risk management". Major risk exposures, such as credit risk, market risk, liquidity risk, operation risk, risk on interest rate of bank accounts, reputation risk, strategic risk and information technology risk are covered by the scope of risk management. Taking the implementation of the New Basel Capital Accord as an opportunity, we have further enhanced the standard of refined risk management. As of the end of 2016, the Bank had completed all the sub-projects, launched the system for RWA project, and completed the finishing touches such as self-evaluation on compliance, verification projects and special audit, which met the compliance requirement for voluntary application for high-standard measurement methods under the Administrative Measures for Capital of Commercial Banks. The risk management capability of the Bank constantly increased and the overall risk is controllable.

Compliance Management The Bank promotes its compliance philosophy of "giving highest priority to compliance, making all employees in compliance, working in compliance actively, and creating value through compliance", actively organises and initiates various internal control training sessions and keeps on strengthening incident prevention and control, consumer right protection, anti-money laundering management and other aspects. The Bank enhances compliance culture and internal control performance to build an internal control culture of "compliance with high efficiency". During the Reporting Period, no major incident of non-compliance occurred in the Company.

Anti-corruption and Integrity

The Bank highly values the building of corruption-free management and occupational ethics, and the honest business atmosphere. In 2016, through conducting anti-corruption culture trainings, anti-corruption warning education, signing letters of commitment and other means, the Bank made the employees actively conform to the party discipline and regulations such as anti "four winds" and anti-corruption, strengthening the foundation of honest thoughts, effectively promoting the implementation of long-term mechanism establishment, and comprehensively boosting the anti-corruption and integrity works.

The Bank also formulated the internal control requirements for the important positions, implemented post shifting system and coercive vacation system for important positions, established the relevant system of regulating employees' conducts, strengthened the supervision and inspection on employees' conducts, and built up the report and investigating mechanism for employees' abnormal behaviour.



Harbin Bank Risk Management Organisation Structure



Social Responsibility Management

According to the strategic goals set in the "Harbin Bank Strategic Plan for Development for 2016-2020", in 2016, we carried out further research and evaluation on the indicators and targets of the annual social responsibility management and the sustainable development issues. We categorised, prioritised and made selection on such issues from two dimensions, being their "impact on corporate sustainable development" and "impact on the social sustainable development", and determined the corporate social responsibility issues of significance for the year.

With regard to the management performance and quantitative indicators of the selected issues, the Bank had taken into full account the strategic targets and business development directions for the new five years, corporate culture direction and expectations from the society, and the increasingly rigid regulatory requirements, thus actively establishing a scientific system for social responsibility information disclosure and management.

Our Issues of Significance for 2016



Harbin Bank's Stakeholders

Stakeholder	Expectation and requirements	Communication	Response
Government	To support national strategies and economic development of Harbin and other related regions.	To properly execute national financial policies; take part in formulation of relevant policies and in relevant research and discussion; and submitting statistics reports.	Consistently executed national macro-policies; supported national industry restructuring and change in economic development; supported the development of "agriculture, rural areas and farmers" and SMEs; supported the implementation of the policy of "Entrepreneurship and Innovation by All".
Regulatory authorities	Compliant, healthy and stable operation and stronger risk control.	To execute regulatory policies; and submitting special reports and statistics reports.	Strictly executed regulatory policies and requirements with compliant and honest operation, stronger internal control system and comprehensive risk management.
Shareholders	Good operating results and investment return, scientific risk management and control, continuous and stable operation, and timely, accurate and complete information disclosure.	Accurate and timely information disclosure; regular visits and reports; general meetings; and results roadshows.	Sufficient protection of legitimate interests of shareholders and investors and ever improving operational and management capabilities; constant shareholder value creation; stronger communication with the capital market by proper arrangements for investor and analyst visits and response to telephone and online inquiries; and active participation in domestic and overseas investor conferences held by investment banks and securities traders and proactive results announcements and roadshows for investors.
Clients	Quality financial services and higher clients' satisfactory.	Seminars; online and telephone advertisement; and survey on clients' needs.	Accelerated innovation in financial products and services, expanded customer service channels, invited customers to our key events, and strengthened customer relations management and complaint handling and satisfactory survey.
Environment	To develop inclusive finance, to support "agriculture, rural areas and farmers", "new green energy", SMEs' business development and Sino-Russia credit.	Strict implementation of national energy-saving and emission-reduction policies; and taking part in public welfare activities relating to new green energy.	More resources to credit for new green energy to support energy-saving and emission reduction, promoting green finance and paperless office to enable the integrated sustainable development of economy, environment and the society.
Staff	Room for personal development, healthy and safe work environment and encouragement to take part in management.	Staff representatives' meeting; and proper internal communications mechanisms to gather staff's views and suggestions.	Broader career development, improved incentive and restraint mechanisms and performance assessment, attention to staff's work environment and physical and mental health, and protection of staff's legitimate interests to facilitate the culture of "Happy Work, Healthy Life".
Partner	Stronger communications and interaction, win-win situation through strategic cooperation.	Strict contractual performance; better tender procedures; stronger regular communications; and regular visits.	Fair and just tenders and procurement; fair cooperation and honest operation.
Community	To take part in community establishment and development and be positive in assuming social responsibility to promote harmony in the society.	To actively take part in public welfare projects by establishing the United Charity Foundation; and conduct regular relevant interactions and activities.	Actively carried out poverty relief activities, strongly supported the education and cultural industries, actively participated in charity donation, innovated service channels, established branches for communities.

Our Financial Responsibility Management

According to the new five-year strategic plan for 2016-2010, the Bank will continuously expand the leading advantage of microcredit, building a first class international microcredit bank providing quality and distinctive services while accelerating the development of mobile finance and promoting the progress of digital inclusive finance. Harbin Bank will make more contribution to the implementation of the Plan for Promoting the Development of Inclusive Finance (2016-2020) in China by boosting the realisation of strategic goals.

Corporat

907.2

167,700.5

Microcredit amounted to RMB167,700.5 million

105,793.3

Personal loans amounted to RMB105,793.3 million



One of the oil painting collections of Harbin Bank

11

1

ood Prevention Memorial Tower Artist: Nikolay Repin (Russian people's artist)

New Five-year Plan: Microcredit Strategic Goals Upgrading

The Bank has comprehensively implemented "Strategic Plan for Development for 2016-2020" since 2016. The target of the new five-year strategic development plan is that the Bank will continue to uphold the business philosophy of "Inclusive Finance, Harmonious Co-Enrichment", and insist on adhering to the following paths of development: microcredit development; characteristic, collectivised, international development; mobile financial business and offline traditional banking business dual development; development supported by four financial sectors namely Retail Finance, Corporate Finance, Interbank Finance and Mobile Finance; and product innovation-oriented development. We strive to become a "first class international microcredit bank which provides excellent and distinctive services" by 2020.

According to the new five-year strategic plan, the Bank will continuously expand the leading advantage of microcredit, build itself a first class international microcredit bank; focus on retail finance and strengthen the core competitiveness; accelerate the development of mobile finance, promote the progress of online banking; steadily develop the corporate finance, effectively coping with the market competition; and leverage the geographical advantage of being close to Russia, constructing the international development path.

Harbin Bank will make greater contribution to the implementation of the Plan for Promoting the Development of Inclusive Finance (2016-2020) in China by promoting and realising the above strategic goals.

Further Expansion of the Strategic Advantage of Microcredit

In 2016, the Bank vigorously implemented the operation transformation driven by the theme of "Year of Products". Customeroriented product innovation was the focus of the year. The Bank facilitated the incorporation of big data internet technology into its traditional financial services, constantly enhanced the innovative development ability of various business such as retail finance, microfinance, consumption loans, loans to small enterprises and housing finance, expanded and deepened the inclusive financial services, and practically promoted the sustainable strategic development of microcredit.

The microcredit services of the bank mainly included loans to small enterprises, consumption loans, microfinance, housing finance, agricultural loans and others. As at the end of 2016, the balance of the Bank's microcredit loans reached RMB167,700.5 million, representing an increase of 49.9% from the end of last year. It is worth mentioning that the Bank's microcredit loans accounted for 83.2% of the Bank's total loans to customers, a record high again after the Bank's microcredit loans accounting for more than 70% of the Bank's total loans to customers for the first time in 2015.
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Government education loan During the past 10 years of being authorised to process government education loans to residents in Heilongijang since 2007, the Bank assisted students in 22 provinces, 5 autonomous regions and 4 municipalities, of which Heilongijang Province covered 14 regions, 82 education bureaus and over 80 high schools, As at the end of 2016. government education loans granted amounted to RMB2,500 million, of which RMB600 million was granted in 2016. Outstanding loans amounted to RMB1,240 million, serving over 180,000 students, of which 25,000 students signed the contracts in 2016. The Bank has granted Student-Origin-Based Loans to graduate student since 2014. As at the end of 2016, RMB470 million of Student-Origin-Based Loans were granted to nearly 40.000 graduate students.



Development of village and township banks Since the Bank has established the first village and township bank in 2008, the Bank established 24 village and township banks (including Bayan Rongxing Village and Township Bank and Huining Huishi Village and Township Bank) throughout the eastern, middle and western regions in China, as to actively practice the initiative of supporting agriculture economic development issued by the government. The establishment of 8 village and township banks (including Ningan Rongxing Village and Township Bank and Tianshui Maiji Rongxing Village and Township Bank) was approved in 2016, plaving an important role in activating agriculture financial market, strengthening agriculture financial system, developing inclusive finance and other aspects. Ten of the banks were located in impoverished counties as recognised by the central government and they were Huining Huishi Village and Township Bank, Yanshou Rongxing Village and Township Bank, Baiguan Rongxing Village and Township Bank, Huachuan Rongxing Village and Township Bank, Hainan Baoting Rongxing Village and Township Bank, Chongging Wulong Rongxing Village and Township Bank, Chongging Youyang Rongxing Village and Township Bank, Huanan Rongxing Village and Township Bank (to be established), Tianshui Maiji Rongxing Village and Township Bank (to be established) and Langzhong Rongxing Village and Township Bank (to be established).



Sichuan: Langzhong (to be established)

ensure that the indicator in different years shared the same statistical scope.

1,147,363

Year of Products: Accelerating Digital Inclusive Finance



In the traditional banking development generation with the underdeveloped mobile internet technologies, the Bank has actively performed the corporate social responsibility and promoted the development of inclusive financial business by establishing physical branches network and microcredit technology, products and services over a long period of time.

In the recent years, with the revolutionary promotion brought to the mobile financial development by the digital technology, digital inclusive finance is becoming a new target and new responsibility that we strive for. We also include "insisting on online mobile banking and offline traditional banking dual development" in our new five-year strategic development plan.

In order to substantially enhance the digital inclusive financial service capability and accelerate the establishment of the firstclass international microcredit bank, the Bank centred on the work theme of "Year of Products" in 2016. We comprehensively consolidated, enhanced and deepened the foundation and results of last year of "Mobile Finance Year", insisted on prioritising mobile financial development, and by meeting customer experience and customer demands as the starting point, the Bank simultaneously facilitated mobile finance product disruptive innovation and traditional business online migration. The Bank organised 24 headquarters innovation salon activities throughout the year and over 70 products were shortlisted as star products. In particular, the Bank consolidated its online and offline resources, launched innovative products including "Hua Shi Loans" (话时贷), Cloud Quick Pass (云闪付) and QR Code Series and realised online processing of major loan products including "Cun Li Bao"(存利宝), "Secret Purse" (私房钱), White-collar Loans (白领贷), Harvest e-Loans (丰收 e- 贷) and Asset Tong (资产通).

We are glad that, during the reporting period, our mobile financial services level and digital inclusive financial services capability were greatly enhanced, achieving satisfactory results where serving clients range, product quality and scale, and brand influence were lifted at the same time. The more important point is that clients living in remote regions, especially for those living in remote agricultural regions, could therefore enjoy the convenient financial services.

As at the end of 2016, the replacement rate of business transactions through the Bank's electronic banking reached 83%, and that of mobile banking reached 39%, representing an increase of 10 and 15 percentage points over the end of last year respectively.



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QR coed for mobile banking



On 29 September 2016, the Shenyang Branch of Harbin Bank promoted financial knowledge to 300 new students in the School of Economics of Liaoning University

Protection of Rights of Financial Consumers

While facilitating the development of digital inclusive finance, the Bank highly values the protection of rights of financial consumers, and regards strengthening the popularisation of public financial awareness and promotion education as our responsibility. We have established a consumers' interests protection system with clear duties, complete content and smooth channels in order to practically protect the legitimate interests of financial consumers.

In 2016, the Bank stepped up efforts in popularisation and promotion of financial knowledge by sticking to the combination of staff and media promotion, the combination of counter and outdoor promotion and the integration of traditional and innovative forms through the new media distribution channels such as the official website, WeChat and WeChat banking. The Bank actively conducted a series of activities including Financial Literate Households, Financial Knowledge Month, Financial Literate Colleges, and "315" Consumers Protection Promotion, emphasising on increasing the risk prevention awareness and responsibility-taking awareness of financial consumers, and lifting the financial sense and literacy of the public.

Meanwhile, the Bank reinforced the protection of consumers' personal information security by strengthening the technological support, and issued necessary reminders regarding the public online banking security by means of establishing safety advice section on the official website and others. The Bank established a comprehensive customer complaint handling mechanism and workflow for handling complaints so as to regularly summarise and analyse the complaint related matters to identify the potential issues for effective improvement in services and management.

Anti-money laundering management The Bank highly concerns the establishment of the capability to self-regulate suspicious transactions under the background of rapid development of mobile finance. With the aim of exploring and establishing interactive prevention control system for online and offline businesses, we continue to optimise its anti-money laundering management mechanism and fully enhance the management standard for anti-money laundering and anti-terrorism financing, thereby performing its corporate social responsibility effectively.

In 2016, the Bank enhanced coordinated management of customer identification and customer risk rating management, improved the anti-money laundering monitoring personnel list, and optimised its anti-money laundering management system construction, greatly enhancing the quality of large-settlement and suspicious reports. Meanwhile, the Bank actively assisted in anti-money investigations carried out by the regulatory authorities, organised theme trainings and campaigns on anti-money laundering, set up good internal and external environment for anti-money laundering.

Sino-Russia Financial Council: Facilitating "One Belt and One Road" Development

In 2016, Harbin Bank proactively facilitated the development of comprehensive strategic partnership between China and Russia, deeply promoted the implementation of "One Belt and One Road" initiative, and established cooperation via the "Sino-Russia Financial Council" sharing platform. As at the end of 2016, the influence of Sino-Russia Financial Council continued to grow with 27 new members. The number of members increased to 62 from 35 at the establishment of the Council.

In 2016, Harbin Bank arranged four cooperative projects for Russian cross-border financing with an amount of RMB12,600 million, and 29 business cooperation agreements were signed, which became a new power for banks engaging in Sino-Russia financial business and international financing. In particular, the Bank, as the leading bank, together with Chinese alliance members, successfully entered into syndicated loan agreement of RMB10,000 million with Vnesheconom Bank (VEB), the sole policy bank in Russia. This was the most influential financial cooperative project between Chinese and Russian with the largest number of participants and the largest scale.

Moreover, in 2016, Harbin Bank's cross-border E-commerce payment platform was selected as the major project for Heilongjiang Luhai Silk Road Economic Belt by Heilongjiang Provincial Government, and was selected and included in the major construction project repository of the National Development and Reform Commission compiled for "One Belt and One Road". As the member of the Sub-Committee for Financial Cooperation of the Regular Meeting between Presidents of China and Russia and the Chinese executive president of the Sino-Russia Financial Council, Harbin proactively facilitated the "One Belt and One Road" development and played an important role in the development.





2016.07



2016.09



- The "2016 Cooperative and Innovative Forum of Sino-Russia Financial Council" was held. At the forum, over 10 alliance members and representatives from China and Russia started conversation centring the three major themes, namely the "new development and opportunities arising from the "One Belt and One Road" initiative", the "new spotlights in Sino-Russia financial cooperation from priority development areas in Russia" and the "new dynamic for Sino-Russia trading cooperation offered by Sino-Russia Financial Council".
- The Bank participated in the 3rd China-Russia Expo. During the meeting, leaders from China and Russia visited the exhibition booth of the Bank, and highly recognised the role of Harbin Bank in facilitating the development of Sino-Russia Financial Council. They said that Sino-Russia Financial Council was the results of practical cooperation between China and Russia, which further deepened the comprehensive strategic partnership between the two countries.
- The 2nd General Meeting of Sino-Russia Financial Council was successfully convened under the framework of the Eastern Economic Forum held in Vladivostok, Russia. The general meeting was included in the national agenda of the Russia Eastern Economic Forum. During the meeting, the Bank, as the leading bank, together with 9 Chinese financial institutions, entered into RMB10,000 million Loan Agreement with Vnesheconombank (VEB). Pursuant to the agreement, such syndicated loan will be primarily used for Sino-Russia trades and infrastructure construction.

Our Environmental Responsibility Management

The Bank fully understands its environmental responsibility. In 2016, under the theme of "Year of Products", the Bank strived to establish itself into a green bank. It greatly increased the scale of green credit operations, strengthened the awareness of green office for resources conservation, and proactively participated in environmentally friendly green charity events.

1,587 Green credit balance for 2016

amounted to RMB1,587 million

Green credit balance for 2015 amounted to RMB752 million







Green Credit

The Bank strictly implements financial policies including green credit. It actively explores the development path for green financing, and focuses on supporting the customer growth and industry development on areas in relation to green economy, low-carbon economy and circular economy. The Bank strictly controls the credit to industries characterised as being of high pollution, high energy consumption and overcapacity, and gradually squeezes and eliminates the existing loans to such industries. Through the setting of credit limit standard, the Bank strictly controls the best growth rate for negative list at different aspects. Our credit resources allocate to key support areas at priority. At the same time, we focus on environmental and social risk exposures.

As at the end of 2016, the green credit balance of the Bank amounted to RMB1,587 million, representing a year-on-year increase of 111%. There were 42 green credit customers.

In 2016, the Bank also actively facilitated the issuance of green financial bonds. It is proposed that, with the consent from regulatory authority and approval from the People's Bank of China, green financial bonds of not more than RMB5.0 billion for a term of not more than five years (inclusive) will be issued in the interbank market. The proceeds raised from the issuance of the bonds will be used to support green industry projects. This is an important milestone for Harbin Bank in establishing itself into a green bank.



Green Office

We always and continue to enhance the awareness of green office, and establish the Bank into a resource-conservation, environmentally friendly enterprise. In our practical operations, we actively promote paperless office, aiming to achieve energy conservation, low-carbon operation and emission reduction. We continue to incorporate the "green office" concept into our daily operations. We encourage our staff to save and conserve resources little by little, and enhance their awareness of water conservation, electricity and paper saving, thereby lowering the impacts of administrative and office activities on the environment.

In 2016, the Bank implemented electronic office throughout the bank, and promoted paperless conference, video and telephone conference. It, among other things, upgraded the mobile OA system, facilitated online approvals for all matters except for special and confidential matters, launched the OA conference appointment system and implemented IP telephone system. In 2016, the Bank especially implemented centralised printing sharing at the headquarters building. Printers were installed at each level of the new headquarters building. The staff always used paper based on the principle of "necessity, rationality and conservation". This effectively reduced use of paper, thus lowering the administrative and office expenses.

We have incorporated the green concept into our procurement management systems. We enhance centralised procurement management, regulate centralised procurement, strengthen the effective prior control over procurement, supervision during procurement and post-management on procurement, enhance fund utilisation efficiency and secure the procurement quality. Based on the actual condition of the Bank, the Bank has published the Administrative Measures for Centralised Procurement of Harbin Bank and the Operating Procedures for Centralised Procurement of Harbin Bank.





branches and village and township banks.2. For 2016, it refers to the consumption at the new headquarters building. Prior to 2015, it refers to the

consumption at the headquarters office at Shangzhi Street. The floor area of the new headquarters building is greater than that of the headquarters office at Shangzhi Street.

Green Charity Campaign

Over the years, while continuing to develop green credit operation and promote green office, the Bank always adheres to promoting and organising a series of charity campaign for environmental protection and ecosystem improvement. We continue to enhance employees' awareness of environmental protection, and establish the "green bank" brand through actions to actively perform social responsibility.

In 2016, the Bank fully developed mobile finance, facilitated green financing, and promoted its green bank image through online charity activities. Through the launching of "Donating a Bit for Charity (我为公益捐一分)" campaign, starting from our staff, we encouraged customers to prioritise the selection of e-channels for operation, and one piece of invoice or statement will be saved for every operation. Accumulated expenses on paper of RMB200,000 were saved under the campaign and fully donated to "Hongyi Education-aid Association".

In 2016, our branches in Harbin, Daging, Qigihar and other cities participated in green charity campaigns organised by local governments and NGO organisations, including the "Mother River Protection" operation and tree planting event in spring.



"Donating a Bit for Charity" campaign "Donating a Bit for Charity" campaign Accumulated expenses on paper being saved (RMB)



Our Social Responsibility Management

We strive to perform corporate social responsibility and contribute to the society through actions. In 2016, we conducted research on strategic charity planning, and defined the directions for our charity works, including support the "Happy Community Program", cultural exchange program between China and Russia and Harbin International Marathon etc. In addition, we established the United Charity Foundation. We advocated the concept of "HAPPY WORK, HEALTHY LIFE", and strived to become a bank with strong cultural foundation, outstanding charity brand and good reputation.

23.1970

amounted to RMB23.1970 million

6.12

Total charity donation made in 2014 amounted to RMB6.12 million

Total charity donation made in 2018 amounted to RMB5.95 million



One of the oil painting collections of Harbin Bank

11

84

Name of artwork: Sun Island Artist: Zhigalov (Russian meritorious artist)

Staff Career Development

We always adhere to the philosophy of "people-orientated and talent development" and the career direction of "clean and smart working". With the combination of internal training and talent introduction, we have established a professional, dedicated and expert team comprised of quality staff.

In 2016, strictly in compliance with laws and regulations including the Labour Law, the Employment Contract Law and Social Insurance Law, the Bank prohibited employment of child labour. The Bank entered into employment contracts with all employees. In addition, the Bank timely made contributions to social insurance funds in full, and purchased additional labour injury insurance for employees. It opposed any form of forced labour. Regular body checks were organised for all employees with body check rate of 100%. The Bank distributed labour protection appliances and established the "Helping Association", thereby protecting the rights of our employees regardless of their religion, race, gender and colour. The Bank actively created a unified and upward labour relationship. The Bank established broadband remuneration management system, optimised career path and career training, motivated staff's initiative in a scientific and effective manner, and enhanced their loyalty and sense of identity.

Establishment of talent pool In 2016, Harbin Bank proactively facilitated the establishment of talent training system which centring the "Leaders Program". Over 2,500 staff members throughout the Bank participated in the "Leaders Program", and 673 participants were allocated to the talent pool for comprehensive management and professional management. A number of talented, young management have taken important management positions. The "Leaders Program" had fully completed the encoding for biographies of staff in the pool, discussion on capability of targeted position, Wave assessment, case study workshop, talent mapping and preparation of accurate development and training plans, etc. Meanwhile, based on our operating management and professional management mode, the Bank identified the pros and cons of talent reserve, and completed change of roles and capability enhancement through the combination of practice, exchange program and training.

In 2016, the Bank's "Professional Manager Training Program", which had been implemented for 8 years, was classified as "Innovative Case for Talent Training in Harbin" by Harbin government. During the reporting period, strictly in compliance with the requirements under the Regulations on the Management of Employment of Foreigners in China, the Bank attracted 6 foreigners to join the Bank, which adapted to the demands for international business development.

Career development path Striving to the principle of "talent-post matching and proper human resources allocation", the Bank has established an open career development platform, which guides our employees to plan their career dreams and targets in a scientific, reasonably way, and properly deploys our employees. Through internal recruitment, career promotion, work shifting, talent exchange programs, career training and other means, the Bank has offered rich, diversified and comprehensive work assignments for its employees, thus further enhancing the enthusiasm of employees on their works and creating a multi-channel career development for them. During the reporting period, we organised and conducted different kinds of works, including recruitment for vacancies in headquarters and branches, talent reserve for assistants to presidents in branches and sub-branches, and selection of young management. We continued to adjust our team structure and improve the establishment of talent team of Harbin Bank.



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Training and Education

In 2016, we enhanced our training standards, improved the training design system, and focused on the in-depth integration of internet and daily works. We were on our way to build ourselves into a "learning organisation", which advocated life-long learning and continued to promote the moral and professional corporate culture. In 2016, departments at the headquarters of the Bank (excluding its subsidiaries) conducted 182 training sessions in total, which primarily focused on customer relationship, new products introduction, mobile and internet integration, staff skill training, code of conduct of financial industry and general management skills. Among which, there were 108 internal training sessions and 74 external training sessions for selected staff members. The total attendance of the staff training sessions amounted to 4,584, and the total training hours amounted to 2,154. In June 2016, the Bank, in cooperation with Harvard Business School, organised the well-received 5-day "Customer Centralisation Strategy and Leadership Training Program" in Shanghai for 71 senior and middle management and staff representatives.











Public Welfare Actions

The Bank strives to establish itself into a bank with strong cultural foundation, charity brand and good reputation. In order to facilitate the enhancement of our ability in performing social responsibility, and promote our "Harbin Bank Charity" brand image, the Bank and Public Cooperative Management and Consultation Co., Ltd. (公域合力管理咨询有限公司), a prestigious non-profit organisation research team in China, jointly conducted the "Research on Harbin Bank's Strategic Charity Planning" in 2016, pursuant to which the directions for our charity works, including support the Happy Community Program, cultural exchange program between China and Russia, Harbin International Marathon and education for poverty students, were defined. In addition, we established the United Charity Foundation to facilitate the development of our charity campaigns professionally with a more professional team.

We advocate the volunteer culture. In the 2016 Harbin International Marathon, which was sponsored by the Bank, 104 staff members participated in the event as volunteers, of which 28 medical volunteers possessed CPR (cardiopulmonary resuscitation) and AED (automated external defibrillator) certificate. Approximately 700 staff members joined the cheering team and performance team of the event. With the launch of "Happy Community Program", the staff from two pilot branches joined the volunteer team under the program.

As at the end of 2016, the total expenses used in charity projects of the Bank during the reporting period amounted to RMB23.1970 million.



Incumbent on Supporting Education

Online charity program of "Hongyi Education-aid Association". From September 2015 to March 2016, by linking charity campaign with the internet, Harbin Bank launched an online charity campaign "Donating a Bit for Charity (我为公益添一分)". Under the campaign, every online banking transaction conducted by customers saved one piece of invoice or statement, with relevant expenses being saved as well. On 15 November 2016, the accumulated expenses saved under the campaign of RMB200,000 were fully donated to "Hongyi Education-aid Association", providing scholarship for 200 students.

The Harbin Bank Hongyi Education-aid Association was established by Huining Huishi Village and Township Bank in 2009 to especially provide financial assistance to students from poor families taking the forthcoming college entrance examinations in Huining County, Gansu Province. As at the end of 2016, a total of 799 students received scholarship of RMB811,000.

Donations to Harbin Institute of Technology Education Development Foundation for seven consecutive years. Since 2010, Harbin Bank had made donations to Harbin Institute of Technology Education Development Foundation for seven consecutive years, which were used for the university's development and establishment. The accumulated donation amounted to RMB6.27 million. In 2016, the donation made amounted to RMB1.80 million.

Harbin Bank's "Love Bookstore" helps improve the reading environment for teenagers in rural villages. The Harbin Bank's "Love Bookstore" was jointly founded and established by our Harbin branch and the Communist Youth League Harbin Committee in 2014, aiming to improve the reading environment for teenagers in rural villages and promote honesty culture and financial knowledge. In 2016, in addition to book donation, our Harbin branch also conducted different activities for children at the Love Bookstore, including diversified essay competition, speech competition and "one-on-one" education program.

Building the Bridge for Cultural and Art Exchange between China and Russia

While continuing to expand the edges of our Sino-Russia financial services and facilitating "One Belt and One Road" development through Sino-Russia Financial Council, the Bank highly focuses on the cultural and art exchange between China and Russia, aiming to build a bridge for humanities and communications.

During the 32th China Harbin International Ice and Snow Festival held in January 2016, the Russia Sculpture Exhibition was held at the headquarters building of Harbin Bank, which was open to the public for a period of one month. A total of 142 art pieces were exhibited in the Russia Sculpture Exhibition, which were created by famous sculptors, people's artists and meritorious artists of Soviet Russia and Russia, including Anikushin Mikhail Konstantinovitch. All exhibits were collections of the artists or their families. The sculptures included memorial sculptures, garden sculptures, grave sculptures, decorative sculptures, sign sculptures, as well as sculptures of historical icons, animals and records of historical events.

At the same time, the exhibition also exhibited some of the art pieces in the large oil painting exhibition, the "Golden Memories: Harbin under Strokes of Russian Artists", held in October 2015. The exhibition offered a grand festival of Sino-Russia culture for domestic and overseas tourists and Harbin citizens, and received great responses and high recognition by the public.



Creating New Landmark by Sponsoring Harbin International Marathon

It is said that someone can learn about a city by participating in a marathon. As a bank serving citizens in Harbin, Harbin Bank makes contribution to our hometown, enrich the new culture of the city and enhance city level while realising healthy, sustainable development of the Bank. Hence, the Bank sponsors the "Harbin International Marathon" for ten consecutive years since 2016. During the "Harbin Bank 2016 Harbin International Marathon", 30,000 marathon lovers across the world applied for entry of the marathon and experienced the cooling summer in Harbin.

During the "First Harbin International Marathon", a total of 104 staff members provided voluntary services for Harbin International Marathon (including 28 certified medical volunteers) and approximately 700 staff members joined the cheering team and performance team. They contributed to the success of the event and earned precious experience for serving at an international event.



United Charity Foundation & Happy Community Program

The United Charity Foundation, jointly founded by Harbin Bank and its senior management, was officially established on 30 June 2016, reflecting that Harbin Bank's charity campaigns were moving towards professional management.

As at the end of 2016, the "Happy Community Program" pilot project, led by the United Charity Foundation, was launched in Harbin. The project was conducted based on the policies on eco-civilisation construction and local community governance promulgated by the central government. Block C of Century Garden in Songhua District, Harbin will be served as target community. We encouraged residents to return to the community and actively participate in community activities and public affair management. It is proposed that the 3-year "Happy Community Program" pilot project will be implemented in 3 stages:



Our Awards and Honours

Awarding organisation	Name of Award	Month of Award	
	5-Star Outlets in Provision of Standard High-Quality Services (Business Department of each of Dazhi sub-branch, Harbin West sub-branch and Xuefu sub-branch of Harbin branch)	January 2016	
China Banking Association	Top 1000 Model Units (Harbin West sub-branch of Harbin branch)	March 2016	
	"Revolving Loan" for small and micro enterprises: 2015 Top 50 Financial Products for Small and Micro Enterprises	June 2016	
China Banking Association (Citi Bank Group)	2016 Venture Award for Micro Enterprises: Outstanding Female Venture Award (Wang Wanhong, our micro-credit customer)	November 2016	
Heilongjiang People's Government	Advanced Financial Institution for Promoting Economic and Social Development (2013-2015)	November 2016	
THE BANKER of United Kingdom	2016 Top 1000 World Banks: ranked 207th	July 2016	
The Fortune (Chinese Edition)	2016 Top 500 in China: ranked 416th	July 2016	
THE ASIAN BANKER	Top 500 Banks in Asia-Pacific Region: ranked 99th	November 2016	
Clearing Center For City Commercial Banks	2015 Outstanding Award for System Access	January 2016	
China Online Banking Promotion Alliance	Mobile Banking: 2016 Best Creative Customer Experience Award	March 2016	
China Financial Certification Authority (CFCA)	Financial Certification Authority (CFCA) "Donating a Bit for Charity" Campaign: 2016 Best Promotion Award		
Securities Times	2016 Top Ten Innovative Projects in China	April 2016	
	Syndicated Loans to Russia: Top Ten Innovative Financial Products (Corporate Business) under 2016 China Financial Innovation Award	May 2016	
THE BANKER	White-collar e-Loans: Top Ten Innovative Financial Products (Retail Business) under 2016 China Financial Innovation Award		
	Chinese Awards: 2016 Best Employee Management		
THE ASIAN BANKER	Chinese Awards: 2016 Best Regional Trade Finance Bank of China	June 2016	
Securities Times	Lilac Wealth Management: Best Wealth Management Brand of City Commercial Bank (Rural Commercial Bank) of China		
China Online Banking Promotion Alliance	2016 Mobile Bank with Greatest Potential in China	July 2016	
China Co-operation Times Rural Development Research Centre of the Chinese Academy of Social Sciences Financial Brand and Corporate Culture Research Centre of Central University of Finance and Economics	2015 Top Ten Innovative Institutions for Rural Financial Brand of China	July 2016	
Galaxy Awards	2015 Harbin Bank Corporate Social Responsibility Report: Sliver Award for Sustainable Development (Printing)	October 2016	
Office of China Local Financial Forums Financial News China Academy of Regional Finance	al News 2015 Top Ten Competitive Banks		
GLOBAL FINANCE of the United States	Star of China: 2016 Best City Commercial Bank	November 2016	
GLODAL I INANCE ULTIE UTILEU STATES	Star of China: 2016 Best Credit Bank for Small Enterprises		
China Comment	2016 Best Financial Institution for Regional Development in China	November 2016	
The Economic Observer	Best Cross-Border Syndicated Loan Bank of the Year	December 2016	
China Business Journal	2016 Outstanding and Competitive City Commercial Bank for Small and Micro Financial Services	December 2016	
	2016 Top Ten Outstanding and Competitive City Commercial Banks		
China International Cooperation Association of SMEs	2016 Preferred Service Provider for China Small and Medium Enterprises (SMEs)	December 2016	

Prospects

2017 is an important year marking the 20th anniversary of Harbin Bank, as well as a crucial year for implementing our new fiveyear strategic plan and facilitating the listing of A shares.

At this new starting point, facing the complex and ever-changing external environment, we will adhere to our philosophy of "Inclusive Finance, Harmonious Co-Enrichment" and focus on our strategic goal of establishing ourselves into "a first-class international microcredit bank providing excellent services with unique characteristics". Striving to become "a bank with strong cultural foundation, outstanding charity brand and good reputation", we offer customer-orientated services and contribute to the real economy, thereby creating a new page for sustainable development of Harbin Bank.

Making progress in a stable and steady manner. From our experiences in the past two decades, opportunities always come with challenges. In 2017, the domestic macro-economy is still under the "three-phase" aggregated period, with stricter regulation and intensifying market competition. New technology development will continue to affect the traditional banking market. However, as facilitated by the in-depth reform to be conducted by central and local governments and adjustments to economic structure, especially the new round of transformation promoting policies on revitalization of Northeast China, new-type urbanisation and agricultural modernisation, new opportunities and rooms for development have been created for our leading businesses in respect of customer base expansion, product development and operation transformation etc.

Collaborative development. 2017 is the year of "Collaborative Development" for the Bank. Through our exploration of differentiate development over the past two decades, the Bank has preliminary formed a business model in which microcredit as its core strategic business, Sino-Russia financial service as its featured international business and financial leasing as its strong replenishment. Moreover, the Bank has created a good position for the co-development of online mobile banking and offline traditional banking. Undoubtedly, collaborative development will further strengthen the Bank's core competitiveness, enhance its brand value and assist the Bank in grasping new opportunities for development.

Strict control over risk exposures. In response to the increasing number of questionable loans and non-performing loans throughout the current bank industry, the Bank will establish a more effective system on asset quality control in 2017, thereby ensuring the overall asset quality remain steady. The Bank will highly focus on new risk exposures, such as liquidity risk, exchange risk and bond default risk. It will facilitate the implementation of Basel II and enhance its comprehensive risk management capability. Meanwhile, the Bank will continue to have a greater determination and confidence in disposing troubled assets, and put greater efforts on disposal.

Striving for innovation. Pursuant to the new five-year strategic development plan, in 2017, centring on the year of "Collaborative Development", the Bank strives for product innovation, facilitate business transformation and maintain its leading position in transformation of city commercial banks. The Bank will continue to enhance basic information technology construction so as to support tailor-made services, product innovation and management innovation. We will facilitate the building of talent pool centring on the "Leaders Program", establish innovative talent training systems, and strive to promote the growth of multi-tasking talents with high adaptability, strong management skills and all-rounded quality.

As an ambitious, passionate, vibrant and creative bank, we are really looking forward to 2017.

Annex: Indicators for Sustainable Development of Harbin Bank

(Index of Corporate Social Responsibility Report)

Scope	Level	General disclosure and key performance indicator	Indicator for sustainable development of Harbin Bank	Corresponding section
	A1 Emission	General disclosure	Compliance of relevant environmental protection laws, regulations and policies	Green Office
		A1.1 Emission type and relevant data	Sewage discharge	
			Toner cartridge produced	
			Waste lighting tube produced	
		A1.4 Volume (in tons) and (if applicable) density of non-hazardous waste produced	Kitchen waste and domestic waste produced	
			Volume of paper used	
	A2 Resources utilisation	General disclosure	Policy on effective resources utilisation (including energy, water and other raw materials), and resources can be used in production, storage, transportation, buildings and electronic devices etc.	Green Office
Environment		A2.1 Total direct and/or indirect	Annual power consumption	
		consumption (in kWh) and density (in production volume per unit or per each facility) of energy (such as power, gas or oil) by types	Vehicle fuels consumption (including petrol and diesel)	
			Natural gas consumption	
		A2.2 Total consumption and density (in production volume per unit or per each facility) of water	Annual water consumption	
	A3 Environment and natural resources	General disclosure	Policy on minimising material impacts on environment and natural resources caused by the issuer	Green Credit
		A3.1 Description of material impacts of business activities on environment and natural resources and measures taken to manage such impacts	Issue scale of green bonds	
			Balance of green credit	
			Number of green credit customers	
Social – Employment and labour practices	B1 Employment	General disclosure	Policy on remuneration and dismissal, recruitment and promotion, working hours, holiday, equal opportunity, diversify, anti-discrimination, and other welfares and benefit	Staff Career Development
		B1.1 Total number of staff by gender, employment type, age and region	Total number of staff by gender, age and staff type	
			Total number of staff by employment type (official staff, labour dispatch staff)	
		B1.2 Staff turnover rate by gender, age and region	Staff turnover rate by gender, age and staff type	

Annex: Indicators for Sustainable Development of Harbin Bank (Index of Corporate Social Responsibility Report) | HARBIN BANK 2016 CORPORATE SOCIAL RESPONSIBILITY REPORT

Scope	Level	General disclosure and key performance indicator	Indicator for sustainable development of Harbin Bank	Corresponding section
Social – Employment and labour practices	B2 Health and safety	General disclosure	Policy on provision of safe working environment and protecting employees from occupational hazards	Staff Career - Development
		B2.1 Number of death and death rate in relation to work	Number of death in relation to work (commute)	
			Death rate in relation to work (commute)	
		B2.2 Day of absence due to work injuries	Day of absence due to work injuries	
	B3 Development and training	General disclosure	Policy on enhancing knowledge and skill for performing duties	Staff Career Development
		B3.1 Percentage of staff attending training by gender and staff type (such as senior management and middle management)	Coverage rate of training by gender and staff type	
		B3.2 Average number of hours of completed training per employee by gender and staff type	Average training hours by gender and staff type	
	B4 Employment standards	General disclosure	Policy on preventing child labour and forced labour	Staff Career Development
Social – Operating practice	B5 Supply chain management	General disclosure	Policy on supply chain and social risk management	Green Office
	B6 Product responsibility	General disclosure	Policy on health and safety, advertising, labelling and privacy issues in relation to products and services offered and remedial measures	Year of Products: Digital inclusive Finance acceleration
		B6.2 Number of complaints about products and services and response	Total business calls recorded in customer service centre	
			ate of handled customers' complaints	
	B7 Anti- corruption	General disclosure	Policy on anti-bribery, anti-blackmail, anti-fraud and Anti-corruption anti-money laundering	Anti-corruption anti-money laundering
		B7.1 Number of concluded litigations regarding corruption against the issuer or its employees during the reporting period and litigation results	Number of incompliance litigations	Internal control
	B8 社区投资	General disclosure	where we operated and ensuring our operations have taken into account of community's interests	Charity Campaign
		B8.1 Key contribution areas (such as education, environment matters, labours' demands, health, culture and sports)	Number of microcredit customers	New five-year plan: upgrade of microcredit strategic goals
			Percentage of microcredit customers	
Social Community			Number of village and township banks in national poverty counties	
			Number of customers at village and township banks	
		B8.2 Resources utilised in key areas (such as money or time)	Total expenses of charity campaigns	
			Balance of small credit	
			Amount of national education loans	
			Balance of village and township bank loans	

Independent Assurance Report



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Independent Limited Assurance Statement on Corporate Social Responsibility Report

To the Board of Harbin Bank Co., Ltd.:

I. Scope of Our Engagement

The 2016 Corporate Social Responsibility Report (the "Report") of Harbin Bank Co. Ltd (the "Bank") has been prepared by management of the Bank (the "Management"). The Management is responsible for the collection and presentation of information within the Report according to the principles of Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Ltd., and referring to "G4.0 Sustainability Reporting Guidelines" and "Financial Services Sector Supplement" of the Global Reporting Initiative, "Opinion on Strengthening Social Responsibility of Banking Financial Institutions" of the China Banking Regulatory Commission, and "Guidelines on Corporate Social Responsibility of Banking Institutions* of the China Banking Association and other standards, and for maintaining adequate records and internal controls that are designed to support the cooperate social responsibility reporting process

Our responsibility is to carry out moderate assurance (the same as limited assurance) procedures and issue the assurance statement in accordance with International Standard on Assurance Engagements: Assurance Engagements other Than Audits or Reviews of Historical Financial Information (the "ISAE 3000") for the selected key indicators for the year 2016 in accordance with the Management's instructions.

Our work was limited to these stated above and our report is made solely to you, as a body, and for no other purpose. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely as its own risk. II. Work Performed

Our review has been planned and performed in accordance with ISAE 3000. In order to form our conclusions, we carried out the following procedures. In accordance with the Management's instructions, we performed limited assurance procedures at head office level over the following key performance indicators in the Report for the year ended 31 December 2016:

- The staff
- · Proportion of female staff
- · Proportion of female management staff
- Total charity donation
- Green credit balance
- The number of clients of village and township banking services
- · Balance of microcredit

The limited assurance procedures we carried out are following:

- Interviewing the Bank's management and staffs responsible for the selected key performance information;
- · Performing analytical review procedures;
- Performing sample inspection on the selected key performance information;
- Performing recalculation procedures;
- Other procedures we considered necessary.

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III. Limitations of Our Scope

Our scope of work did not include:

- Assessing the accuracy or fairness of information (including financial information) other than the selected key performance information.
- Reviewing the forward-looking statements made by the Management.
- Reviewing and consequently providing assurance on historical data.
- IV. Level of Assurance

Cur evidence gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusion. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable assurance opinion or an audit opinion. While we considered the effectiveness of the Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. 安永华明《2017》专字第 60715519_A04号 Page 2

V. Our Conclusions

Subject to the limitations of scope and based on the procedures specified above for this limited assurance engagement, we provided the following conclusions to the 2016 Corporate Social Responsibility Report of Harbin Bank Co., Ltd.:

Nothing has come to our attention that causes us to believe that the selected indicators were not presented fairly, in all material respects, in accordance with the Criteria.

VI. Our Independence

We are in compliance with the Ernst & young Global Independence Policy which was designed to comply with the requirements of the IFAC Codes of Elhics for Professional Accountants (the IFAC Code). We believe that there were no events or prohibited services provided which could impair our independence.

VII. Our Assurance Team

Our assurance team has been drawn from our corporate social responsibility assurance service network, which undertakes similar engagements to this with a number of domestic or international businesses. Our assurance team has met the requirements of competence and work experience of this engagement.



Feedback Form

Dear reader,

Thank you for reading this report. For improving the corporate social responsibility management work of Harbin Bank and promoting our ability to perform social responsibilities, we sincerely hope that you can evaluate this report. We would appreciate your valuable opinions and suggestions.

You may choose any of the following means to provide your feedback:

Fax: 86-451-86779829

Telephone: 86-451-86779933

Post: No. 888 Shangjiang Street, Qunli New District, Daoli District, Harbin, Heilongjiang Province, the PRC

Postal Code: 150070

Email: ir@hrbb.com.cn

Please provide your feedback below:

1. Have you obtained information you need from the report?

Yes 🗌 General 🗌 No 🗌

2. Do you think the report reflects the economic responsibilities assumed by the Bank in all respects?

Yes 🗌 General 🗌 No 🗌

3. Do you think the report reflects the environmental responsibilities assumed by the Bank in all respects?

Yes 🗌 General 🗌 No 🗌

4. Do you think the report reflects the social responsibilities assumed by the Bank in all respects?

Yes 🗌 General 🗌 No 🗌

5. Do you think the report discloses adequate quantitative data?

Yes 🗌 General 🗌 No 🗌

6. Do you think the layout of the report helps you read the report?

Yes 🗌 General 🗌 No 🗌

7. Please specify here any opinion and recommendation for our 2016 corporate responsibility report: